2024

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

EXOSENS
REVEAL THE INVISIBLE

Contents

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INCLUDING THE ANNUAL FINANCIAL REPORT

2024

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was approved on 29 April 2025 by the French Financial Markets Authority) AMF in its capacity as competent authority under Regulation (EU) 2017/1129.
The AMF has approved this document after verifying that the information it contains is complete, consistent, and comprehensible. This approval does not imply that the accuracy of this information has been verified by the AMF. The Universal Registration Document has the following approval number: R. 25 – 001.
This approval should not be considered a favourable opinion on the issuer described in the Universal Registration Document.

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 securities note and, where applicable, a summary and its amendment(s). If this is the case, the securities note, the summary and all amendments to the Universal Registration Document since it was approved are approved separately in accordance with Article 10(3), paragraph 2 of Regulation (EU) 2017/1129.

The Universal Registration Document is valid until 29 April 2026 and, during this period and at the latest at the same time as the securities note and under the conditions of Articles 10 and 23 of Regulation (EU) 2017/1129, must be completed by an amendment should new material facts, errors or substantial inaccuracies arise.

This Universal Registration Document is a reproduction in PDF format, translated into English, of the official French version of the Universal Registration Document established in XHTML format, filed with the AMF on 29 April 2025 and available on the AMF website (www.amf-france.org). This reproduction is available on our website www.exosens.com.

Message from the Chief Executive Officer

I would like to thank our staff, clients, suppliers, board and investors for 2024, a full review of which is presented here.

2024 was a pivotal year for EXOSENS, with our first listing on the Euronext market in Paris on 7 June, continued strong growth for the company boosted by the announcement of four acquisitions, and the ongoing execution of our strategy.

Our sensor technology covers the full spectrum of light and particles. It has been developed and applied with significant successes in the fields of instrumentation, microscopy and material analysis for the life sciences, in nuclear Small Modular Reactors (SMR) and in industrial research applications. In the defense sector, we have cemented our established relationships with NATO countries based on an excellent reputation and have secured a new tranche of the OCCAR contract for Germany, which will improve our visibility. Current geopolitical movements have also thrust the need for sovereign defense back into the spotlight, raising our profile.

We aim to keep growing with our customers, with their product and application portfolios or installed base, to provide them with the best photonic or particle sensor technology for their critical applications and to set ourselves apart by tailoring our sensors to their specific needs.

We have announced four acquisitions and finalised three of them (Centronic, LR Tech and Noxant) as of the date of this Universal Registration Document. These companies join the Group to add their product portfolios, know-how and critical applications, while benefiting from greater commercial penetration and a much broader base of accessible technologies. We shall continue to strengthen the Group and step up its growth through targeted acquisitions in our fields of technology.

The dedication of our 1,800 staff has been bolstered by our listing, which helps us attract talent and lends credibility to our diverse range of technical roles, which have a significant impact on society through the protection and prevention they provide. This dedication to our customers as well as to our expertise is the backbone of the Group and the cornerstone of its values of entrepreneurship, teamwork, respect, trust and innovation.

Setting up a Board of Directors when we listed on the stock exchange strengthened our governance as part of a broader sustainable development approach that has grown and taken root in the Group and its industrial facilities, which include 11 sites across 9 countries.

EXOSENS continues to differentiate itself through technology in targeted growth markets in an industrial and geopolitical environment that is supportive of our Defense, Life Sciences, Industrial Control and Nuclear end markets. We aim to continue providing sensors that protect and prevent by revealing what is invisible to the human eye!

Jérôme Cerisier

Chief Executive Officer of EXOSENS

Our key figures

€394,1 million
Revenue

€30.4 million
R&D expenses
i.e.
7.7%
of revenue

€118.5 million
adjusted EBITDA

30.1%
adjusted EBITDA margin

€55.4 million
Free cash-flow (*)

€41.5 million
Net profit (excluding PPA)

€5.1 million
Annual dividends paid

€41.3 million
CAPEX total (*)

2 business segments

71% Amplification **
29% Detection & Imaging **

For financial year ending 31 December 2024, Group revenue by region was as follows:

13% / North America
21% / Asia
66% / Europe *(o/w 3% in France)*

80 active patent families

A commercial presence in over **70 countries**

1,800
employees

16 years
avg. time with Group

86/100
Gender equality index

* *Data from chapter 5.3.2*
** *As a percentage of 2024 Group revenue.*

Highlights

Our company was listed on the stock exchange in 2024. We are certain that this will make us more flexible to seize future growth opportunities and pursue a highly profitable and value-creating growth trajectory, as we continue to fulfil our mission: providing cutting-edge technologies to make the world a safer place!

07

June 2024

Listing on Euronext Paris (ticker symbol "EXENS") by way of a private placement, including a greenshoe option representing a maximum of 15% of the cumulative number of New Shares and Initial Sale Shares (i.e. a maximum of 2,625 002 Additional Sale Shares). The opening price of EXOSENS shares (€20.00 per share) was confirmed by a notice issued by Euronext Paris on 7 June 2024.

31

July 2024

Acquisition of Centronics, a British company specialising in radiation detectors.

1st

September 2024

Acquisition of LR Tech, a Canadian company specialising in Fourier transform infrared spectroscopy applied to environmental sciences (weather, atmospheric profiles).

18

November 2024

Entry into exclusive negotiations to acquire Noxant *, a company specialising in high-performance cooled infrared cameras for surveillance, non-destructive testing and gas detection applications.

> "2024 was a pivotal year during which we continued to rigorously execute our strategy. As well as aiming for sustainable growth, we remain committed to customer satisfaction, innovation, operational excellence and our acquisition strategy."

** Acquisition closed on 13 March 2025*

Our activities

EXOSENS: European leader in high-performance electro-optical technologies for defense and industrial applications.

EXOSENS is a high-tech group with over 85 years of experience in the innovation, development, manufacture and sale of high-performance electro-optical technologies in the field of amplification, detection and imaging. The Group offers a broad portfolio of detectors and imaging solutions such as image intensifier tubes, digital cameras with different wavelengths, ion, electron, neutron and gamma-ray detectors as well as power tubes and travelling wave tubes. EXOSENS provides tailor-made solutions to meet the needs of end users facing complex issues in challenging environments in the areas of defense and surveillance, life sciences, industrial control and nuclear applications.

The Group sells most of its products to original equipment manufacturers (OEMs), who then integrate the products into their own systems and equipment and sell them to the end users. To a limited extent, the Group also supplies some of its products directly to end users, in the field of electronic amplification as well as sensors used in the space industry. Although most of its products are sold to OEMs, the Group has in-depth knowledge of the needs and expectations of end users across its various markets. This allows it to design and develop products best suited to their specific requirements and to be listed by them.

The Group has expanded its product portfolio in recent years, acquiring well-known companies that are leaders in their respective markets **in Belgium, Germany, Canada and Israel.**

As at the date of this Universal Registration Document, the Group offers its products through four brands: **Photonis, Xenics, Telops and El-Mul.**

EXOSENS serves **4 main markets: defense and surveillance, life sciences, industrial control and the nuclear industry with the same ambition.**

Our business model

OUR RESOURCES

Our human capital
- **1,800** employees
- Unique technological expertise

Our technological capital
- **24%** engineers among our employees
- **80** active patent families
- **7.7%** of revenue invested in gross R&D

Our industrial capital
- **11** production sites and R&D centres (all ISO 9001 certified - quality management system)

Our commercial capital
- **+300** clients (including industry leaders)
- **97%** revenue generated abroad

Our financial capital
- Listed on **Euronext Paris** (in June 2024)
- Leverage ratio of 1.2x (as at 31 December 2024)

Our suppliers and subcontractors
- Selection and hiring of suppliers with a focus on sustainable development

Our environmental capital
- Circular economy: **100%** of R&D teams to be trained in eco-design by end 2025

TECHNOLOGICAL INNOVATION IS **CORE TO OUR STRATEGY**

OUR MISSION

Providing innovative technological components for amplification, detection and imaging.

OUR VALUES

Entrepreneurship, passion, respect, team spirit, trust.

MARKET **TRENDS**

CATERING TO KEY MARKETS WITH LONG-TERM STRUCTURAL GROWTH DRIVERS

01

LIFE SCIENCES AND THE ENVIRONMENT
- Early diagnosis
- Genomic development
- Gas detection

We stand out in a highly competitive market with a high barrier to entry thanks to our technological innovation. Our state-of-the-art solutions give our customers a clear competitive advantage. Thanks to our expertise in R&D and industrial-scale production, we can supply high-quality products in large volumes, strengthening our leadership position in this exacting sector.

VALUE CREATION
for our stakeholders

Our staff

- **16 years** with the company on average
- Gender equality index: **86%**

Our clients

- Giving our customers a competitive edge by drawing on unique innovation capabilities
- A reliable partner for our customers: **21 year** relationship on average with our top ten clients

Scientific community

- Over **60%** of revenue generated by products launched since 2016
- State-of-the-art technologies for space missions

Our investors and shareholders

- **€394 m** revenues
- **€118.5 m** adjusted EBITDA
- Cash conversion of **74%**.

Society: providing solutions to make the world a safer place

- Protecting societies
- Impact on health: contributing to progress in diagnosing and treating diseases
- Energy: predictive maintenance
- Resources: aerial methane detection
- Quality: food sorting

02 INDUSTRIAL CONTROL

- Factory automation
- Artificial intelligence
- Semiconductor inspection
- Waste management

03 NUCLEAR

- Resurgence of interest in new-generation nuclear power stations
- Development of small modular reactors

04 DEFENSE

- Rising defense budgets
- Increasing tactical advantage of night operations in high-intensity conflicts

THE GROUP ORGANISES ITS ACTIVITIES AROUND TWO SEGMENTS:

AMPLIFICATION

71%

of Group revenue for financial year ending 31 December 2024

Amplification, comprising systems using electron or electromagnetic wave amplification to produce images or a power source. Most Amplification sales are components and modules for integration into equipment, particularly night vision equipment, used in the defense sector (mainly the armed forces and internal security services).

DETECTION AND IMAGING

29%

of Group revenue for financial year ending 31 December 2024

Detection & Imaging, consisting of systems for detecting optical or electronic signals or generating an image from radiation in different wavelength bands of the electromagnetic spectrum. The vast majority of sales in this segment come from the sale of high value-added components and modules for integration into instruments and systems for end-users in commercial markets (i.e., non-defense). These include nuclear power generation, research laboratories, the oil and gas industry, the food and drink industries, life sciences, semiconductors, electronics and recycling.

LIGHT AMPLIFICATION
Tubes that amplify light and provide night vision capabilities in low-light environments

ELECTRONIC AMPLIFICATION
Sources of electromagnetic power

DETECTION
Detectors for scientific and industrial applications (semiconductors, space, etc.)

NUCLEAR
Neutron and gamma ray detectors for nuclear reactors

IMAGING
Cameras covering the full imaging spectrum (from UV to infrared)

The Group has developed a unique position in its markets with over 85 years of experience in the development of high-tech solutions. It has strong and well-known brands occupying leading positions on their respective markets. It is also able to control complex industrial processes involving a large number of technologies in small and medium production runs in niche markets that have a limited number of players. The Group's agile corporate culture, which is customer-focused and structured around a decentralised organisation, is enhanced by its integration into a complex ecosystem characterised by multi-level and long-term relationships.

01

Presentation of the Group and its activities

1.1 General presentation of the Group

EXOSENS is an international high-tech group with over 85 years of experience in the innovation, development, manufacture and sale of high-end electro-optical technologies in the field of Amplification, Detection and Imaging. The Group offers a broad portfolio of detectors and imaging solutions such as image intensifier tubes, digital cameras with different wavelengths, ion, electron, neutron and gamma-ray detectors as well as power tubes and travelling wave tubes. EXOSENS provides tailor-made solutions to meet the needs of end users facing complex issues in challenging environments in the areas of defense and surveillance, life sciences, nuclear and industrial control.

The Group sells most of its products to OEMs (Original Equipment Manufacturers), who then integrate the products into their own systems and sell them on to their own customers, the end users. To a lesser extent, the Group also supplies some of its products directly to end users, in the field of electronic amplification, sensors used in the space industry and cameras for scientific research. Although most of its products are sold to OEMs, the Group has in-depth knowledge of the needs and expectations of end users across the various markets. This allows it to design and develop products best suited to their specific requirements, with the result that it is often referenced by them. The OEMs then select the Group to supply the components that they use to manufacture equipment supplied to end users.

The products sold by the Group are essential for the performance and efficiency of the end products sold by its customers, thus allowing the Group to establish itself as a critical supplier in the value chain of its customers and end users.

Sustained and ongoing investment in research and development has enabled the Group to position itself as a major innovator in electro-optics. As of 31 December 2024, the Group owned 80 protected inventions (patent families), comprising more than 300 patents and active patent applications worldwide. Furthermore, the number of patent applications filed by the Group more than doubled in 2024 compared to 2023. Most of the Group's patent families fall within the technical fields of electrical machinery, measurement, optics, image display technologies, semiconductors, nuclear physics, microstructures and nanotechnologies.

As of the date of this Universal Registration Document, the Group, which employs approximately 1,800 people [(1)], sells its products in more than 70 countries through its four brands (Photonis, Xenics, Telops et El-Mul) and has eleven production and research and development sites and three sales offices, reflecting its global geographical footprint.

The Group structures its business activities around two segments:

(i) Amplification, which accounted for 71.1 % of the Group's revenue for the financial year ended 31 December 2024, consisting of systems using the amplification of electrons or electromagnetic waves to produce an image or power source. The majority of Amplification sales come from selling components and modules for integration into equipment used in the defense sector (mainly the armed forces and internal security services);

(ii) Detection & Imaging, which accounted for 29.8 % of the Group's revenue for the financial year ended 31 December 2024, consisting of systems for detecting (optical or electronic) signals or generating an image from radiation in different wavelength bands of the electromagnetic spectrum. The vast majority of sales in this segment come from the sale of components and modules for integration into instruments and systems in commercial (i.e., non-defense) markets. These markets encompass sectors such as nuclear power generation, research laboratories, the oil and gas industry, the agrifood industry, life sciences, semiconductor inspection, electronics and recycling.

The Group is the leader in the Light Amplification market (excluding the United States) and one of the leaders in the Detection and Imaging markets that it targets, which present attractive growth prospects (see Section 1.2 "Presentation of the Group's markets and competitive position" of this Universal Registration Document).

The Group has developed a unique position with over 85 years of experience in the development of high-tech solutions. The Group possesses strong and well-known brands occupying leading positions on their respective markets. It is also able to control complex industrial processes involving a large number of technologies in small and medium production runs in niche markets. The Group's agile corporate culture, which is customer-focused and structured around decentralised organisation, is enhanced by its integration into a complex ecosystem characterised by long-term commercial relationships and partnerships.

In 2024, the Group recorded revenue of €394.1 million, an increase of 35.0% compared to 2023. This was broken down as follows by geographical area: 66 % in Europe, including 3 % in France, 13 % in North America and 21 % in Asia (i.e. 97 % of the Group's revenue was generated by products sold outside of France in 2024).

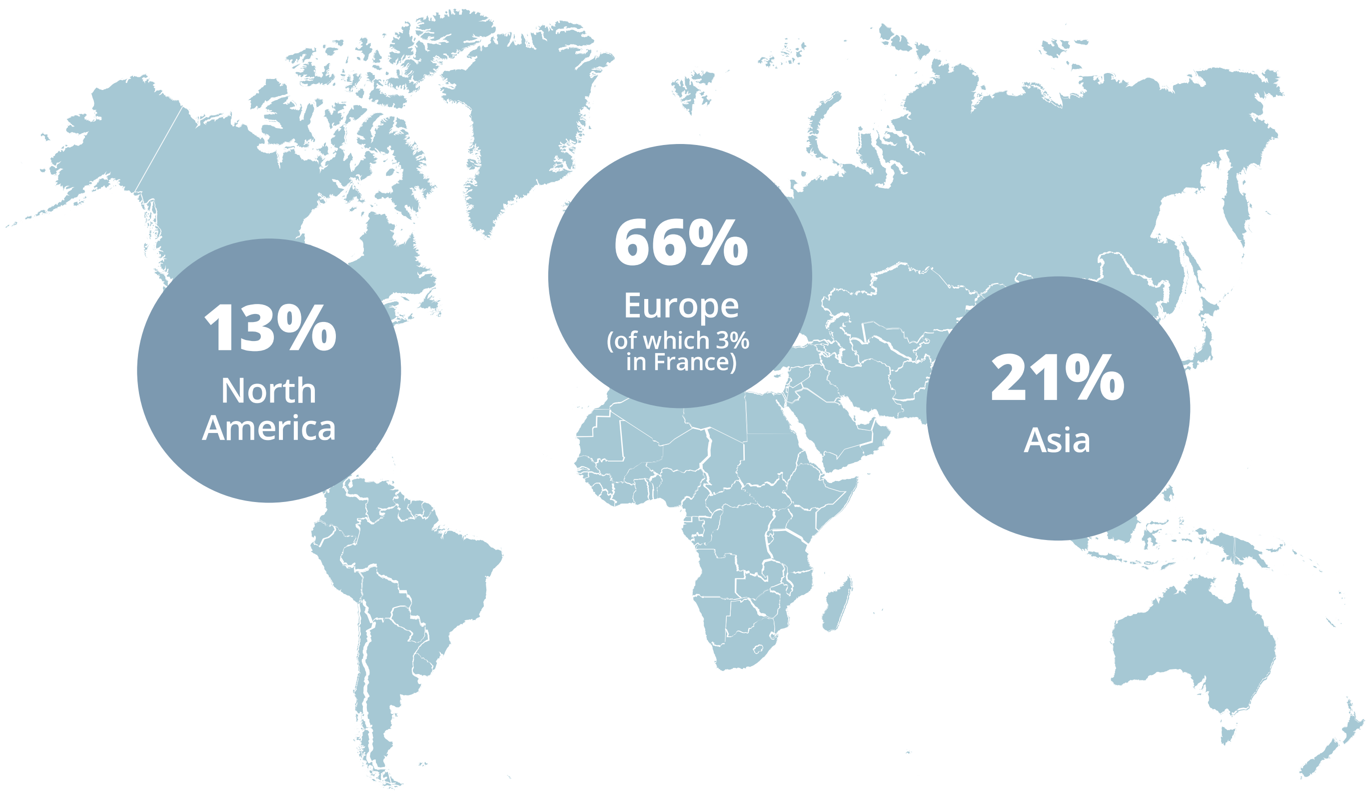
[(1)] *Including Centronic and LR Tech,as well as temporary and seconded staff.*

70 countries

4 brands
Photonis, Xenics, Telops and El-Mul

11 production and research and development sites

3 sales offices



97% of the Group's revenue comes from products sold outside of France.

1,800 employees

29%
Detection and Imaging

DETECTION
NUCLEAR
IMAGING

71%
Amplification

LIGHT AMPLIFICATION
ELECTRONIC AMPLIFICATION

1.2 Presentation of the Group's markets and its competitive position

The Group operates in the Amplification, Detection and Imaging markets, which have enjoyed positive growth in recent years, and which are set to continue to experience such growth in the future. The Group is the leader in the Light Amplification market (outside the United States) and one of the leaders in the Detection and Imaging markets it serves.

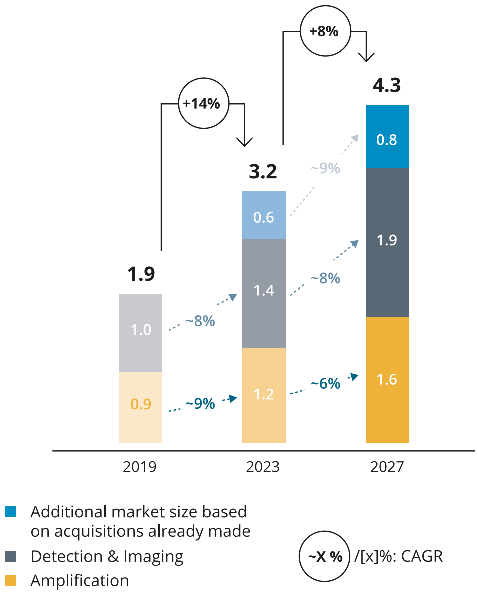
The total addressable market [1] for Amplification and Detection and Imaging was €3.2 billion in 2023 compared to €1.9 billion in 2019 (representing an compound annual growth rate of 14% over the period 2019–2023), including:

- €1.2 billion for Amplification *(sources: Renaissance Strategic Advisors; Verified Market Research)*; and
- €1.9 billion for Detection and Imaging *(source : Roland Berger), including* €0.6 billion in market size derived from acquisitions already made by the Group *(source: Company estimates).*

The total addressable market for Amplification, Detection and Imaging is expected to continue to grow over time, reaching €4.3 billion in 2027 (a compound annual growth rate of 8% over the period 2023–2027), including:

- €1.6 billion for Amplification *(source: Renaissance Strategic Advisors)* ; and
- €2.7 billion for Detection and Imaging *(source: Roland Berger),* including €0.6 billion in market size derived from acquisitions already made by the Group *(source: Company estimates).*

GROUP'S TOTAL ADDRESSABLE MARKET
(IN BILLIONS OF EUROS)



[1] *In this Universal Registration Document, references to the total addressable market mean the market or markets (i) in which the products included in the Group's current portfolio can be sold; or (ii) in which the Group could sell products not currently included in its portfolio but which it could manufacture within its design and production capabilities. References to the market targeted by the Group refer to the market or markets that it has identified as those in which the products in its current portfolio are sold. References to the additional market size derived from acquisitions already made by the Group refer to the market or markets which it targets with products included in the portfolio of such acquisitions.*

1.2.1 The trends and competitive position in our markets

1.2.1.1 Amplification market

Market trends

The Amplification market covers (i) the Light Amplification market, for which the Group supplies image intensifier tubes (*Image Intensifier Tubes* – I2), used mainly in manufacturing equipment for the defense sector, including night-vision equipment for soldiers and helicopter pilots, and, to a lesser extent, in manufacturing equipment for the commercial sector, used in particular for *Air Soft* or leisure activities (hunting, nature); and (ii) the Electronic Amplification market, for which the Group supplies power tubes and travelling wave tubes, used predominantly for defense equipment, in certain electronic warfare systems and radars in particular, as well as to provide sources of power for major scientific research projects. Light amplification components sold by the Group account for the vast majority of revenue in its Amplification business.

General trends

Given the use of light amplification and electronic components sold by the Group, the development this business is closely linked to trends in the defense sector; those which have underpinned growth in the market in recent years and which should continue to do so in the long term.

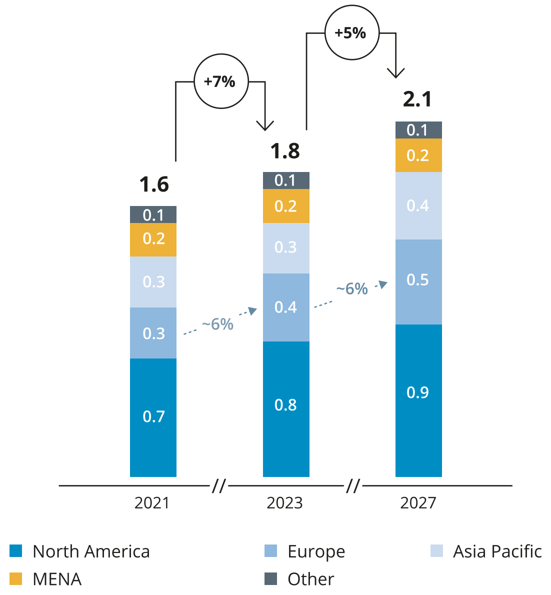
Defense stakeholders are operating in an environment marked by the recent emergence of armed conflict in certain regions and by an increased risk of armed conflict in other areas. Events such as the war between Russia and Ukraine and the potential threats it poses to security in Europe, the conflict triggered on 7 October 2023 between the terrorist organisation Hamas and Israel and its repercussions in the Middle East, territorial disputes in the South China Sea and the Pacific, and the emergence of new types of attack, such as cyber-attacks, are all contributing to a significant increase in security threats around the world.

These events have direct implications for the defense sector, with in particular a further increase in defense budgets anticipated in the long term, after a cycle of underinvestment, particularly in Europe, where defense spending is expected to reach €0.5 trillion in 2027, compared with around €0.4 trillion in 2023 (driven in particular by an increase in spending in Germany, Poland, the United Kingdom and France), in North America, with defense spending estimated at around €0.9 trillion in 2027 compared with around €0.8 trillion in 2023, or in Asia-Pacific, with defense spending estimated at around €0.4 trillion in 2027 compared with around €0.3 trillion in 2023 *(source: Renaissance Strategic Advisors)*.

Armed forces in different countries, such as the United States, the United Kingdom and Germany, have also implemented programmes to modernise their soldiers' equipment with a view to improving their operational capabilities and maintaining a tactical advantage, adding to the increase in demand for night vision binoculars. In the United States in particular, innovation and equipment modernisation initiatives are expected to account for around 45% of the total defense budget in 2027.

The planning of defense programmes gives the Group a clear overview of market trends in the short term as well as beyond 2025, supported by equipment modernisation programmes.

GLOBAL DEFENSE SPENDING
(IN TRILLIONS OF EUROS)



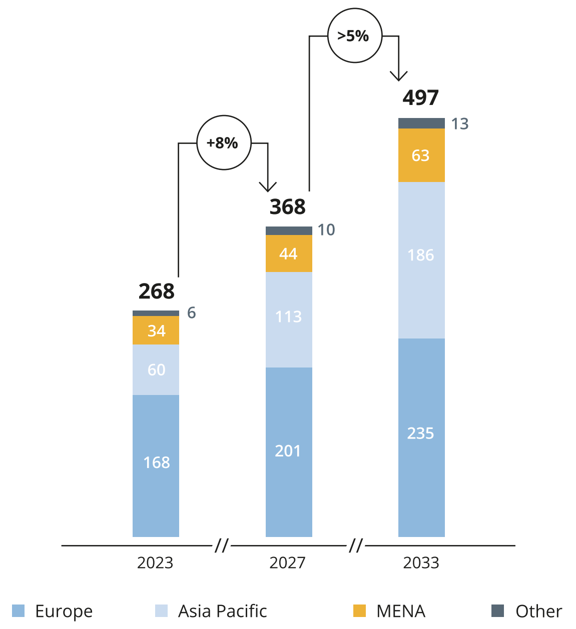
Source: Renaissance Strategic Advisors

Light Amplification market trends

The Light Amplification market corresponds to the market for I2s manufactured by the Group, which are the main components used to manufacture night vision equipment.

The total addressable market for light amplification (or IITs) is estimated at €0.5 billion in 2023 *(source: Renaissance Strategic Advisors)*. On this basis, the Group estimates that the Light Amplification market was worth €0.3 billion in 2023. The total addressable market for Light Amplification is expected to see a compound annual growth rate (CAGR) of nearly 9% over the period 2023–2027. Accordingly, the Group estimates that the Light Amplification market that it addresses should record an CAGR of around 8% over the same period and above 5% over the period 2027 - 2033.

LIGHT AMPLIFICATION - CORE ADDRESSED MARKET (UNITED STATED EXCLUDED)



Source: Renaissance Strategic Advisors

This significant growth forecast for the Light Amplification market is mainly due to the momentum in the night-vision equipment market.

The war in Ukraine in particular has had, and continues to have, a major impact on this market, as it highlights the need for armed forces to rapidly improve their night combat capabilities in the context of large-scale operations in symmetric, high-intensity warfare.

Following a period of under-investment in soldiers' equipment, at a time when terrorism dominated security concerns, governments in Europe, the Asia-Pacific region and the United States are reevaluating and adjusting their past procurement patterns, gearing up their night-fighting equipment and preparing their armed forces for high-intensity operations ("One soldier, one pair of binoculars" doctrine). Following this change in doctrine, the majority of NATO countries, as well as major military powers such as Japan and South Korea, are aiming to equip each of their infantry soldiers with night vision binoculars, offering a particularly high potential for future penetration of this type of equipment and ensuring long-term market growth.

In Europe, the governments of countries such as Germany and Poland and the Nordic countries are investing significantly in equipment for their infantry troops. In the Asia-Pacific region, countries from Australia to Japan and South Korea are planning to spend heavily on military modernisation. Growth in the night-vision equipment market in the United States is expected to be driven by the US government's roll-out of ENVG B NVG *(Enhanced Night Vision Goggle – Binocular)* and *Next Gen Binos* equipment programmes.

This significant investment in night-vision equipment is being matched by a shift in demand away from monocular goggles and towards binocular goggles, as soldiers seek to better distinguish field features. This means that more I2s will be needed for night-vision equipment, with twice as much required, thereby increasing the volume of I2s sold.

The Group believes that the risk of I2s being replaced in the medium term by other technologies, particularly digital sensors used for augmented reality technologies, is relatively limited. This is due to the current levels of performance offered by I2s. These other technologies are still in the development phase and do not perform as well as I2s, particularly in terms of energy consumption, size, weight and cost. For example, the IVAS *(Integrated Visual Augmentation Systems)* equipment programme, developed for the design of augmented-reality helmets for the US army, initially based on entirely digital technologies, has faced technical difficulties and is expected to be reworked, returning to technologies incorporating I2s, since digital solutions do not currently offer satisfactory levels of performance for use in operational conditions.

Electronic Amplification market trends [1]

The total addressable market for Electronic Amplification is estimated at €0.7 billion in 2023 *(source : Verified Market Research)*. On this basis, the Group estimates that the Light Amplification market is worth €0.3 billion in 2023. The total addressable market for Electronic Amplification is expected to see a CAGR of approximately 4% between 2023 and 2027. The Group thus estimates that the Electronic Amplification market that it addresses will record a CAGR of slightly below 4% over the same period.

The Electronic Amplification markets are shaped on the one hand by growing demand for satellite communications equipment, driven in particular by the rapid roll-out of high-speed 5G/6G Internet connections and the introduction of new-generation (*New Space*) satellite constellations, and on the other hand by the modernisation of defense equipment. These markets are currently set against a backdrop of rising geopolitical tensions and increased defense spending, reflected in increased demand for travelling wave tubes for radar systems, electronic warfare equipment such as jammers, and missile guidance systems. These systems, used for radio-frequency (RF) signal detection, jamming and communication, are in fact based on the harnessing of high-power microwaves provided by travelling wave tubes, making them essential components of modern defense applications. Supply programmes set up by the US Department of defense and the US *Navy*, where the Group believes it is well positioned, are contributing to the growing demand.

Competitive environment

Light Amplification market

The Group leads the Light Amplification market it serves (outside the US), holding an estimated market share of approximately 71% in 2023 *(source : Renaissance Strategic Advisors),* up around 15% on 2019.

The Group's main competitors in the Light Amplification market are major manufacturers of components and equipment mainly for the defense sector, such as the American subsidiary of Elbit Systems (Israel) and L3Harris (United States).

The Group has a global presence but focuses particularly on markets within Europe, the Middle East and Asia, while its main competitors, who also have global reach, tend to concentrate on the United States.

[1] *The Electronic Amplification market refers to the market for travelling wave tubes, as analysed in a study carried out by Verified Market Research entitled "Traveling Wave Tubes (TWT), Global market size, status and forecast to 2031", which provided the data on the Electronic Amplification market contained in this section.*

Electronic Amplification market

The Group is a niche player in the electronic amplification market, recognised as providing innovative, high value-added products that meet the highest quality standards, enabling it to cater for even the most technically sophisticated of projects.

The Group's main competitors in the electronic amplification market are major aerospace and defense companies, some of which are leaders in their sector, such as Thales in France, Teledyne in the United States and CPI, also in the United States, or the American Stellant (formerly L3Harris).

1.2.1.2 Detection and Imaging market

One of the key factors in companies' growth and value creation is their ability to provide the highest quality, most competitive products and services, not least by investing in research and development and optimising their production processes.

To this end, and depending on their sector of activity, companies need to understand certain fundamental phenomena, control their production processes, inspect their products and identify and reduce defects and waste. Such action can be carried out by observing the different characteristics (emission spectra, particles of matter) of materials and phenomena in order to determine their condition or status. The Group's Detection and Imaging components convert these characteristics into an electronic signal which is then processed in data or images.

The Group's Detection and Imaging components target three markets: (i) the Detection market, comprising the sub-segments of mass spectrometry, electron microscopy and optical microscopy; (ii) the Imaging market, comprising the sub-segments of machine vision and process control cameras, semiconductor inspection, optical gas leak detection, scientific research and electrical power line inspection; and (iii) the Nuclear market. Products sold by the Group in the Detection and Imaging markets account for almost all of the revenue of its Detection and Imaging segment, split almost equally between the two markets. The products sold by the Group in the Nuclear market represent a more limited share.

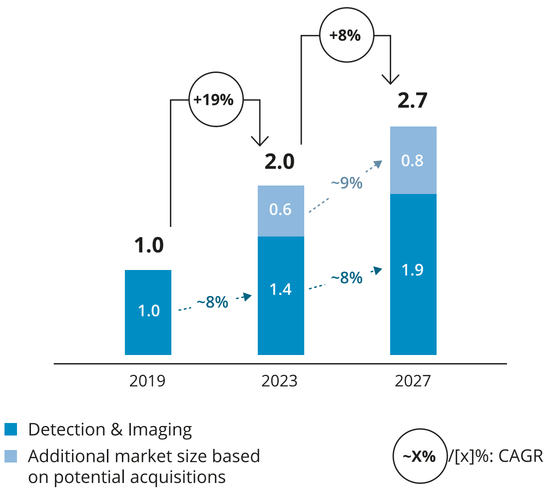
Market trends

The Group is exposed to a number of fast-growing end markets, including pharmaceutical research and development and life sciences, certain manufacturing industries (semiconductors, electronics, agrifood, waste management), the environment (methane detection, nuclear energy) and scientific research and development.

As such, the Group benefits from four general undercurrent trends: (i) rapidly growing underlying markets; (ii) an increasing uptake of high-end equipment, the Group's core focus, for use in both existing and new applications; (iii) technological development; and (iv) increased outsourcing of the design and production of Detection and Imaging components by original equipment manufacturers (OEMs).

The total addressable market for Detection and Imaging was around €2.0 billion in 2023 *(source : Roland Berger),* including a market size of €0.6 billion stemming from potential acquisitions, while the Detection and Imaging market addressed by the Group was worth €0.7 billion in 2023. Over the period 2023–2027, the total addressable market for Detection and Imaging is expected to record a CAGR of approximately 8%, reaching €2.7 billion in 2027, including a market size of €0.8 billion stemming from potential acquisitions, while the Detection and Imaging market addressed by the Group is expected to record a CAGR of approximately 8%, reaching €1.1 billion in 2027.

EVOLUTION OF THE DETECTION AND IMAGING MARKET



Source: Roland Berger.

Detection market

In 2023, it is estimated that the addressable Detection market amounted to €0.4 billion and that the market addressed by the Group totalled €0.2 billion *(source : Roland Berger).* The addressed Detection market is expected to record a CAGR of around 7% over the period 2023–2027, reaching €0.5 billion in 2027. The sub-segments of the Detection market are mass spectrometry, electron microscopy and optical microscopy.

Mass spectrometry

Mass spectrometry is an analytical technique widely used to identify the composition of a biological or inorganic sample by analysing the mass of its molecules. The Group supplies ion and electron detectors to OEMs, which are used to characterise the sample. Its range covers the main mass spectrometry technologies.

Growth in the addressable mass spectrometry market is expected to be driven mainly by the accelerated pace of research and development expenditure in the pharmaceutical, biotechnology and nanomaterials industries, as well as a maintenance market for the installed base.

Electron microscopy

Electron microscopy is used to determine the surface of a sample by directing a beam of electrons at it, which are then collected by a set of detectors. The Group supplies electron and ion detectors to a variety of OEMs for different types of microscopes, including scanning microscopes.

Growth in the addressable electron microscopy market is expected to be driven by increased research and development expenditure to meet high-performance needs in semiconductors and nanomaterials, along with the growing uptake of these systems in energy transition research (for example, in electric batteries, photovoltaic panels and low-carbon structural materials). In addition, OEMs manufacturing electron microscopy systems are expected to further increase the outsourcing of detection component manufacturing in the future due to their increased technical complexity. These developments require a high degree of technical expertise and significant R&D efforts. OEMs focused more on the manufacture of complete systems may therefore prefer to turn to specialist suppliers, such as the Group, for the supply of high added-value components, rather than manufacturing them themselves.

Optical microscopy

Optical microscopy is a technique used to obtain images of samples by projecting generally visible light onto the sample. In this sub-segment, the Group is targeting advanced research techniques that require top-of-the-range cameras capable of detecting low signal levels and analysing ultra-fast temporal phenomena.

Growth in the addressable optical microscopy market is expected to be driven by increased research and development expenditure in the life sciences sector and the accelerating adoption of advanced microscopy techniques in the pharmaceutical industry. Furthermore, technological advancements should increase the feasibility of CMOS camera use as well as the integration of smart tools inside cameras, all of which should help to benefit suppliers of high value-added components with first-in-class Research and Development capabilities – something that the Group believes it is in a position to exploit.

Nuclear market

For 2023, the addressable Nuclear market was an estimated €0.1 billion, with the market addressed by the Group estimated at less than €0.1 billion *(source : Roland Berger).* The addressable Nuclear market is expected to see a CAGR of around 9% over the period 2023–2027. Its growth is expected to be driven mainly by the construction of new nuclear reactors (with the anticipated addition of 600 gigawatts by 2040 *(source : Roland Berger)*) and the development of Small Modular Reactors *(*SMRs), with 600 units expected by 2040 *(source : Roland Berger*).

Growth in the addressable nuclear instrumentation components market is expected to be driven by increased investments decided upon by different governments in the fight against global warming. SMRs, which will be able to provide distributed energy supplies, are set to revolutionise the sector in the coming years, although their development and implementation may take some time. These energy sources are also designed to supply the new-generation data centres that process artificial intelligence.

The Group supplies critical components for the nuclear industry, which are used to ensure the safety of nuclear power plants, such as neutron detectors.

Imaging market

For 2023, the addressable Imaging market was an estimated €1.5 billion, with the market addressed by the Group estimated at €0.5 billion *(source: Roland Berger).* The addressable imaging market is expected to record a CAGR of around 9% over the period 2023–2027, reaching €2.1 billion in 2027. The sub-segments of the imaging market are machine vision and process control cameras; semiconductor inspection; optical gas leak detection; scientific research; and electrical power line inspection.

Machine vision and process control cameras

Machine vision cameras enable production systems to analyse and process visual information, and are therefore essential in supporting the steady increase in factory automation. Process control cameras are used to continuously monitor manufacturing processes to ensure quality and smooth operation. In this sub-segment, the Group supplies SWIR (Short Wave Infrared – near-infrared) and LWIR (Long Wave Infrared – thermal infrared) cameras.

Growth in the addressable market for machine vision and process control cameras is expected to be driven by the increasing automation of factories, supported by the roll-out of Industry 4.0 and the Internet of Things (IoT) as well as the tightening of regulatory standards (particularly around food safety, especially in high-population countries such as India and certain African countries, which are seeking to align themselves with Western regulations in this area).

Semiconductor inspection

The Group supplies top-of-the-range components that are integrated into electronic chip inspection equipment manufactured by the world's leading players. The Group's cameras and detectors cover most inspection stages of the semiconductor production process. These products are essential in the manufacturing of electronic chips.

Growth in the addressable market for semiconductor inspection is expected to be driven by growth in demand for electronic chip production equipment, to meet the high demand for semiconductors. Demand for semiconductors is expected to continue to grow substantially, underpinned by digitalisation, miniaturisation and the relocation of production sites in Europe and the United States to safeguard sovereignty, as well as increased demand related to the needs of Artificial Intelligence. In addition, the development of 3D semiconductor packaging is expected to lead to the advent of new inspection requirements, meaning that more control systems with enhanced performance will be needed.

Optical detection of gas leaks

Gas leak detection (usually aerial) involves attaching an imaging camera or laser sensor to a drone, helicopter or aircraft to monitor pipelines or production sites. To this end, the Group is offering a top-of-the-range LWIR hyperspectral camera for airborne gas leak detection systems (particularly methane).

Currently relatively small in size but expected to grow significantly as a result of anticipated changes in regulations, the addressable market for optical gas leak detection is mainly concentrated in the United States, owing to statutory requirements on the frequency of infrastructure inspections. Consequently, growth in the addressable market for optical gas leak detection is expected to be driven by the adoption of similar regulations in other countries, not least given that 155 countries have committed to reducing methane emissions by 2030 under the Global Methane Pledge.

Research and science

The Group produces high-performance cooled MWIR and LWIR cameras for scientific applications requiring the observation of precise temperature changes at a particularly high frame rate.

Between now and 2027, growth in the addressable science and research market is expected to be driven primarily by the development of large-scale projects in the field of materials as well as government investments, particularly in the United States. Furthermore, sales volumes are supported by ongoing innovations in resolution, detectors and interface performance, opening up new potential uses for cooled MWIR and LWIR cameras.

Electrical power line inspection

The Group's UV cameras can be used to detect the effects of corona discharge on high-voltage lines. This effect consists of the ionisation of the air around the high-voltage cable, causing the emission of micro-electrical discharges, which are only visible in the UV spectrum. This is a sign of wear and tear and provides advance warning of a probable interruption in operation.

The detection of this effect allows for predictive power grid maintenance in addition to traditional maintenance techniques using visible or infrared cameras, as well as power battery inspection.

Between now and 2027, growth in the addressable market for electrical inspection is expected to be driven by new regulations in Asia concerning high-voltage line maintenance. With regard to power battery inspection, growth is expected to be driven by the increase in demand for electric vehicles.

Competitive environment

Detection market

The Group places itself as the market leader in detection, with an estimated market share of around 24% in 2023 *(source: Company estimates based on Roland Berger report),* up slightly from 2019 (based on Group market share estimates).

The Group's main competitors in the Detection market are *pure player* suppliers such as Adaptas (a subsidiary of Michigan Industries) and Hamamatsu. Alongside this, for a relatively small part of the market, some OEMs such as ThermoFisher develop and manufacture the detection components they use for their in-house systems.

Nuclear market

The Group places itself as the leader in the Nuclear market, achieving an estimated market share of approximately 19% in 2023 *(source : Roland Berger)* (38% when including the market share of Centronic, whose acquisition was finalised by the Group in July 2024), up very slightly on 2019 (based on Group market share estimates).

Given the significant sovereignty implications associated with the Nuclear market, competitors in this market are mainly organised geographically. The Group specialises in Europe and China, with the United States dominated by Mirion and Reuter-Stokes, and Russia mainly supplied by local companies.

Imaging market

The Group's share of the imaging market was estimated at around 7% in 2023 *(source: Company estimates based on the Roland Berger report),* up from 2019 (based on Group market share estimates), thanks to the creation of a leading position in several high-end niche segments, both through internal development and acquisitions. The Group's strategy in this market is to specialise in high value-added products for specific, exacting uses.

The Group's main competitors in the imaging market are generalist component manufacturers, such as Hamamatsu and Teledyne, and specialist component manufacturers such as Raptor Photonics and Oxford Instruments.

1.2.2 Targeted end markets

The Group's products are integrated into systems and equipment intended for a wide range of end users in four main markets: (I) defense and surveillance; (ii) life sciences and the environment; (iii) industrial control; and (iv) nuclear.

1.2.2.1 Defense and surveillance

Defense

Backed by more than 85 years' experience, the Group develops, manufactures and sells night vision components (mainly image intensifier tubes), manufactured and sold as part of the Amplification business, based on cutting-edge technologies. These components meet the needs of armed forces and help soldiers improve their tactical grasp of their surroundings, enhance their agility and mobility, and improve their intervention and response capabilities, particularly at night.

The Group's products (chiefly power tubes, manufactured and sold as part of the Amplification business) are also used in the manufacture of electronic warfare jammers, anti-missile systems and weapon system simulators, as well as in military and commercial satellite data communication devices. Some of the Group's products, such as imaging components (like VIS/NIR, SWIR, MWIR and LWIR cameras), manufactured and sold as part of the Detection and Imaging business are used in armoured vehicles or to analyse infra-red signatures.

Surveillance

The Group offers a wide range of products to meet security and surveillance needs under the most extreme conditions. With geopolitical tensions on the rise, security and surveillance have become major issues for governments and businesses alike. Surveillance has become a key priority, particularly for critical infrastructures, search and rescue operations, law enforcement, maritime traffic control and border security. These surveillance systems must therefore operate continuously 24 hours a day, 7 days a week, regardless of the operating conditions, while maintaining the highest possible image quality.

Examples include critical infrastructures such as nuclear power stations and sensitive industrial sites, which require high levels of security for staff and their immediate environments, but also aim to prevent intrusion. As a result, the use of thermal imaging cameras to provide greater levels of night-time surveillance is becoming increasingly common. The Group's products, such as VIS/NIR and LWIR intensification cameras, manufactured and sold as part of the Detection & Imaging business, are designed to meet this increased demand.

1.2.2.2 Life sciences and environment

The Group's ambition is to use its capacity for innovation to contribute to scientific and industrial research and environmental responsibility.

Life sciences

In the life sciences sector, the Group's products are mainly intended for (analysis or research) laboratories and healthcare professionals.

One example of this is the need for analysis laboratories, as part of *ex-vivo* observation, to identify and check the health of body tissues, thereby ensuring the ability to carry out the analysis in real time in order to make the most appropriate choice for patients. As part of this effort, the Group offers device manufacturers single-photon detectors and high-sensitivity cameras (manufactured and sold as part of the Detection and Imaging business). Its single-photon detection solutions can equip cellular analysis systems in industry (particularly the food and pharmaceutical industries), used, for example, to detect suspect elements in bacteria samples or to identify bacteria in foodstuffs. They are also used to analyse pharmaceutical or chemical compounds.

Other sensors produced by the Group are installed in the most sophisticated analysis instruments used in the medical sector (e.g., mass spectrometry and electron microscopes) to analyse the composition of molecules and materials and determine their therapeutic or functional capacities.

The Group also offers its detection and imaging products to equip research laboratories already on the cutting edge of the latest developments in physics, requiring top-level components in fields such as quantum optics, fundamental physics and plasma research.

The Group's detection and imaging technologies also find their way into equipment used by healthcare professionals to carry out diagnostics for which the Group offers our wide range of cameras, from UV-intensified cameras to LWIR or SWIR cameras or visible/ near-infrared cameras for image production. Such devices are also used, in conjunction with imaging devices, to provide imaging in areas not visible to the naked eye, particularly in OCT (Optical Computed Tomography) systems.

Environment

Environmental and sustainable development issues have become crucial for companies and governments and are at the heart of the Group's development strategy. The Group intends to support this growth by offering its detection and imaging solutions for environmental observation and, where necessary, monitoring of events likely to affect the environment.

SWIR cameras and the Group's thermal imaging solutions (in MWIR and LWIR) are sold to manufacturers of gas detection systems and operators of gas transport infrastructures wishing to effectively detect gas leaks in their pipelines and infrastructure in order to limit maintenance costs and pollution risks and comply with regulatory requirements. These cameras can also be fitted to gas detection systems used by the oil and gas industry on production sites.

The Group's high-sensitivity cameras, such as UV intensification cameras, LWIR cameras and SWIR cameras, are also found in systems used by waste management companies. They are particularly useful for sorting plastic, a major environmental issue at the moment that requires high-performance imaging capabilities, particularly given the variety of plastics to be sorted.

The Group's cameras are also used for firefighting equipment. The extreme conditions in which firefighters operate require rapid decision making, and the use of high-performance thermal imaging cameras (which can be integrated into suits or helmets) can provide invaluable help.

The Group's detection and imaging technologies can also be used to prevent major fires at oil and gas sites or IT facilities.

Space exploration

The Group has longstanding relationships with space industry and research leaders, as well as with space agencies such as NASA and the European Space Agency, which have enabled it to develop innovative, tailor-made detection solutions for use on satellites. The Group's detection systems are used, among other things, to identify the composition of asteroids or the atmosphere of planets in the JAXA and SVOM space missions.

1.2.2.3 Industrial control

Precision and safety are key issues in industry and transport.

Non-destructive testing refers to techniques used to analyse a product without destroying it. Most non-destructive testing methods use visual inspection or X-ray analysis, and are used in sectors such as the food, automotive, aerospace and semiconductor industries. They can be used to monitor product quality on the production line, monitor production processes to detect potential malfunctions, prevent damage to high-voltage lines, in particular from ionising electrical discharges (power grid maintenance), as well as for analysing the chemical composition of materials or the shape of a laser beam or combustion stream. Specialist cameras (from UV intensification cameras to near-infrared cameras) and infrared (SWIR, MWIR or LWIR) cameras manufactured and sold by the Group are used to manufacture equipment for non-destructive testing.

In the transport sector, the Group's cameras are also integrated into systems that analyse the operation of trains on the rails, making it possible to identify problems and thus ensure passenger safety.

1.2.2.4 Nuclear instrumentation

Nuclear instrumentation includes equipment designed to detect, measure and analyse radiation generated by nuclear or radiation-related processes. Such equipment is vital in nuclear power plants, nuclear research and environmental monitoring. Nuclear instrumentation is essential to ensure safety, reliability and compliance in nuclear-related activities.

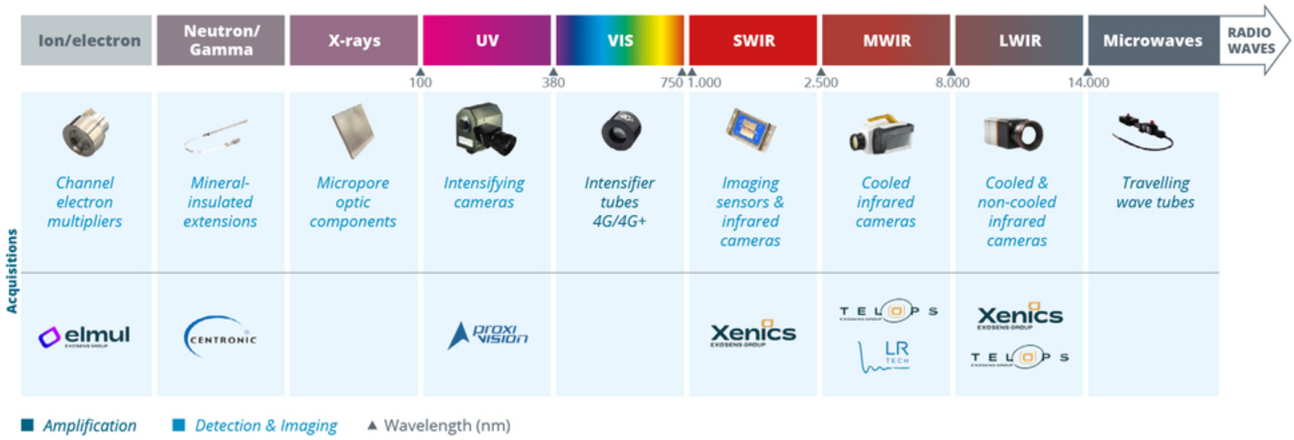
In France, the Group works closely with Framatome, the French Alternative Energies and Atomic Energy Commission (CEA) and TechnicAtome. Outside France, the Group has amassed a wealth of experience enabling it to equip all kinds of reactors, in particular pressurised water reactors (PWRs, including EPR reactors, the latest innovations in this field), boiling water reactors (BWRs), third- and fourth-generation reactors and medium- and particularly high-temperature reactors. It supplies its nuclear instrumentation products to more than 30 countries around the world.

The Group plays a part in nuclear safety by supplying gamma detectors, such as gamma ionisation chambers, neutron detectors, including fission chambers or boron-coated proportional counters, and mineral-insulated extensions.

01

1.3 Presentation of the Group's products and services

EXOSENS offers products for capturing and displaying signals covering the entire electromagnetic spectrum for high-performance applications.



Note: UV – Ultraviolet, VIS – Visible: SWIR – Short-Wave Infrared; MWIR – Medium Wave Infrared; LWIR – Long-Wave Infrared.

1.3.1 Amplification components and modules

Light amplification

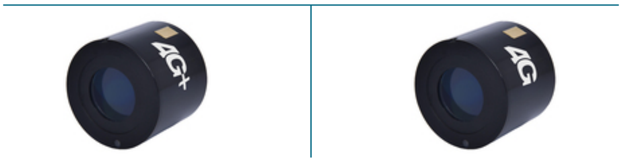
Image intensifier tubes (IITs) are devices that amplify ambient light (from natural sources such as starlight, moonlight or artificial sources such as street lamps or flares) or infrared light to render low-light images visible to the human eye.

Light intensification involves using ambient or infrared light, which then passes through an intensifier tube containing a photocathode that converts the photons received into electrons. These electrons are then amplified as they pass through the tube and strike a screen, which converts them back into photons. These photons align identically to the original photons to produce a perfect image.

The photons (the particles involved in electromagnetic radiation, i.e., light particles) produced by a low-luminosity image enter a tube where they are converted into electrons (the charged elementary particles in atoms) and amplified – in other words, they are multiplied hundreds of thousands of times before being converted back into photons on a phosphor screen, producing an image that is much brighter than the image produced in the initial light conditions and that can be seen by the human eye once it has been reflected back to the lens.

Through its Photonis brand, the Group offers a wide range of intensifier tubes to its customers, who integrate them into the night-vision devices they design and offer to end-users in the defense sector or the commercial sector (e.g., recreational shooters, hunters or Air Soft activities).

INTENSIFIER TUBES INTENDED FOR THE DEFENSE SECTOR: PHOTONIS TUBES XR5, 4G AND 4G+



Photonis intensifier tubes (XR5, 4G and 4G+ models with a 16 mm or 18 mm diameter) are the models sold to the defense sector. These intensifier tubes are designed to be integrated into soldiers' vision equipment and army vehicles. They can also be used for rescue missions or by law enforcement.

Night vision allows users to operate safely in reduced visibility, at night or in low light. In modern warfare, operations carried out under the cover of darkness require night-vision capabilities, which are essential both from a tactical and protection perspective ("be the first to see").

Key performance requirements for night-vision equipment include being easy to use and operate, the weight, offering an adequate detection range (i.e., the distance at which an image can be seen by the human eye), as well as being reliable, robust and autonomous. In general, night-vision equipment must provide an appropriate balance of size, weight and the technical features mentioned above.

Photonis 4G+ tubes are able to adapt images ultra-fast in the event of sudden changes in light conditions (e.g., a nearby explosion), enabling the user (in this case, the soldier) to retain a visible image and not be "blinded" for a few seconds. These tubes offer high performance thanks to a particularly high Figure of Merit (FoM[1])) and extended sensitivity, covering a range from the visible to the near-infrared (spectral range from 350 nm to 1,100 nm), enabling users to benefit from the best possible detection range in all changing environments. These tubes are generally used by special forces, whose missions and equipment require a high level of performance.

Photonis 4G tubes (available in 16 mm or 18 mm diameters) have been the benchmark product for conventional ground forces in Europe and some other countries for the past ten years or so, as they are less costly than 4G+ tubes while still maintaining a high level of performance. Photonis 4G tubes have a slightly lower FoM than Photonis 4G+ tubes and cover the same spectral range from visible to near-infrared.

XR5 tubes are the lowest-performing products in the Photonis range and currently represent a very small proportion of sales of the Group's light intensifier tubes.

INTENSIFIER TUBES INTENDED FOR THE COMMERCIAL SECTOR: PHOTONIS TUBES ECHO AND ECHO+

Photonis intensifier tubes for the commercial sector are sold under the ECHO brand, offering two levels of performance and image quality: ECHO and ECHO+.

The ECHO range serves a wide range of night-vision applications in the commercial market, including Air Soft, and leisure pursuits (astronomy, nature), as well as civil security and police forces.

Electronic amplification

Power tubes

Power tubes are components that amplify the highest frequencies in the electromagnetic spectrum (i.e., microwaves and radio waves), thereby increasing their intensity compared to a reference signal (calculated in decibels). This type of tube is used to amplify space probe transmitters whose incoming signals are generally of very low power but whose outgoing signals need to be of particularly high power. When such tubes are not used, solid-state transmitters are unable to perform this function partly due to the distances the signals need to travel and partly due to the fact that these transmitters require significant energy to operate.

These components use electrodes placed in a vacuum or rare gas and powered by a source of electrons. A temperature-resistant casing (made out of glass or, in the case of the Group's products, ceramic or metal in order to allow them to meet the reliability and robustness requirements for their intended use) insulates the unit from the external environment. The Group's power tubes also include systems to cool the electrodes, as their temperature rises during the signal amplification process.

The power tubes manufactured and sold by the Group, under the Photonis Défense brand, include a wide variety of tubes (tetrodes and triodes) and their associated circuit components. They are mainly used by the defense sector but are also used for communications, broadcasting, research and other applications.

POWER TUBES USED FOR DEFENSE AND SCIENTIFIC RESEARCH

Under the Photonis Défense brand, the Group manufactures and sells a wide range of power tubes for the defense sector. These tubes are reliable, robust and effective, offering high performance levels in challenging environments where they can be exposed to severe shocks and vibrations.

These tubes have multiple applications in the defense sector, e.g., communications systems and radars for mobile on-board installations (ships or aircraft) or in fixed stations. They are critical components and need to meet precise specifications in terms of reliability and quality.

For the defense sector, the Group also offers a range of ultra-high frequency (UHF) mobile tubes, which are more compact and specifically suited to high-temperature environments, or low noise intensifiers, which are essential electronic components in communication and radar systems and are primarily designed to amplify weak signals from an antenna with a minimum of added noise or distortion, thereby preserving the quality of the original signal.

These tubes are widely used as radio-frequency power intensifiers and pulsed radio-frequency power intensifiers in aircraft, as well as in mobile and stationary equipment for the armed forces. The Group also sells UHF mobile tubes that can be used as regulators or distributed intensifiers, making them versatile and suitable for a wide range of applications.

Under the Photonis Défense brand, the Group also manufactures and sells very high frequency (VHF) power tubes, which are mainly for television transmitters and therefore supplied to television channels.

(1) *The FoM is calculated by multiplying the signal to noise ratio by the limit of resolution. The higher the FoM, the sharper the quality of the image produced by the tubes.*

Under the Photonis Défense brand, the Group manufactures and sells a wide range of power tubes for frequency modulation (FM), which is a radio broadcasting method that uses frequency modulation (as opposed to amplitude modulation (AM)) to transmit a signal, and is specifically designed for commercial transmitters. Frequency modulation provides high-quality sound over broadcast radio.

Under the Photonis Défense brand, the Group manufactures and sells a wide range of power tubes for applications in the research sector, including in particle accelerators. These power tubes are also used for long-range radars.

Other amplification components

Travelling wave tubes are vacuum tubes used in microwave applications to produce low, medium or high power intensifiers, with high levels of effectiveness, robustness, reliability and longevity.

There is wide range of applications for the travelling wave tubes manufactured and sold by the Group, under the Photonis Défense brand. These travelling wave tubes, which are integrated into devices that amplify satellite and radar signals, are primarily used by end-users in the defense sector to meet their high-frequency and high-power requirements, particularly in electronic counter-measure systems to thwart enemy electronic detection devices, radar systems, airborne military platforms and satellite communication. Travelling wave tubes are designed to meet the requirements of these user-critical systems, ensuring a reliable and effective performance in a range of environments.

Also under the Photonis Défense brand, the Group manufactures and sells compact, integrated microwave power modules, which amplify radio frequency signals to high power levels for military and commercial applications.

TRAVELLING WAVE TUBES	MICROWAVE POWER MODULES
	

1.3.2 Detection & Imaging components and modules

Detection

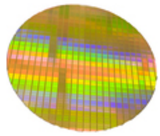
The Group supplies electro-optical technologies used for the detection of ions, electrons, photons, neutrons and X-rays, mainly for end users in the life sciences sector and industrial control sector. The Group's products include ion and electron detection, low-light imaging, single-photon detection, neutron imaging and micropore optical plates for very high-performance X-ray imaging for space applications.

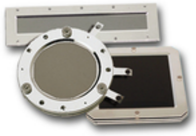
Ion and electron detection

The Group is a leading supplier of electro-optical technologies used for the detection of ions (atoms or groups of atoms that are positively or negatively charged due to the gain or loss of one or more electrons) and electrons (negatively charged elementary particles that make up atoms and are located around their nuclei). Under the Photonis and El-Mul brands, the Group specialises in the design, manufacture and innovation of critical technologies and charged particle detector assemblies. The Group manufactures and sells ion and electron detection technologies designed for a wide range of scientific applications such as mass spectrometry, metrology, astronomy, life sciences and non-destructive testing.

Using the strengths and technological abilities of the Photonis and El-Mul brands, the Group offers its customers tailor-made products that deliver particularly high performances in terms of sensitivity, i.e., the ability to detect very small quantities of ions and electrons, a wide range of spatial resolution (the level of detail expressed as the minimum distance required to separate two contiguous points for the detector to be able to distinguish them) or temporal resolution (the level of detail expressed as the minimum time required to separate two successive images for the detector to be able to distinguish them), and the ability to detect positive and negative ions.

The Group offers a wide range of ion transport solutions able to boost ion throughput by up to 1,000 times compared with traditional solutions.

TIME OF FLIGHT DETECTORS	ADVANCED PERFORMANCE DETECTORS	DETECTORS FOR ANALYTICAL ELECTRON MICROSCOPY	DETECTORS FOR E-BEAM SYSTEMS
			

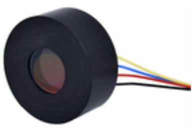
CHANNEL ELECTRON MULTIPLIER	MICROCHANNEL PLATES	MATRIX OF ELECTRON GENERATORS	RESISTANT-GLASS PRODUCTS
			

Low-light imaging

Image intensifiers are used to intensify images in low-light conditions. Under the Photonis brand, the Group offers a wide range of image intensifier tubes (IITs), as well as power supplies and electronics triggers for customers who wish to incorporate low-light intensification into their products. The Group also supplies its products directly to researchers requiring increased camera sensitivity with the IIT Cricket2 adapter for functionality that can be used directly as plug-and-play in their equipment.

The Group's multialkali Hi-QE photocathode technology combines a high quantum efficiency (QE) (1) in the 120–1,050 nm spectral range, with a dark count (2) rate as low as 50 Hz/cm^2, yielding an optimum signal-to-noise ratio (3) and, under certain conditions, sub-nanosecond gating speeds.

The image intensifier tubes supplied by the Group use microchannel plates - MCP technology, offering high dynamic range (HDR), which improves the contrast of an image while maintaining its clarity) and a light-gathering efficiency of over 95%. The Group's image intensifier tubes can be used to intensify low light levels in a wide range of applications, including particularly high-speed imaging, liquid and gas flow imaging, scientific imaging (plasma physics, quantum optics, photon counting, Raman spectroscopy), temporal imaging, medical imaging and the detection of ionisation discharges on electrical transmission installations.

IMAGE INTENSIFIER TUBES	IIT CRICKET2 ADAPTER
	

Single photon detection

Single photon counting is a technique used to detect, measure and visualise extremely weak light signals, right down to signals consisting of single photons. The single photon detectors manufactured and sold by the Group (under the Photonis brand) are used in a wide range of applications, such as light detection and ranging - LiDAR, quantum optics and quantum telecommunications, high-energy physics (which studies the elementary constituents of matter and associated fundamental forces), particle physics, nuclear physics, fluorescence imaging, astronomy and plasma research.

To detect single-photon signals, the Group offers various types of high-sensitivity, fast-synchronisation, low-noise vacuum tube-based single-photon detectors.

MANTIS3	MCP-PMT	VACUUM TUBES
		

(1) Quantum efficiency is the ratio between the number of electronic charges collected and the number of incident photons on a photoreactive surface.
(2) A count rate measurement consists of dividing the number of events detected over a certain period of time by the measurement time.
(3) The signal-to-noise ratio is the ratio of the powers between (i) the component of the signal comprising the desired information and (ii) the remainder of the signal, composed of disturbances that impair the quality of the desired information. The higher the ratio, the higher the quality of the signal.

Neutron imaging

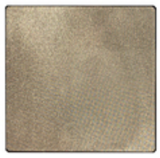
Neutron imaging is a non-destructive method used to see inside objects that may be impenetrable by X-rays or other techniques. Neutrons also offer the advantage of being able to see through heavy metals such as lead, and can also be used to inspect delicate processes.

The neutron imaging equipment developed by the Group, under the Photonis brand, is designed to provide still or video images using cold and thermal neutron imaging techniques for non-destructive testing and neutron tomography (an imaging technique used in medical imaging, as well as in geophysics, astrophysics and material mechanics).

Micropore optical detectors for X-ray imaging applications

Under the Photonis brand, the Group manufactures and sells micropore plates for X-ray imaging and analysis applications. These systems have been installed on a number of international space missions.

The square micropore plate can be configured in radially packed or square-packed channels and can be provided with iridium coatings to enhance reflection in an optical system, as well as with films to provide a heat shield. These components provide a more robust alternative to the standard X-ray and UV imaging products.



Nuclear

The Group is a world leader in the design and manufacture of neutron and gamma-ray detectors, which are essential to the safety and control of nuclear reactors, fuel reprocessing plants, radioactive waste storage and nuclear research facilities.

The detection technology used by the Group is compatible with different types of reactors (including Small Modular Reactors) and capable of withstanding extreme radiation, temperatures and pressure conditions, both in normal and anomalous conditions. Its products are now qualified for both ex-core and in-core use.

The Group's nuclear instrumentation team is organised in accordance with various national and international standards, such as ISO 9001, ISO 19443, RCC-E, ASME NQA-1 and HAF604.

The Group ensures high levels of quality and reliability, in particular by adapting these products to the specific needs of its customers, based on a long-standing collaboration with the French Alternative Energies and Atomic Energy Commission (CEA), by ensuring that all production takes place at its Brive-La-Gaillarde production site and by implementing a certification and quality assurance programme tailored to key products for nuclear safety.

Gamma detectors

Photonis detectors are called "gas detectors" because they measure gamma radiation by means of the ionisation current that the radiation produces when it passes through the gas contained in the detector (nitrogen or xenon). These ions, or charge carriers, are collected by polarised electrodes (anodes) that transmit the electrical pulses generated via a charging circuit to the electronic measuring instruments, which translate these electrical pulses into gamma radiation measurements that can be used by users.

Under the Photonis brand, the Group offers various sizes of gamma ionisation chambers, which are especially suited to measuring high-intensity gamma radiation in often extreme environments such as those encountered in the reprocessing of spent radioactive fuels or research involving high levels of irradiation.

GAMMA IONISATION CHAMBERS	MINIATURE GAMMA IONISATION CHAMBERS
	

Neutron detectors

As a neutron has no charge, a neutron detector incorporates a neutronic-to-ionising particle converter, as such particles carry a charge. Incident neutrons (produced during a nuclear fission event) are captured by the converter material, which then produces (detectable) ionising particles by means of a nuclear reaction.

Gas-filled neutron detectors are designed to detect thermal neutrons (< 0.025 eV), meaning that the effective capture cross-section of the detecting material must be as large as possible to capture this low energy. The Group therefore uses uranium for fission chambers designed for in-core measurements (i.e., measurements in the reactor core itself) of neutron flux ranges. It uses boron for smaller flux ranges in the immediate periphery of the vessel (ex-core), using proportional counters. The storage and transport of uranium and boron are subject to specific regulations.

FISSION CHAMBERS FOR EX-CORE USE	BORON-COATED PROPORTIONAL COUNTERS	FISSION CHAMBERS FOR IN-CORE USE
		

Mineral-insulated extensions

The extreme conditions in which neutron and gamma ray detectors operate can make it impossible to use nearby electronics, and the signals generated by the detectors often have to be transported several tens of metres before they can be processed. To ensure long-lasting, reliable signal transmission, the Group offers mineral-insulated cable extensions that can withstand these environments over the longer term. They are available in the form of "coaxial" technology, i.e., consisting of a central conductor and an outer conductor, and "triaxial" technology, i.e., consisting of a central conductor and two outer conductors, and are particularly suited to environments and applications with high electromagnetic stresses. The Group also offers HN reinforced (HNR) extensions, able to withstand extreme external pressures of several dozens of bars and remain impervious, even in "anomalous" temperature conditions.

Imaging

The Group offers a diversified range of imaging technologies, under the Photonis, Xenics and Telops brands, covering a broad electromagnetic spectrum from less than 300 nanometres (UV) to 14,000 nanometres in the thermal (LWIR) spectral bandwidth. This portfolio of products covers the full spectrum enabling the Group to address the defense sector and the commercial sector, including the industrial control, life sciences and environmental markets.

The UV technology developed by the Group extends imaging beyond the limits of human vision, in fields such as semiconductor inspection, where insights into phenomena not visible to the naked eye are crucial.

The Group also offers visible and near-infrared (NIR) imaging technology to provide real-time imaging solutions in low-light conditions. By designing and manufacturing short-wave infrared - SWIR detectors and cameras in-house, the Group offers its customers a wide range of products tailored to their applications.

Finally, in the medium-wave infrared (MWIR) and long-wave infrared (LWIR) spectral bandwidths, the Group offers cameras with low noise levels (noise-equivalent temperature difference – NETD) and a wide range of resolutions, formats, frame rates and different levels of integration, corresponding to size, weight and power (SWaP) requirements, for various thermal imaging devices.

UV intensified cameras

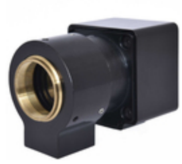
The Group's UV products, sold under the Photonis brand, are designed to operate within the ultraviolet (UV) wavelength range, spanning 200 to 400 nanometres. The Group's sensitive UV imaging sensor allows users to capture and visualise phenomena that generate UV radiation. UV imaging has a broad range of applications across multiple industries from scientific to industrial, allowing for the detection of micro-electrical discharges, particularly on high-voltage cables and installations, the detection of defects in the semiconductor field, as well as certain applications in fluorescence microscopy.

VIS/NIR (visible/near-infrared) cameras

The VIS/NIR camera range offers real-time imaging capabilities, in colour or monochrome, from daylight to starlight in the visible and near-infrared spectrum. The cameras are based on sensitive CMOS (complementary metal-oxide-semiconductor) [(4)] sensors, partly developed in-house, and image intensifier tubes covering different bandwidths of the electromagnetic spectrum.

Low-light cameras feature high-definition resolution, high sensitivity and high dynamic range (HDR), which enhances the contrast of an image while maintaining its clarity, low power consumption and rugged casings. Thanks to their compact size, these cameras are ideally suited for overhead, mobile and portable surveillance systems. Optimised to meet size, weight and power (SWaP) requirements, low-light cameras are also an imaging solution well suited to portable uses such as pilot helmets and monocular goggles.

Intensified cameras (iCameras) combine CMOS sensors and image intensifier tubes, offering the best of both technologies for ultra-sensitive imaging in very low light conditions. Intensified cameras feature high-resolution, a high frame rate and very compact design, meaning they are particularly well-suited for the industrial and research markets.

INOCTURN	NOCTURN SERIES	ICMOS
		

SWIR (short-wave infrared) cameras

The SWIR is a part of the infrared range that encompasses the wavelength band from 900 to 1,700 nanometres. SWIR detectors and cameras, manufactured and sold by the Group under the Xenics brand, are designed to detect and capture images in this specific wavelength range. SWIR radiation is able to penetrate through fog, smoke, dust or other atmospheric interference. SWIR cameras are used in a variety of applications, including, machine vision, material sorting, food inspection, research and development, medicine, security, industrial process control and transport.

SWIR cameras mostly use reflected light, similar to the shorter wavelengths of the visible spectrum, and are often complementary to LWIR cameras.

These cameras are mainly marketed under the Xenics brand and use SWIR beam detectors manufactured by the Group, which are also marketed as stand-alone sensors.

WILDCAT/WILDCAT+	BOBCAT/BOBCAT+	LYNX
		

FAST S1k/S2k

(4) *CMOS image sensors are ultra-fast and mainly used for high-speed camera applications.*

MWIR (mid-wave infrared) cameras

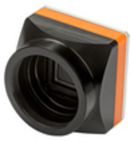
The mid-wave infrared is a part of the infrared range that encompasses the wavelength band from 1,500 to 5,400 nanometres. The MWIR cameras sold by the Group are marketed under the Telops brand and use only cryogenically cooled sensors, i.e., sensors that are cooled at very low temperatures, below -100°C. These cameras stand out because of their speed (image rates in excess of the kHz range), high levels of radiometric accuracy and the fact that they can be constantly upgraded. They are available in broadband (FAST) or multispectral (MS) models. They are intended for use in scientific research, experimental mechanics, infrared imaging, combustion and additive manufacturing techniques, as well as in industrial sectors.

FAST Mxx+	FAST HD & SHD	MS Mxx
		

LWIR (long-wave infrared or thermal infrared) cameras

Long-wave infrared is a part of the infrared range that encompasses wavelengths from 7,500 to 14,000 nanometres. LWIR cameras, also known as thermal imagers, are used for surveillance, homeland security, object and gas detection, and industrial and scientific applications.

LWIR cameras boast very low noise pollution and exceptional detection sensitivity, enabling the camera to capture clear, high-resolution images. LWIR cameras, manufactured and sold by the Group under the Xenics and Telops brands, are designed to be integrated into a variety of electro-optical systems or used for scientific research. LWIR cameras can be divided into two broad categories: those fitted with an uncooled detector and those that feature a cooled detector. Uncooled models are sold mainly under the Xenics brand.

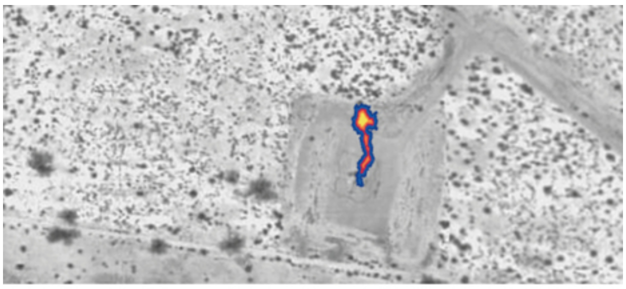
DIONE	MicroCube	GOBI+
		

Cooled models are marketed under the Telops brand.

FAST L200	FAST V1k	MS Vxx
		

Hyperspectral cameras

The Telops has had a range of hyperspectral cameras on the market for almost 20 years now. These high-performance cameras generate images broken down into several small spectral bands, making it possible to obtain a spectral radiance measurement for each pixel. This is useful for spectroscopic applications including the identification and quantification of matter in remote detection (a technique for remotely acquiring information on the surface of the Earth). Hyper-Cams are available in MWIR and LWIR bands, with both standard and airborne versions to choose from. They are used to detect gases or solid chemical substances and for infrared imaging, geological research and mineral identification.



Aerial surveillance of methane leaks

Under the Telops brand, the Group rents out its Hyper-Cam Mini Airborne cameras and offers flight analysis services to inspect sites and pipelines for methane leaks. These inspections pinpoint methane leaks in oil and gas company infrastructure.

1.4 Advantages and strategy of the Group

1.4.1 Strengths and advantages of the Group

Global leader in Amplification and Detection & Imaging markets

The Group is the leader in the Light Amplification market (outside the United States) and one of the leaders in the Detection and Imaging markets it serves.

These markets are characterised by strong long-term growth trends, high technological value-added components, which are essential to the performance of end products, and high standards of performance, quality and reliability required by end-users.

The Group has built its leadership positions on the strength of recognised brands[(1)] with a strong track record and best-in-class technological expertise, enabling the Group to benefit from cross-selling between its products, by, for example, capitalising on synergies from its research and development initiatives and its use of the global sales network.

The Group continually develops and enhances its portfolio in close collaboration with its customers and the end users of its products in order to best meet their needs.

		Total size of addressable market in 2023[(1)]	Size of markets addressed in 2023[(1)]	CAGR over the period 2023-2027 in the size of markets addressed[(1)]	Position in the market[(1)(2)]	Market share gains over the period 2019-2023[(1)]
AMPLIFICATION	Light amplification	€0.5 billion	€0.3 billion	~8%	~71% 1	+15%
	Electronic amplification	€0.7 billion	€0.3 billion	~4%	Niche player	Stable
DETECTION AND IMAGING	Detection	€0.4 billion	€0.2 billion	~7%	~24% 1	+2%
	Nuclear	€0.1 billion	<€0.1 billion	~9%	~38% 1	+5%
	Imaging	€1.5 billion	€0.5 billion	~9%	~7%	+7%
TOTAL		**€3.2 billion**	**€1.3 billion**	**~8%**		

(1) Company estimates based on Roland Berger (Detection & Imaging), Renaissance Strategic Advisors (Light Amplification) and Verified Market Research (Electronic Amplification) reports.

(2) In the markets addressed by the Group.

Positioning in markets with strong structural growth

The Group, by relying on its first-in-class technological expertise, has demonstrated its ability to develop a highly diversified product offering at the cutting edge of innovation and addressing its customers' needs.

The diversity of the Group's offering enables it to maintain its exposure to a large number applications, supported by long-term structural growth trends, which have supported its significant growth in recent years (both organically and through acquisitions), and which it expects should continue to grow significantly in the long term.

The development of the Group's Amplification business is closely linked to trends in the defense sector. Those trends have underpinned growth in the Amplification market in recent years and are expected to continue to do so in the long term.

These trends include: (i) the growth in government defense budgets (following years of under-investment); (ii) the growing tactical advantage of night operations in high-intensity conflicts ("be the first to see"), requiring the use of night vision equipment; (iii) the increased use of night vision equipment by armed forces and the transition from monocular to binocular goggles (moving from one tube to two tubes for a binocular); and (iv) the development of equipment programmes for navies and air forces to increase jamming and counter-jamming capacities, supporting in particular the growth in demand for travelling wave tubes.

The Group's Detection & Imaging activities are exposed to a number of fast-growing end markets, benefiting from major underlying trends, including in particular: rapidly growing underlying markets; increasing use of high-end equipment (which is the Group's core positioning) for existing and new applications; technological development; and increasing outsourcing of the design and production of detection and imaging components by OEMs.

(1) Over 85 years for Photonis (1937), over 20 years for Xenics (2000), over 20 years for Telops (2000) and over 30 years for E-Mul (1992).

For example:

- in the life sciences market, the growing demands for the development of more effective treatments and the ability to diagnose pathologies at an early stage, while using more efficient and more reliable instruments, are reflected in the increasing use of detection equipment for early diagnoses, genomics development or materials analysis, requiring the use of high added-value detection components, such as those offered by the Group;
- in the industrial control market, the increasing automation of factories and the tightening of regulatory standards, requiring increasingly stringent quality controls, make it essential to use reliable, high-capacity vision and process control cameras, such as those offered by the Group;
- in the market for optical gas leak detection, the anticipated regulatory changes aimed at monitoring sources of greenhouse gas emissions such as methane will make it compulsory to install detection systems based on the use of imaging cameras, such as the top-of-the-range hyperspectral cameras sold by the Group;
- in the Nuclear market, the need for rapid decarbonisation of the economy, under strong pressure from public authorities and changing regulations, is generating renewed interest in new-generation nuclear power plants and the development of Small Modular Reactors which are driving demand for gamma detectors and neutron detectors sold by the Group.

Cutting-edge technological expertise combined with long-term co-design processes

The Group invests heavily in research and development allowing it to offer its customers innovative products that best meet its end users' needs in constrained and demanding environments. Through its close relationships with customers and end users and its in-depth knowledge of the market and its ecosystem, the Group has developed a first-in-class ability to identify and respond to these needs and supply the most appropriate products.

The Group's innovation and research and development processes follow a long product development and certification phase, lasting on average around five to seven years, enabling it to offer the most innovative and reliable products on the market and specifically meeting the needs of the customers as well as the latest technological and regulatory requirements.

The design of a product thus begins with an initial phase of innovation and research and development, which can last from one to four years, followed by a co-development phase with the customer, which can last for more than three years.

This long product design and development phase, in close and constant collaboration with the customer, enables the product to be adapted as closely as possible to the needs of the end-user. It also gives the Group a major commercial and technological advantage, particularly by limiting the possibilities of replicating the product in the medium term, given the significant research and development efforts that have to be deployed during this phase.

At the end of this process, the Group benefits from a positioning with its customer that is difficult to replicate, given that its components are designed at the core of the equipment sold by the customer and are critical to its performance. This is one of the key features of the Group's unique business model, and essential to its ability to generate high recurring revenues.

Critical components driving the performance of end products, enabling the Group to build long-term relationships with its customers

The end-users of equipment incorporating components developed by the Group operate in sectors where safety and reliability requirements are particularly high, due in particular to strict regulations. In this respect, the components developed by the Group are critical to the final performance and reliability of the equipment. This criticality requires the Group to acquire in-depth knowledge of not only the OEM's technical and operational constraints, but also those of the end-user itself, which means that close relationships need to be forged with the end-user as from the design phase of the product.

The Group's competitive positioning and strengths have enabled it to be referred by a large number of end-users, which generally inform its direct customers (OEMs) of the technical specifications they must meet, to ensure that they have the best-performing equipment possible.

The Group is then able to build on this close relationship with the OEM and/or the end user to benefit from a protected position, given that, once the product has been accepted by the end user and/or the OEM, the latter would be exposed to significant additional costs as well as high potential supply risks in the event of switching to another supplier. This translates into a close to zero attrition rate for the Group.

Once the product has been approved by the customer and/or end user, the Group benefits from short sales cycles, with recurring sales throughout the system's lifecycle with, as an illustration, the fact that each of the Group's ten largest customers has ordered products from it every year since 2016. This is also reflected in the duration of the relationships the Group maintains with its customers, averaging around 20 years with its ten largest customers in terms of revenue.

A diversification strategy through a selective and value-creating acquisition approach

The Group has a selective and clearly defined acquisition strategy, focused on acquiring key technologies or technologies that complement the Group's existing offering, based on strategic and financial selection criteria.

The Group's acquisition strategy is based on proactive monitoring of opportunities, particularly drawing on its in-depth technological and market expertise, its strong presence in the ecosystem and a monitoring and review exercise carried out at management team level and also at local level. This gives it visibility over a number of clearly identified and constantly updated potential targets, while at the same time establishing close relationships with potential sellers, who give preference to the Group, given its positioning as a key consolidation platform. This last point is illustrated by the Group's ability to make over-the-counter acquisitions (three of the four acquisitions made in 2022 and 2023).

In recent years, the Group has made targeted acquisitions that have contributed significantly to the growth of its activities and enabled it to strengthen its positions and become one of the only global actors to cover the entire spectrum of particles and light, giving it a unique ability to meet the needs of major actors in different industries by offering technological solutions to address several needs of a single customer. In the future, the Group intends to continue its development as a technology platform through acquisitions enabling the expansion of its portfolio of products and technologies and the markets in which it operates and therefore exploiting its global sales network to create synergies and accelerate growth.

Strong financial profile combining high growth, margins and cash flow generation

The Group has a solid financial profile, combining high growth, margins and cash flow generation.

The Group has recorded an average annual revenue growth of 34% over the period 2021 - 2024. This strong growth reflects the Group's outperformance relative to its underlying markets, due particularly to the sharp rise in its sales volumes and the increase in the Group's selling prices in an inflationary environment.

The strong growth in the Group's activities has also been accompanied by high profitability, due to its positioning in high value-added critical components, with an adjusted EBITDA margin of 30.1% for the financial year ended 31 December 2024.

The Group has also recorded strong cash generation, with a cash conversion ratio of 74% for the financial year ended 31 December 2024. This reflects its strong profitability and its disciplined approach to monitoring and ensuring the efficiency of capital expenditure, due in particular to its in-depth knowledge of OEM and end-user constraints, which enables it to anticipate production capacity requirements as effectively as possible.

An experienced management team with a strong industry experience

The Group's management team is centred around Jérôme Cerisier, the Company's Chief Executive Officer, who has solid experience in the industrial sector. Over the last few years, the management team has demonstrated its capacity to generate steady growth in Group revenue and improve profitability, while developing solid commercial relationships with the main market players, thanks to a range of products with high technological added value that best meet the needs of the Group's customers as well as those of end users. The management team has also successfully integrated a number of acquisitions, expanding the Group's product portfolio and achieving commercial and operational synergies.

To support the development of its activities, the Group has strengthened its management team, with the addition of four new members to its Executive Committee since 2021, namely: Claire Valentin as Chief Strategy Officer and Chris Tisse as Chief Technology Officer in 2022, Pascal Joseph as Chief Operations Officer in 2023, and Bella Zisere as Chief People and Culture Officer in 2024.

The Group's acquisitions over the same period have also enabled it to integrate new members into its management team, including Paul Ryckaert, formerly Chief Executive Officer of Xenics and now Head of Imaging, and Jean Giroux, formerly founder and Chief Executive Officer of Telops and now Head of the Instruments division.

1.4.2 Group strategy

The Group's ambition is to strengthen its position as a leading technology platform addressing the entire spectrum of particles and light, enabling it to pursue profitable growth by positioning itself in high-growth markets based on a need for high value-added technologies. To this end, the Group intends to draw on its strong capacity for innovation, its global commercial presence and targeted acquisitions, with the aim of achieving a balanced distribution of revenue between its Amplification and Detection & Imaging businesses in the medium term.

As part of the implementation of its strategy, the Group intends to pursue the improvement of its operational excellence, encourage an entrepreneurial mindset and employee empowerment, and identify the markets it addresses selectively, while focusing on creating value. The Group considers that, through its two business segments, it is developing a portfolio of applications with strong growth potential, enabling it to generate a high level of profitability and cash flow. This portfolio, combined with a selective acquisition strategy, should enable the Group to continue to create value over the coming years.

The Group's growth strategy is based on the following five pillars:

1.4.2.1 Meeting customer needs by leveraging unique innovation capabilities

The growth of the Group's business is based on its capacity to address the needs of its customers positioned in the end markets it serves. To this end, the Group intends to draw on its strong innovation capacities to develop new technologies (such as scintillators, photocathodes and artificial intelligence), improve the size, weight and energy consumption of its products, enhance their performance (especially sensitivity and speed), and improve product testing capacities and ergonomics. The Group designs its products using its internal resources and the ecosystem in which it operates, which includes industrial partners, universities and start-ups.

The Group has launched a number of products featuring innovative technology, illustrating its determination to be at the cutting edge of innovation at all times and to stand out from competition, including in particular:

- ScintiFast™: very fast scintillator for sub-nanosecond detection in the ion and electron domains;
- 16 mm image intensifier tube: the format of this tube has made it possible to design modern night vision binoculars that are lighter and smaller, reducing their weight by around 45%; the Group is the only company in the world to offer this product;
- BPTOF detector: highly dynamic detector for microbiology and pharmaceutical mass spectrometry;
- Wildcat/Wildcat +: the most advanced cameras in terms of high speed, low noise and signal-to-noise ratio (SNR) and in SWIR for semiconductors and food sorting;
- MicroCam: high-speed airborne hyperspectral camera with first-in-class time-of-flight acquisition;
- iNocturn: Intensified camera offering a unique combination of ultra-sensitivity and high frame rate,
- Neutronis: a unique neutron imaging system for high added-value industrial control.

1.4.2.2 Consolidating and expanding leadership positions in high-growth markets

The Group is focused on achieving leadership positions in high-growth niche markets.

In these markets, its technological and strategic advantage – characterised in particular by close relationships with customers and end-users, the design of products for critical applications that must meet high standards of quality and reliability, unique in-house know-how and skills, and the operational excellence of its industrial processes – make the Group's positioning difficult to replicate. This positioning also enables it to carry out targeted external growth transactions to consolidate its leadership positions.

In general terms, by offering products that address needs identified in high-growth niche markets, the Group has been able to significantly increase its market share since 2019 (+ 15% in the Light Amplification market, + 2% in the Detection market, + 7% in the Imaging market and + 5% in the Nuclear market).

Some of the high value-added markets with strong growth potential targeted by the Group, with high requirements in terms of the critical performance of equipment, include notably:

- defense, favourably impacted by the current geopolitical context and years of under-investment;
- machine vision cameras, driven by the increasing automation of industrial sites;
- semiconductor inspection, driven in particular by the Internet of Things, 5G and artificial intelligence;
- electrical inspection, benefiting from the rising need to inspect electrical batteries and the significant increase in the length of the high-voltage electricity network, particularly in Asia;
- optical detection of gas leaks, driven in particular by climate change considerations and changing regulations;
- nuclear power, driven in particular by the deployment of green energy sources;
- life sciences, driven in particular by the development of genomics and molecular analysis;
- science in general, in particular with the development of new materials.

1.4.2.3 Accelerate growth and ensure recurrent sales through close, long-term partnerships with customers

The end-users of equipment incorporating components developed by the Group operate in sectors where safety and reliability requirements for equipment are particularly high, due in particular to strict regulations. In this respect, the components developed by the Group are critical to the final performance and reliability of the equipment. This criticality requires the Group to acquire in-depth knowledge of not only the OEM's technical and operational constraints, but also those of the end-user itself, which means that close relationships need to be forged with the end-user as from the design phase of the product. As a result of this positioning, the Group benefits from a protected position insofar as, once the product has been qualified by the end-user, the latter would be exposed to significant additional costs as well as potentially high supply risks in the event of switching to a supplier other than the Group. This protection therefore enables the Group to establish long-term relationships with its customers.

The Group intends to build on its long-term relationships with its major customers to increase and secure the recurrence of its revenue, and thus grow faster than its underlying markets.

As an illustration, over the 2019-2023 period, the Group's revenue generated from the top 15 customers in its Amplification and Detection & Imaging businesses have increased by more than 30% and more than 15% respectively, compared with growth of around 9% and around 8% for the Amplification *(source : Renaissance Strategic Advisors; Verified Market Research)* and Detection & Imaging markets *(source: Roland Berger),* respectively.

The Group's ability to offer the most innovative products that best meet the needs of OEMs and end users also enables it, in some cases, to lead OEMs to outsource the production of certain components to the Group, in order to benefit from the technological differentiation that it offers and its in-depth knowledge of their constraints (this was the case, for example, for El-Mul, a Group subsidiary acquired in 2023, which now produces components for around twenty Zeiss products, including scintillators).

1.4.2.4 Embedding sustainability at the heart of the Group's activities

The Group's strategy is geared towards pursuing business and production that contribute to the sustainable development of the economy. In 2023, EXOSENS defined a Corporate Social Responsibility (CSR) strategy based on a double materiality approach, taking into account the interests of its employees and external stakeholders on environmental, social and governance issues. Material issues for the Group were identified during this process, enabling it to structure its approach around four strategic pillars. A CSR department was also established to oversee the CSR strategy within the Group.

Since 2024, EXOSENS has also been committed to the corporate social responsibility initiative of the United Nations Global Compact and its Ten Principles on human rights, labour standards, the environment and the fight against corruption.

Pillars of the EXOSENS CSR strategy	**Alignment with the United Nations' Sustainable Development Goals**
Sustainable partnerships	8 Decent work and economic growth; 12 Responsible consumption and production; 13 Climate action; 17 Partnerships for the goals
Social responsibility	3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities
Environmental responsibility	7 Affordable and clean energy; 12 Responsible consumption and production; 13 Climate action
Uncompromising governance	8 Decent work and economic growth; 16 Peace, justice and strong institutions

These principles are integrated at the heart of the Group's corporate strategy thanks to the objectives it has set itself in line with its CSR strategy and the actions implemented within the Group.

Following the listing of EXOSENS on the regulated market of Euronext Paris on 7 June 2024, the Group has been classified as a large entity under the CSRD and is required to publish a sustainability statement for the first time on 31 December 2024. The Group was not previously subject to the Non-Financial Performance Statement (NFPS).

The Group's sustainability statement, produced in accordance with the applicable disclosure requirements of the CSRD, is presented in section 2 of this Universal Registration Document. This section presents the policies, actions and targets existing within the Group.

In August 2024, EXOSENS was awarded the EcoVadis silver medal, a distinction that reflects its commitment to CSR. This recognition places the Group among the top 15% of highest rated companies in the EcoVadis database, highlighting the strength of its CSR management system. The assessment is based on international standards such as the Global Reporting Initiative, the United Nations Global Compact and ISO 26000, and covers four key areas: the environment, social and human rights, ethics, and responsible purchasing. This medal recognises the constant efforts made by EXOSENS to improve its practices and strengthen its positive impact. On the strength of this recognition, the Group aims to achieve the EcoVadis gold medal in 2025, thus furthering its commitment to ever more responsible and sustainable development.

The Group's CSR approach and its objectives will evolve in the coming years in response to the expectations of EXOSENS stakeholders and the growing maturity of the Group in environmental, social and governance issues. Its understanding of sustainability reporting requirements will improve as additional guidelines or clarification sessions are published and non-financial reporting practices become more established.

1.4.2.5 Accelerating the Group's growth with selective acquisitions, generating synergies and creating value

The Group's growth strategy is based on a dynamic acquisitions policy, which is intended to enable it to generate additional revenue growth through targeted acquisitions of companies based on strict investment criteria and implemented in line with the characteristics of the markets in which it operates.

In particular, the Group targets companies that can provide it with high value-added technologies and are compatible with its technology platform, that complement its current product portfolio, enable it to expand its addressable market and/or enable it to achieve or strengthen a leadership position, while giving the acquired targets the leverage provided by its global commercial footprint and its expertise in operational excellence, with the aim of accelerating the growth of its activities, improving its profitability and strengthening its cash generation.

The Group follows strategic target selection criteria, including:

- the potential synergies identified, in particular the capacity to draw on the Group's existing global sales network, complementary research and development capacities and operational excellence;
- the strategic positioning of the target, making it possible either to strengthen the Group's market share or to acquire a leadership position in a fast-growing market to increase the size of its addressable market;
- technologies developed by the target, with an emphasis on product portfolios based on highly differentiating technologies that offer a pricing advantage;
- the quality of the target's management team, which should have the capacity to accelerate the company's growth within the Group.

The Group also uses financial criteria to select targets, including:

- revenue: more than €10 million (the average revenue for acquisitions made since 2022 was around €13 million);
- pre-acquisition revenue growth: double-digit growth over the last three years (average revenue growth for acquisitions made since 2022 was around 13% per year);
- EBITDA margin at acquisition: above 10% (the average EBITDA margin for acquisitions made since 2022 was around 20%);
- acquisition multiple: depending on context and uniqueness (the average acquisition multiple for acquisitions made since 2022 was around 10x the adjusted EBITDA);
- expected post-synergy return on invested capital (ROIC) [1]: over 10% after three years (the expected post-synergy ROIC for acquisitions made since 2022 was around 14% after three years).

(1) *Defined as operating profit after tax / enterprise value.*

The Group's acquisition strategy gives it visibility over a steady pipeline of quality targets likely to be activated, resulting in a total acquisition pipeline over the long term of around 100 potential targets, representing total estimated revenue of around €1.6 billion; medium-term opportunities on around 50 potential targets selected, representing total estimated revenue of around €900 million; and short-term opportunities on around 15 potential targets analysed, representing total estimated revenue of around €350 million.

The Group's external growth strategy is focused primarily on the Detection & Imaging market, with the aim of achieving a balanced distribution of revenue between its Amplification and Detection & Imaging businesses in the medium term.

In the Detection market, the Group is focusing on targets that will enable it to address new component markets in the field of high-end analysis instruments and metrology. In the Nuclear market, the Group is targeting the integration of technologies for the Small Modular Reactor market, enabling it to increase its market share in the detection of neutrons and gamma. In the Imaging market, the Group is concentrating on targets specialising in the production of high-end cameras and in general expanding its technological portfolio by covering the entire electromagnetic spectrum (e.g., SWIR, MWIR and UV).

The Group also intends to consider acquisitions in the Amplification market, to broaden its access to the market and extend its expertise in the design of advanced optronic components.

Lastly, the Group may consider acquiring complementary technologies for photonic components, or extending its portfolio to include instruments.

The Group has expanded its product portfolio in recent years, acquiring companies recognised as leaders in their respective markets, including:

- Xenics in December 2022, a company based in Belgium specialising in the design and manufacture of SWIR imaging sensors and infrared cameras;
- ProxiVision in June 2023, a company based in Germany specialising in the design and manufacture of ultraviolet sensors and cameras;
- El-Mul in July 2023, a company based in Israel specialising in the supply of advanced, high-performance electron detectors for electron microscopy and mass spectrometry;
- Telops in October 2023, a company based in Canada specialising in the design and manufacture of hyperspectral imaging systems and high-performance infrared cameras;
- Centronic in July 2024, a company based in the United Kingdom specialising in the design and manufacture of nuclear instrumentation components;
- LR Tech in September 2024, a company based in Canada specialising in the design and manufacture of Fourier transform infrared spectroradiometers; and
- Noxant in March 2025, a company based in France specialising in the design and manufacture of high-performance cooled infrared cameras.

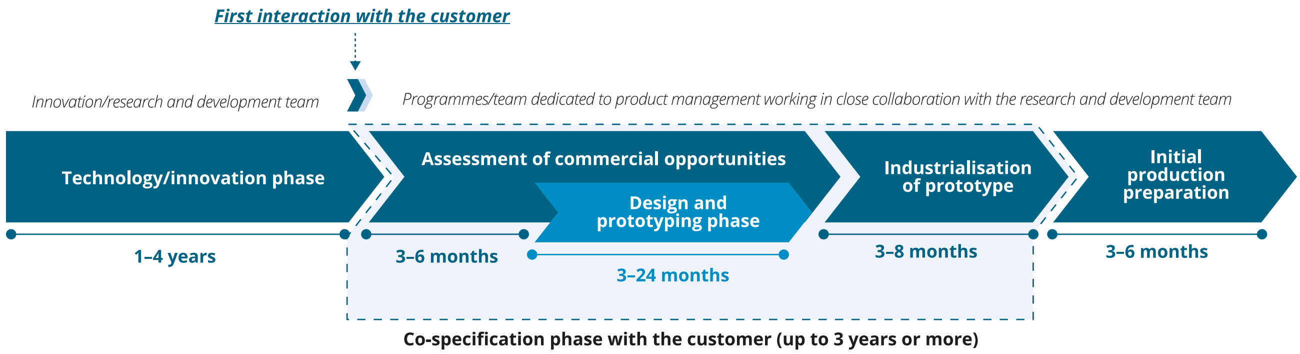
The Group has also demonstrated its capacity to successfully integrate recently acquired companies. As an illustration, the Group was able to improve the adjusted EBITDA margin of Xenics and ProxiVision after one year, by implementing an effective integration process focused on value creation, including in particular:

- streamlining of the product portfolio;
- implementation of additional cross-selling of products in the integrated companies' portfolios, using the same sales resources;
- synergies in R&D, including the pooling of resources and the sharing of knowledge and skills;
- operational synergies, including the consolidation of multiple sites into two sites after 18 months; and
- procurement synergies, with the consolidation of supplies of LWIR sensors and electronic components.

1.5 The Group’s research and development and innovation policy

The Group invests heavily in its research and development, allowing it to provide the most innovative products that best meet its customers’ needs in terms of quality, reliability and safety. For the financial year ended 31 December 2024, Research and Development expenditure (net of grants and research tax credits) and gross Research and Development expenditure [(1)] represented, respectively, 6.2% and 7.7% of the Group's revenue.

Sustained and ongoing investment in research and development has enabled the Group to position itself as a major innovator in electro-optics. As of 31 December 2024, the Group owned 80 protected inventions (patent families), comprising more than 300 patents and active patent applications worldwide. Furthermore, the number of patent applications filed by the Group has more than doubled in 2024 compared to 2023. Most of the Group's patent families fall within the technical fields of electrical machinery, measurement, optics, image display technologies, semiconductors, nuclear physics, microstructures and nanotechnologies.



The development phase for a new product lasts an average of five to seven years.

During an initial technological and innovation phase, which can last from one to four years and is run in conjunction with the Group’s innovation and research and development teams, the Group draws up ideas based on internal research, customer needs, market studies and partnerships, particularly academic partnerships. In this stage, the innovation teams focus on the disruptive nature of the technology, while the research and development teams concentrate on improving the product itself.

The Group then starts a co-specification phase with the customer which can last up to three years.

A phase then follows to assess the suitability of launching a new product (three to six months). This is when the Group defines the objectives, the resources to be allocated and the necessary budget, and assesses the feasibility of the project with the potential customer (in technical and commercial terms). During this phase, the Group may launch initial validation tests. These may lead to the prototyping phase (three to twenty-four months), during which the Group designs the product according to the specifications requested by the customer and designs the first prototypes. It then embarks on a phase of testing and validation of the design, performance and manufacturing costs to check whether the product’s properties meet market requirements. Once the prototyping phase is concluded, the Group begins a period of prototype industrialisation (three to eight months), at which point the prototype is transferred to the operational teams, who assess the product in terms of manufacturing standards. Once this phase has been completed, the final preparatory phase for the first production run (three to six months) is launched after the project monitoring committee has given its approval.

85 of the Group’s employees currently hold a doctorate, with nearly a quarter of the Group’s workforce made up of engineers. On average, the Group launches around fifteen product improvements and one or two new products a year.

The Group’s research and development costs mainly comprise costs relating to its applied research activities, and costs incurred in setting up partnerships (academic for example) or developing new products. The Group’s Research and Development costs (net of subsidies and research tax credits) for the financial year ended 31 December 2024 and 2023 were €24.2 million (of which €11.0 million capitalised), €16.8 million (of which €7.7 million capitalised), respectively.

(1) *Net R&D costs include subsidies and research tax credits.*

1.6 Industrial and commercial organisation of the Group

1.6.1 Industrial organisation

The Group has eleven industrial and research and development sites worldwide. These include two sites in France, one in Belgium, one in the Netherlands, one in Germany, one in the United Kingdom, two in the United States, one in Canada, one in Israel and one in Singapore:

LANCASTER
United States
- 7,000 m^2
- 70 employees

STURBRIDGE
United States
- 3,800 m^2
- 72 employees

QUEBEC
Canada
- 250 m^2
- 99 employees

BRIVE-LA-GAILLARDE
France
- 8,750 m^2
- 530 employees

LEUVEN
Belgium
- 400 m^2
- 61 employees

RODEN
The Netherlands
- 3,680 m^2
- 372 employees

BENSHEIM
Germany
- 2,670 m^2
- 64 employees

REHOVOT
Israel
- 350 m^2
- 63 employees

Bensheim industrial site in Germany (incorporated following the acquisition of ProxiVision): this site produces high-quality optoelectronic components and detection systems, in particular for intensified low-light and fast-switching cameras, image intensifiers and detectors for X-rays, UV, visible light, near infrared and particles.

Brive-la-Gaillarde industrial site in France: this site develops and designs image intensifier tubes and imaging solutions for the defense sector, as well as detection devices including neutron and gamma ray detectors for the nuclear sector.

Grenoble research and development site in France: its expertise lies in the management of high-speed, low-noise electronic signals, used in both professional imaging and data conversion. The site focuses on the design and architecture of infrared cameras and camera modules from the visible spectrum to LWIR.

Lancaster industrial site in the United States: this site is involved in design, manufacture and the power tube and travelling wave tube technologies. The products manufactured by this site are used by the US Department of Justice and the US Department of Energy as well as by US federal, state and local agencies. A limited selection of its innovative night vision and digital technologies are also commercially available. This site offers a variety of customised travelling wave tubes and microwave power modules for electronic warfare, signal jamming and satellite communications. Its power tube product lines provide the massive amounts of power and radio frequency amplification required for ballistic missile defense systems and for the world's most advanced communications networks.

Leuven (Louvain) industrial site in Belgium (incorporated following the acquisition of Xenics): this site designs and manufactures SWIR sensors, imagers, camera cores and infrared cameras for machine vision, scientific and advanced research, transport, process monitoring and security. This site also produces a complete portfolio of line-scan and area-scan products for the SWIR and LWIR ranges.

Quebec City industrial site in Canada (incorporated into the Group following the acquisition of Telops): this site designs and manufactures hyperspectral imaging systems and high-performance infrared cameras for applications in the defense, industrial and university research sectors. This site also offers research and development services for the technological development of optical systems to meet the specific needs of its customers. It also offers products with a wide range of different set-ups for various uses in experimental mechanics, combustion studies, remote gas sensing and other fields.

Rehovot industrial site in Israel (incorporated following the acquisition of ElMul): this site produces detection systems for OEMs in the fields of electron microscopy, focused ion beam, mass spectrometry, semiconductor metrology and electron beam inspection tools.

Roden industrial site in the Netherlands: this site mainly produces image intensifier tubes for scientific, industrial and defense applications.

Sturbridge industrial site in the United States: this site produces components and ion detectors for mass spectrometry, intensifiers for industrial applications and special lenses. It offers with a wide range of different set-ups to meet customer requirements in terms of volume and performance.

1.6.2 Sales organisation

The Group's sales organisation aims to establish close, direct relationships with customers (and, in some cases, end-users) in each sector. This network enables it to market its products in more than 70 countries worldwide and allows its acquisitions to benefit from its global sales network.

The Group relies on an internal sales force of around 50 people, organised by product line and at times by geography. These teams focus on key customers in order to develop long-term relationships. They are responsible for calls for tender and sales meetings during tender processes and also cover on-site and off-site technical support. They enable the Group to develop its knowledge of the market and to establish close relationships with its customers to identify their future needs, and help it to define its development strategy. The Group also benefits from a large network of approximately 90 distributors worldwide. They focus on less homogeneous customer bases in their respective markets, and on product portfolios that account for a smaller proportion of revenue than those addressed by in-house sales forces. Finally, the Group also uses a network of independent experts to establish relationships between the Group and potential customers.

1.6.3 Major customers and suppliers

1.6.3.1 The Group's customers

Most of the Group's customers are OEMs who incorporate components manufactured by the Group into their own systems, and then sell their finished products to end-users. To a more limited extent, the Group also supplies some of its products directly to end-users, in the field of electronic amplification as well as sensors used in the space industry.

The Group has developed solid, long-term relationships with its customers, built on technological excellence and the quality of its products. Given the sectors in which end-users operate and the high standards of safety and reliability that characterise them, the Group's customers strive to maintain a stable and reliable supplier of their components, effectively limiting attrition rates. The length of the Group's relationships with its ten largest customers based on revenue averaged around 20 years, including a relationship of 18 years with its main customer, representing a zero attrition rate.

The average lifespan of systems using the Group's light amplification products is five to eight years, and for systems using the Group's electronic amplification products it is ten to twenty years. These products can be sold under framework contracts with customers for a period of two to five years, with typical purchase orders generally running from three 3 to twelve months. These contracts cover batch manufacturing using the most up-to-date standard available for the type of product supplied and, in the case of electronic amplification products (power tubes), may include product repair.

The average lifespan of Detection and Imaging systems that use the Group's detection solutions ranges from ten to twenty years, while nuclear instrumentation systems have a lifespan of fifteen to sixty years and systems that use its imaging solutions. These products are generally not covered by framework contracts and are sold on the basis of orders subject to the Group's general terms and conditions of sale, which are generally for periods of between twelve and twenty-four months for detection products, six and twelve months for nuclear instrumentation products and six and eighteen months for imaging products. Although the lifespan of systems using the Group's products is lengthy, business cycles tend to be shorter in comparison.

Detection products as a rule are developed by the end user or the Group's customers themselves, working in collaboration with the Group where appropriate, and in most cases require regular replacement of components throughout the system's lifespan. Contracts for the supply of nuclear instrumentation and imaging products generally provide for support and regular replacement of components over the system's lifespan.

The contracting process with the Group's customers is long (between two and four years) and complex, thereby facilitating repeated revenue once the product has been accepted by the end-user.

Customers' purchasing process begins with a tender phase of between three and six months, during which the Group, in competition with other potential suppliers, is invited to submit its technical and financial proposal. Once this phase has been completed, and if the Group's offer is selected, a qualification stage lasting six to twelve months begins in the case of Amplification activities, and a co-design stage lasting 1 to 3 years begins for Detection and Imaging activities. At the end of this phase comes a final selection phase (for Amplification activities) or qualification phase (for Detection and Imaging activities) lasting three to six months, which at this stage marks the inclusion of the Group's solutions in the customer's product for the long term.

1.6.3.2 The Group's suppliers

The Group's supply chain is made up of a multitude of suppliers, mainly in Europe, Asia and North America. The Group's top ten suppliers accounted for 31% of its supplies for the financial year ended 31 December 2024.

The Group's main sourcing activities involve the purchase of components such as semiconductors, optical materials (fibre blocks in particular) and sensors (such as CMOS or microbolometers), and the purchase of glass and raw materials such as certain exotic metals (gallium, for example) and energy (electricity and gas). The Group's purchases of raw materials and components represented 26% of its revenue for the financial year ended 31 December 2024. Energy costs represented 1.4% of the Group's revenue for the financial year ended 31 December 2024, with 2022 being the exception with a peak of over 3.1%. That year was marked by a sharp rise in energy costs due to the Russian-Ukrainian war.

Given the highly regulated nature of the sectors in which the end users of the Group's products operate, the Group applies a strict policy when monitoring its supply chain. It has a procedure for systematically checking its contractual counterparties before entering into any contracts with them. In addition, in order to limit the risks associated with the failure of a supplier or the temporary or permanent interruption of supplies from a supplier, the Group has a process in place whereby it doubles supply sources. This is standardised and aligned with the Group's criteria for dual sourcing (see also paragraph "Supply chain risks" in Section 4.12 "Operating risks" of this Universal Registration Document).

The Group's purchasing and supplies are the responsibility of its purchasing department, which includes a director in charge of coordinating the Group's purchasing who is assisted by buyers responsible for supply systems. The purchasing department is generally responsible for carrying out or coordinating the purchasing of the most strategic products. The Group's purchasing and supplies are also handled locally within its subsidiaries by local buyers, who coordinate with the Group's purchasing department.

Purchases and supplies are made under framework supply contracts signed with the Group's suppliers, generally for periods of twelve to thirty-six months, and for which the purchase prices are fixed when the contract is signed for the entire duration of the contract. In the absence of a framework supply contract, purchases are made on the basis of purchase orders, governed by the Group's general terms and conditions of purchase or the supplier's general terms and conditions of sale, as appropriate.

1.7 Regulatory environment

Given the diversity of the sectors in which the Group operates, it is required to comply with a wide range of laws, regulations, and standards applicable in the countries in which its production sites are located and from which its products are exported, as well as in the countries in which its products are distributed.

The main regulations specifically applicable to the Group's activities and likely to have a significant impact on its business are summarised below.

1.7.1 Export control regulations

The Group has determined that the majority of the products that it manufactures and sells as part of its activities fall within the definition of dual-use goods in accordance with Annex 1 of Regulation (EU) 2021/821 of May 20, 2021. Some products that are specially designed for military use are subject to the regulations on war material and the like. As such, the Group is subject to export control regulations for the products it manufactures.

1.7.1.1 European regulations

Dual-use goods

The Group's technologies produced in Europe, in particular at its production sites in France, Germany, Belgium and the Netherlands, are subject to the provisions of Regulation (EU) 2021/821 of 20 May 2021 on the control of exports of dual-use goods (the "**Dual-Use Regulation**"), which applies directly in these countries.

Dual-use goods are goods, software, or technologies that meet a number of needs and can be used in civil applications but also for defense purposes. These goods may consist of raw materials, components, systems, or related technological know-how. They may also consist of goods used in the production or development of defense products, such as machine tools, chemical materials, software or source code. Controls under the Dual-Use Regulation apply to exports of goods outside the customs territory of the European Union, with the exception of the transfer of certain dual-use goods within the customs territory of the European Union, for which prior authorisation is also required due to the sensitive nature of these transfers.

Appendix I of the Dual-Use Regulation contains a list common to all twenty-seven Member States of products (including software and technologies) that are classified as dual-use goods, and includes products covered by various non-proliferation regimes and/or international export control groups, in particular the NSG (Nuclear Suppliers Group) against the proliferation of nuclear goods and technologies or the Wassenaar Arrangement, whose controls focus on transfers of industrial and cryptological goods and advanced technologies that could be used in various military programmes. The types of dual-use items listed in this appendix are very varied and include items used in the security, electronics, IT, avionics, nuclear, aerospace, marine and telecommunications sectors. The Group must therefore determine whether the products it sells are on this list, in order to determine whether authorisation is required for the export of the product(s) concerned. For example, this list includes "nuclear materials, installations and equipment", as well as "sensors and lasers", which concern many of the Group's products.

The Group estimates that around 85% of its revenue comes from dual-use products, such as light intensifier tubes, infrared cameras, neutron and gamma radiation detectors and UV detectors.

Under the Dual-Use Regulation, exports of dual-use items from one EU country to another are generally not subject to authorisation, unless the items in question are listed in Appendix IV (Article 11(1) of the Regulation). On the other hand, any export outside the European Union of dual-use items listed in Appendix I of the Dual-Use Regulation requires an export licence from the competent authority of the Member State in which the exporter is established, such as the French Export Control Office on Dual-Use Goods (SBDU) attached to the French Directorate General of Economic Affairs, Finance and Industrial and Digital Sovereignty in France. This licence may, where appropriate, be applicable to several countries of export.

Export authorisations take the form of licences, of which there are three types: the individual licence (authorising the export of goods in one or more consignments, for a certain quantity, to an identified consignee), the global licence (authorising the export of goods to one or more identified consignees, with no limit on quantity or amount) and the general licence (a general authorisation issued by the European Union or a national general licence allowing any exporter or supplier with the right to use it to carry out export operations within its scope (specified goods and destinations) and under the conditions set out for the licence concerned, without first having to apply for an individual licence for each of these operations). The general licence may be one of the eight general authorisations provided for in the Dual Use Regulation, or a national general authorisation. For example, dual-use goods manufactured and sold from the Group's production sites in France, Belgium and the Netherlands can be exported under licence EU001 to Australia, Canada, Japan, New Zealand, Norway, Switzerland and the United States under a general authorisation, without the need for individual licences.

It is up to the exporting companies themselves to determine whether or not their products are covered by "dual-use goods" controls, based on the technological characteristics of their products, and the exporter is responsible for their use in accordance with European and national regulations. To this end, the Group has established an Internal Export Control Compliance Program based on demanding standards, which applies to all Group employees (see Section 4.1.1 "Market risks" of this Universal Registration Document).

Since Brexit, the United Kingdom has continued to apply the European regulation on dual-use goods (428/2009/EC), which supplements the controls on dual-use goods provided for by the UK domestic regulation Export Control Order 2008 (SI 2008/3231).

War materials and assimilated material

At European level, Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 provides a framework for transfers of defense-related products within the European Union (the "**Transfers Directive**"). It establishes an authorisation system based on the granting of transfer licences to suppliers of defense-related products and facilitates the movement of these products within the European Union, with the aim of boosting the competitiveness of the European defense sector. The products falling into the category of defense-related goods to which this directive refers are listed in the appendix to the directive.

Exports of goods considered to be war materials, both between EU countries and to third countries, require a licence under the Transfers Directive.

Furthermore, in France, the control of war materiel is based on the general principle of prohibition of arms imports and exports, in application of article R. 3112 of the National Security Code and articles L. 23351 et seq. of the defense Code, by virtue of which technologies developed for the defense market must also obtain specific authorisations from the French Ministry of defense and the Directorate General of Armaments for any export outside the European Union.

The Group estimates that less than 5% of its revenue is generated by products classified as non-lethal war materials. In the European Union, the products concerned are mainly particularly high-performance tubes produced at the Brive-la-Gaillarde site and products manufactured by the Group's German subsidiary.

In France, the manufacture and sale of products classified as war materials are subject to a specific authorisation granted by the government. AFCIs (authorisation to manufacture, trade, brokering, exploitation and use of war materials) can be issued by the Ministry of the Armed Forces or the Ministry of the Interior, depending on the nature of the company's activity and the classification of the equipment, weapons, ammunition, and their components. The Photonis France Group subsidiary has an AFCI issued by the Directorate General of Armaments.

Management by the Group

The Group implements numerous control and compliance measures to comply with the Dual-Use Regulation and with European and national regulations on war materials and the like, and regularly monitors these regulations. The Group has also joined the Industry Trade Association for Strategic Products (SIEPS) in France to keep abreast of regulatory developments relating to the export of such products.

In particular, the Group has an export control department with dedicated staff in charge of controlling products subject to these regulations throughout the supply chain, from the potential sale to the dispatch of the product or products covered, by each of the subsidiaries concerned. In addition, all new Group employees are required to undergo export control training, and regular training sessions are also compulsory for staff classified as 'sensitive' (sales, purchasing and procurement teams, and research and development staff).

The validity period of licences varies according to the export country. For example, the validity period for licences in France is two years for dual-use goods and three years for war materiel; one year in Belgium and the Netherlands for dual-use goods and war materiel and four years in the United States for war materiel. The average time taken to obtain a licence varies from country to country. In France, it is around four weeks for dual-use goods and around ten weeks for war materiel; in Belgium and the Netherlands it is three months on average and in the United States it is four to five weeks on average.

1.7.1.2 Americal regulations

Dual-use goods

In the United States, provisions similar to the European framework apply through the Export Administration Regulations (EAR), which subject exports of dual-use goods manufactured in the United States to an authorisation system based on licences issued by the US Department of Commerce (specifically, the Bureau of Industry and Security within the US Department of Commerce) depending on the country of export.

The scope of the EAR covers a wide range of goods and technologies, the classification process is highly technical and the need for a licence depends not only on the type of good but also on its end use and end user. In general, all products of US origin or physically located in the US are subject to the EAR and the specific conditions applicable to their export will depend on this classification.

EAR regulations require a licence for the export of dual-use items on the Commercial Control List ("**CCL**"). Goods that are not listed on the CCL, referred to as EAR99 [(1)],goods, can generally be exported without a licence, unless the export is to an embargoed country (such as Cuba, Iran or North Korea) or a restricted country, or if they are destined for a person or entity under restriction or a prohibited end use.

The re-export of a US good is subject to the same controls as its initial export, and the EAR also applies to goods containing US components, unless the value of these US components within a set is below a certain threshold (the "de minimis" rule). The EAR therefore applies to companies in the European Union that manufacture goods incorporating components, software and/or technology of American origin. Consequently, whenever the Group uses a component manufactured in the United States representing a certain percentage of the total value of the finished product in which this component is incorporated, it must ensure compliance with the EAR. In addition, certain products manufactured by the Group's subsidiaries in the United States are dual-use goods listed on the CCL, and as such require an export licence.

Military equipment and technology

Some of the Group's products manufactured in the United States may be subject to the US *International Traffic in Arms Regulations* ("**ITAR**"). Electronic amplification products (which account for a very small proportion of Amplification revenue) and certain cooled imaging products under the Group's Telops brand are subject to ITAR regulations.

ITAR regulations govern defense-related goods and components and national defense-related technologies on the *US Military List* or "**(USML**"). The ITAR regime also applies to products of American origin that incorporate a component or sub-assembly that is itself subject to the ITAR. These regulations are also likely to apply to a product of non-US origin, if a US entity is involved in the export operation (including in particular the involvement of US personnel or the transfer of technical data that passes through US data carriers).

(1) EAR99 items are generally low-tech consumer goods and can be exported without a licence, but exporters of EAR99 items must take reasonable care to ensure that the item is not destined for an embargoed or sanctioned country, a prohibited end-user or a prohibited end-use.

Any export or re-export subject to ITAR is restricted to US organisations and individuals, unless a licence is obtained from the US Department of State, or a special exemption is granted. Under these regulations, a US person wishing to export goods listed on the USML, or a product incorporating such a component, to a foreign person must first obtain authorisation from the US Department of State. In particular, for any transfer of US-origin defense technology controlled under the ITAR to a non-US entity, the US entity is required to accept a technical transfer agreement or obtain a licence from the US authorities. Once the export has been approved by the US authorities, the US entity must submit to the *Directorate of Defense Trade Controls* (DDTC), within 30 days of exporting the goods in question, a copy of the US export licence signed by all parties.

To ensure effective control of the risks associated with exposure to foreign regulations, and in particular ITAR and EAR regulations, which could affect the Group's sensitive activities, the local Export Control Managers monitor regulations with the assistance of a US law firm for ITAR rules.

1.7.1.3 Sanctions

The French Customs Code provides for more stringent and specific sanctions for offences relating to dual-use goods and war materials. Breaches of domestic and European export authorisation rules on dual-use goods are customs offences.

Offences relating to dual-use goods are punishable by five years' imprisonment, confiscation of the subject-matter of the fraud, confiscation of the goods and assets that represent the direct or indirect proceeds of the offence and a fine of up to three times the value of the subject-matter of the fraud.

With regard to war materials, Article 414 of the French Customs Code provides for heavier penalties: the prison sentence is increased to ten years and the fine may be up to ten times the value of the subject-matter of the fraud.

US regulations provide for civil penalties of up to USD 300,000 per offence and criminal penalties of up to USD 1 million and/or 20 years' imprisonment for breaches of the Export Administration Regulations (EAR). ITAR breaches may result in civil fines of up to USD 500,000 per offence and criminal fines of up to USD 1 million and/or 10 years' imprisonment.

Offences may also result in the temporary revocation of export licences.

1.7.2 Foreign investment control regulations

Although Regulation (EU) No 2019/452 of 19 March 2019 establishing a framework for screening foreign direct investment does not create a screening mechanism at EU level, it sets out a framework and minimum requirements for screening mechanisms applicable by EU Member States that have the option of adopting restrictive measures regarding foreign direct investment on grounds of national security and public order. This regulation sets out a non-exhaustive list of factors that may be taken into consideration when determining whether a foreign direct investment is likely to undermine security or public order. In addition, the regulation establishes a system for cooperation between Member States and requires States that introduce such national legislation to provide a means of appeal for foreign investors and the companies concerned against the screening decisions of the national authorities.

In France, certain foreign investments in companies incorporated under French law operating in a limited number of sectors are subject to prior authorisation by the Minister of the Economy, particularly when all or part of the target's business relates to a strategic sector such as defense, energy, transport, public health or telecommunications. At the date of this Universal Registration Document, some of the Group's activities are covered by the regulations applicable to foreign investments in France, in particular the Group's activities in the national defense and nuclear energy sectors, but also the production of dual-use goods. As a result, the Company and one of its French subsidiaries fall within the scope of the legal and regulatory provisions applicable to foreign investments in France set out in articles L. 151-3 and R. 151-2 et seq. of the French Monetary and Financial Code.

Under these provisions, the acquisition, by a non-French citizen, a French citizen not resident in France, a non-French entity or a French entity controlled by these persons or entities, of control, within the meaning of article L. 233-3 of the French Commercial Code, or of all or part of a branch of activity of the Company or of one of its French subsidiaries carrying on activities listed in the aforementioned provisions is subject to a prior authorisation procedure by the Minister of the Economy. In addition, any acquisition by an investor who is not a national of a Member State of the European Union or of a State party to the Agreement on the European Economic Area (EEA) which results in the threshold of 25% of the voting rights of the Company or of one of its French subsidiaries carrying on these activities being exceeded, either directly or indirectly, alone or in concert, is subject to the same procedure. Decree no. 2023-1293 of 28 December 2023 perpetuated the lowering of this threshold to 10% of voting rights for French companies whose shares are admitted to trading on a regulated market, which is the case for the Company following its IPO.

In the context of this prior authorisation procedure, the Minister of the Economy is responsible in particular for verifying that the conditions of the planned transaction protect national interests; in this respect, the Minister may attach one or more conditions to the authorisation of such a transaction in order to ensure the long-term survival of the activities concerned, industrial capacities, research and development capacities or associated know-how, or even, on the basis of a reasoned decision, refuse such authorisation, in particular if national interests cannot be protected (see Section 7.2.5 "Commitments made by HLD Europe to the French Government" of this Universal Registration Document).

Any transaction carried out in breach of these provisions is null and void. It is also liable to a fine of up to twice the amount of the unauthorised investment and to the criminal penalties provided for in Article 459 of the French Customs Code (Code des douanes).

In addition, as part of its external growth operations, the Group may have to comply with similar sets of rules introduced in other jurisdictions. In the United States, foreign investments that raise national security concerns are subject to prior authorisation by the Committee on Foreign Investments in the United States (CFIUS). The CFIUS is an inter-agency government committee established in 1975 and codified in Section 721 of the Defense Production Act of 1950 (as amended by Section 5021 of the Omnibus Trade and Competitiveness Act of 1988). This committee is responsible for verifying the operations covered by the regulations in order to protect the national security of the United States and for recommending to the President whether or not to authorise operations presenting a threat, or to subject them to conditions designed to mitigate the risks.

The Foreign Investment Risk Review Modernisation Act (FIRRMA), which came into force on 13 August 2018, expanded the powers of CFIUS. Previously, CFIUS' jurisdiction was limited to reviewing mergers, acquisitions or takeovers that could result in "foreign control" of a US company. FIRRMA now extends CFIUS' jurisdiction to investments, including minority or non-voting investments, in certain US companies identified as strategic (those operating in "critical infrastructures" and "critical technologies" and those that store or collect sensitive personal data of US citizens) (see Section 7.2.5 "Commitments made to governments relating to the governance of certain Group entities" of this Universal Registration Document).

The acquisitions of Telops Inc. in Canada and Centronic Group Limited in Great Britain also resulted in local foreign investment control procedures.

Sanctions for breaches of foreign investment control procedures in France, similar to those in other jurisdictions such as the United States, Canada and the United Kingdom, encompass a wide range of measures:

- the acquisition may be annulled as a potential civil sanction. In the event of a breach of foreign investment control procedures, the annulment returns the parties to their original position and supplements the range of criminal and financial measures;
- **criminal sanctions**: these apply to natural persons and legal entities in breach of prior authorisation or notification obligations. They are levied in the event of non-compliance and serve as a deterrent against identified breaches;
- **financial administrative sanctions:** inspired by the GDPR model, these may be imposed based on a percentage of the defaulting company's global revenue. Their purpose is to address breaches at an administrative level, and guarantee strict compliance with procedures.

1.7.3 Regulations governing the Group's activities in the nuclear sector

Radiation protection

Articles L. 1333-1 to L. 1333-20 and R. 1333-1 to R. 1333-112 of the French Public Health Code set out the rules in France for the general protection of the public against ionising radiation. All nuclear activities are subject to a declaration or authorisation system. As a holder of sealed radioactive sources [(1)] (whose structure or packaging prevents any dispersal of radioactive materials during normal use), the Group is subject to reporting obligations to the French Nuclear Safety Authority (ASN), an independent administrative authority responsible for monitoring nuclear activities in France. On behalf of the State, it is responsible for monitoring nuclear safety and radiation protection in France to protect workers, patients, the public and the environment from the risks associated with nuclear activities.

Articles L. 4451-1 et seq. and R. 4451-1 et seq. of the French Labour Code govern the protection of workers against ionising radiation. These can have an impact on living matter, with effects that can be deterministic (short-term tissue damage) or stochastic (random, increased risk of cancer in the long term). Radiation protection involves assessing the risks associated with exposure to ionising radiation and, if necessary, implementing protective and preventive measures to reduce these risks. In addition to various obligations incumbent on employers of employees likely to be exposed, such as determining supervised and controlled zones, monitoring radiation emitters and developing collective and individual protection measures, the French Labour Code sets limits on the exposure of workers to ionising radiation, in particular the dose limit of 20 millisieverts (mSv) over twelve consecutive months.

In this context, the Group is required to have a management system certified by the French Committee for the Certification of Companies for the Training and Monitoring of Personnel Working under Ionizing Radiation (CEFRI), under the responsibility of a member of staff with the title of "designated manager"and a member of staff with the title of "radiation protection expert". In addition, it is obliged to implement preparatory methods to avoid or limit the radiation received by workers, as well as a process for detecting, analysing and dealing with compliance deviations and significant events (by determining the technical, organisational and human causes, defining appropriate curative, preventive and corrective actions, implementing them and then evaluating them).

Following the acquisition of Centronic Limited, the Group is also subject to the Radioactive Substances Regulation (RSR) in the United Kingdom, governed by the provisions of the Environmental Permitting (England and Wales) Regulations 2016 SI (2016/1154) under the authority of the Environment Agency. The RSR regime regulates activities involving radioactive materials in order to limit the impact on people and the environment.

The RSR regime does not include the aspects of radioactivity linked to exposure and the health and safety of workers in the workplace. These aspects, which are monitored by the Office for Nuclear Regulation (ONR), are governed by the Ionising Radiations Regulations 2017 (SI 2017/1075) which lay down safety standards for protection against the hazards arising from exposure to ionizing radiations. These regulations implement the requirements of European Directive 2013/59/EURATOM of 5 December 2013, establishing basic standards for health protection against the dangers arising from exposure to ionizing radiations.

French Nuclear Safety Authority (ASN)

As a company supplying customers operating in the nuclear sector, the Group is subject to ASN decisions. For example, it is required to report its own safety, radiation protection and environmental incidents to the ASN, and the nuclear instrumentation products it produces must be authorised by the ASN.

The ASN plays an important role in the development of regulations applicable to the nuclear industry; it is consulted on draft decrees and ministerial orders of a regulatory nature relating to nuclear safety, and it may issue regulatory decisions of a technical nature to supplement the terms of application of decrees and orders issued in the field of nuclear safety or radiation protection. The ASN may also issue individual decisions and impose requirements under the conditions defined by Articles L. 592-1 et seq. of the Environmental Code and, in particular, Articles L. 592-19 et seq. of this Code.

The activities of Centronic Limited in the United Kingdom are regulated by the ONR (Office for Nuclear Regulation).

[(1)] *The radioactive materials in the sources are sealed inside a protective container. The waves or energetic particles emitted by these materials are known as ionising radiations.*

1.7.4 Environmental regulations

Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (**REACH Regulation**), as amended by Regulation (EU) No 2021/979 of 17 June 2021, imposes a series of obligations on all industrial sectors regarding the registration, use and restriction of chemicals used in production processes. Professionals must register their substances in order to describe the potential risks, and after diagnosis, if they pose no risk or if the risk is under control, they can be used, or if they present certain risks, their use is regulated or even prohibited. The Group is therefore a downstream user (defined as anyone other than the manufacturer or importer who uses a substance, either on its own or in a preparation), which means that it must ensure that its suppliers have registered their substances if they are not exempt. However, the Group is also an importer of articles, which imposes obligations on it to inform its customers about the substances incorporated in its products.

In addition, the Group is subject to the provisions of Decree n° 2013-988 of 6 November 2013, transposing the RoHS "Restriction of Hazardous Substances" Directive 2011/65/EU of 8 June 2011 ("RoHS Directive"), as amended by Directive (EU) 2015/863 of 31 March 2015. This directive aims to limit the use of ten hazardous substances in electrical and electronic equipment (e.g., lead, mercury and cadmium). To date, only lead has been identified as being present in products marketed by the Group and subject to the restrictions imposed by the RoHS Directive. However, exceptions apply to certain categories of equipment, certain applications, certain components and certain materials, and the Group's products identified as containing lead benefit from several exemptions under the RoHS Directive, including those applicable to equipment necessary for the protection of the essential security interests of Member States, equipment intended to be sent into space and equipment that is specifically designed to be installed as part of another type of equipment that does not fall within the scope of the RoHS Directive. The Group also benefits from time-limited exemptions granted by the European Commission, which concern, for its activities at the date of this Universal Registration Document, electrical and electronic components containing lead in glass or microchannel plates containing lead. Non-compliance with the RoHS Directive is penalised at national level by the relevant supervisory authorities, so penalties can vary considerably from one Member State to another.

Such restrictions and/or bans can have a significant impact on the Group's activities and must be carefully monitored and anticipated as soon as possible in order to identify suitable alternative substances.

For breaches of obligations under the REACH regulation, various types of sanctions may be levied depending on the jurisdiction and nature of the offence if the breach is not remedied after formal notice is sent. In France, although sanctions are primarily administrative in nature (including fines of €15,000 and a maximum of €1,500 for each day the breach lasts, or bans on the import, manufacture or marketing of substances, preparations and items), criminal sanctions may also be levied (two years' imprisonment and a maximum fine of €75,000).

Breaches of obligations under the RoHS Directive may also give rise to sanctions, which vary between jurisdictions: financial sanctions in France (between €450 and €1,500 for each non-compliant product) and prison sentences in other European countries (of between one and 10 years in the Netherlands and Belgium).

1.7.5 Regulations on economic sanctions and the fight against corruption

The Group is subject to various regulations aimed at combatting fraud and abuse. These regulations cover fraud such as misappropriation of assets or corruption, unethical behaviour in interactions with third parties, including government officials, customers, and suppliers, as well as inappropriate marketing or promotional practices and conflicts of interest.

The Group is therefore subject to the anti-corruption regulations applicable in the countries in which it operates, such as the Sapin II law in France, the US Foreign Corrupt Practices Act (**FCPA**), the UK Bribery Act 2010 and the provisions of the Dutch and German Criminal Codes.

In addition, some of the Group's products are likely to use gold so it must comply with Regulation (EU) 2017/821, laying down obligations for importers of tin, tantalum and tungsten, their ores and gold from conflict or high-risk areas (**the Conflict Minerals Regulation**). In politically unstable areas, the extraction and trade of these minerals can lead directly or indirectly to armed conflict, human rights violations, corruption and money laundering. Under the terms of this regulation and in accordance with OECD guidelines, companies are subject to a duty of care with regard to their supply chain, and must ensure that they source minerals and metals responsibly and do not contribute to conflicts, their harmful effects or other illegal activities. Companies subject to the duty of care must identify the risks associated with sourcing raw materials from politically unstable or conflict zones and put in place risk management, independent third-party verification and reporting systems. They must also determine whether the exploitation of these raw materials is likely to encourage the financing of conflict, forced labour or any other risk covered by the Conflict Minerals Regulation.

Lastly, the Group is keeping a close eye on changes in the restrictive measures imposed by the European Union on imports from countries under embargo or conflict zones (for example, products or services originating directly or indirectly in Russia or Belarus) that could affect its supply chain.

Breaches of applicable domestic anti-fraud and anti-corruption regulations are punishable by severe financial and criminal penalties in all countries. In France, the French Anti-Corruption Agency (AFA) may petition the Sanctions Committee to impose financial sanctions. The committee may issue compliance orders and sanctions (of up to €200,000 for natural persons and €1,000,000 for legal entities, with the sanctions potentially being publicly disclosed). The amount of the financial sanction levied is proportional to the seriousness of the identified breaches and the financial position of the natural person or legal entity in question. The Sapin II law also introduced a specific obligation to implement a compliance programme following convictions for corruption or influence peddling. The compliance obligation is overseen by the AFA over a maximum period of three years. A breach of the compliance obligation could result in up to two years' imprisonment and a fine of €400,000 or €2,000,000 for legal entities.

1.7.6 Regulations on the protection of personal data

In the course of its business, the Group collects and processes information that is subject to legislation and regulations on the protection of personal data in Europe and in other regions where the Group operates.

In Europe, Regulation No 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (**GDPR**) applies to the Group. The GDPR established the new regulatory framework for the protection of personal data in Europe when it came into force on 25 May 2018. The GDPR applies to the automated or non-automated processing of personal data carried out by any entity established on the territory of the European Union or to processing carried out by an entity outside the European Union where the processing activities relate to the offering of goods or services to individuals within the European Union or to the monitoring of the behaviour (targeting) of those individuals. Personal data is broadly defined as any information relating to an identified or identifiable natural person, whether directly or indirectly, regardless of that person's country of residence or nationality.

Under the GDPR, the Group must comply with a number of essential rules:

- personal data must be processed lawfully and transparently, ensuring fairness to the individuals whose personal data are processed ("lawfulness, fairness and transparency");
- there must be specific purposes for processing the data and the Group must indicate these purposes to data subjects when it collects their personal data ("purpose limitation");
- the Group may only collect and process personal data that are necessary to achieve these purposes ("data minimisation");
- the Group must ensure that personal data is accurate and kept up to date in relation to the purposes for which it is processed, and correct it where necessary ("accuracy");
- the Group must ensure that personal data is kept no longer than is necessary for the purposes for which it was collected ("storage limitation"); and
- the Group must put in place appropriate technical and organisational measures to ensure the security of personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction, or damage, using appropriate technology ("integrity and confidentiality").

In addition, the GDPR:

- provides for greater responsibility on the part of data controllers and processors, requiring them to be able to demonstrate compliance with the rules imposed by the GDPR at all times and on an ongoing basis, in particular through the implementation of technical and organisational measures and an obligation to provide documentation. To this end, the GDPR requires a register to be kept of the data processing carried out;
- strengthens the rights of those affected by data processing, in particular by introducing additional information related, for example, to the legal framework for processing, the legitimate interests pursued by the controller, the right to limit data processing and data portability and, where processing is based on consent, the right to withdraw consent;
- requires notification of data breaches to the supervisory authority and to the persons affected by the breach;
- requires a full impact assessment to be carried out for high-risk processing operations involving sensitive data, setting out the characteristics of the operation, the risks and the measures adopted to protect them;
- requires certain data controllers to appoint a Data Protection Officer (DPO) under certain conditions.

The GDPR gives EU Member States the option of adopting local specifications. France made use of this option in the context of the Act of 20 June 2018 reforming Act No. 78-17 of 6 January 1978 on data processing, data files and individual liberties ("Data Protection Act") and its implementing decrees, when certain articles of the GDPR referred to national legislation. Therefore, in addition to the GDPR, local data protection laws in the countries in which the Group is established or offers services must be taken into account, in this case the Data Protection Act in France.

The Group is implementing the action plans required to ensure GDPR compliance within the various Group entities affected by this regulation, which it intends to reinforce over the coming months.

The GDPR provides for administrative fines of up to €10,000,000 or, for undertakings, up to 2% of their total worldwide annual turnover of the preceding financial year. For the most serious infringements, these amounts are increased to €20 million or 4% of total worldwide annual turnover whichever is the greater. When deciding on the amount of the administrative fine, the restricted committee of the supervisory authority gives due regard to the criteria set out in Article 83 of the GDPR. Administrative fines levied by the supervisory authorities of Member States must in each individual case be "effective, proportionate and dissuasive". Several aspects are considered in determining the amount of the fine, such as the nature, gravity and duration of the infringement, the nature, scope or purpose of the processing concerned, the number of data subjects affected and the level of damage suffered by them and the degree of cooperation with the supervisory authority. In France, the CNIL can also impose injunctions with penalty payments to ensure that an undertaking remedies any infringements. It may also decide to make its decision public.

1.7.7 Regulations on cybersecurity

The Group, through its subsidiaries, is subject to the enhanced cybersecurity obligations imposed by Directive (EU) 2022/2555 of 14 December 2022 concerning measures aimed at ensuring a high common level of cybersecurity ('NIS2 Directive') applicable in particular to manufacturers of electronic and optical products and electrical equipment.

In this regard, the companies concerned must implement appropriate technical and organisational measures to protect their information systems.

The Member States of the European Union had until 17 October 2024 to transpose the NIS2 Directive into their national legislation. So far, with regard to the Group's legal entities, only Belgian law has been adapted.

At the opening of the European Council negotiations between the Member States, it was stipulated that the entities concerned would be required to comply with the rules of the Member State in which they have an establishment. Under the NIS2 Directive, an entity is considered to have its main establishment in the Member State in which decisions on cybersecurity risk management measures are primarily taken. The current CISO (Chief Information Security Officer) of the EXOSENS Group is based in the Leuven subsidiary in Belgium.

Given that the EXOSENS Group falls within the scope of the one-stop shop mechanism, offers services within the EU and has a subsidiary in Belgium, it has appointed an NIS2 representative in Belgium.

In accordance with the Belgian NIS2 law of 26 April 2024 transposing the European Directive 2022/2555 of 14 December 2022, and the implementation of its so-called 'NIS2' security measures, the EXOSENS Group is registered with NIS2 through the Belgian Cybersecurity Centre (CCB) and as such undertakes to:

- notify the CCB of any significant incidents, i.e. any incident that has a significant impact on the provision of services and which (a) has caused or is likely to cause a serious operational disruption of services or a financial loss for the EXOSENS Group; (b) has affected or is likely to affect other natural or legal persons by causing significant material or non-material harm;
- carry out regular, differentiated assessments of the risks related to cybersecurity within the EXOSENS Group and its subsidiaries according to the applicable legal bases;
- train the employees and managers of the EXOSENS Group and its subsidiaries in cybersecurity to enable them to fulfil their responsibilities and obligations in accordance with NIS2 legislation. A basic understanding of risk management and cybersecurity is essential in order to make management decisions on cybersecurity strategies and measures.

As regards the implementation of security measures, the EXOSENS Group can use the three-step CyFun® framework from the CCB, recognised by the ANSSI, to comply with NIS2:

- perform a gap analysis using the CyFun® self-assessment tool;
- implement the required measures. Our implementation plan must gradually implement cybersecurity measures, taking into account the review deadlines indicated in the next step;
- update the self-assessment and gather evidence of implementation.

While essential entities are required to have their implementation regularly assessed and monitored by an accredited, authorised compliance assessment body in order to obtain the assurance level by 18 April 2026 (with the final level to be certified by 18 April 2027), the EXOSENS Group, as a significant entity, may undergo the same regular compliance assessment, granting it a presumption of compliance. It is important for the management to have the appropriate label or certificate so that it can demonstrate compliance in the event of an incident.

The NIS2 Directive also extends the control powers of the national authorities, authorising them to perform ex ante controls on essential entities, while important entities may be subject to ex post controls. The Directive also provides for administrative penalties, including administrative fines of up to €10 million or 2% of the total worldwide annual turnover of the undertaking concerned, whichever is higher. Member States may also, where applicable, provide for other coercive measures when transposing the directive.

Under the NIS2 Directive, Member States' competent authorities will be able to issue warnings or orders and impose administrative fines or request that bodies, courts or tribunals impose these fines. EU Member States must ensure that any administrative fines under their national laws are effective, proportionate and dissuasive, taking into account the circumstances of each individual case. In the event of infringement, important entities are subject to administrative fines of a maximum of at least €7,000,000 or of a maximum of at least 1.4% of the total worldwide annual turnover in the preceding financial year of the undertaking to which the important entity belongs, whichever is higher.

02

Sustainability statement

GENERAL DISCLOSURES

2.1 General disclosures (ESRS 2)

2.1.1 General basis for preparation of the sustainability statement (ESRS 2 BP 1)

The Group's sustainability statement has been prepared and presented in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) and existing legislation, the latest versions of which have been recently published. Following the listing of EXOSENS on the regulated market of Euronext Paris on 7 June 2024, the Group has been classified as a large entity under the CSRD and is required to publish a sustainability statement for the first time on 31 December 2024. The Group was not previously subject to the Non-Financial Performance Statement (NFPS).

This context has expedited the alignment of EXOSENS with the requirements of the CSRD for this first year of reporting. For this reason, certain elements need to be considered when reviewing the sustainability statement.

- the process for defining material impacts, risks and opportunities in terms of sustainability may therefore evolve in the coming years in line with the increasing maturity of the management system and reporting tools used by EXOSENS;
- EXOSENS further highlights that its understanding of sustainability reporting requirements will improve as additional guidelines or clarification sessions are published and non-financial reporting practices become more established. The estimates provided may also be adjusted in future reports as new information becomes available.
- EXOSENS has benefited from some of the transitional provisions of the CSRD;
- the internal control practices relating to this reporting are also being enhanced (see Section 2.7.1.2 "Internal controls").

2.1.1.1 Scope of the sustainability statement

EXOSENS is aware of the requirements of the CSRD in terms of scope. For this first financial year, the scope of quantitative data reporting does not fully align with EXOSENS' operational and financial control scope for the following reasons:

- either subsidiaries have been excluded from the scope due to their small size and limited environmental and social impact. This concerns a few business entities with fewer than 10 employees: Photonis Shenzhen, Xenics USA, Telops FR, Telops USA and Photonis Asia Pacific;
- or companies have entered the EXOSENS consolidation scope after 1 July of the reporting year. These companies are not included in the scope of the sustainability declaration for the current financial year. Due to the time required for their integration and the harmonisation of reporting systems, their sustainability data cannot be collected immediately. In accordance with its external growth strategy (see Section 1.4.2 "Group Strategy" of this Universal Registration Document), EXOSENS will include them in its reporting from the following year. The Group aims to improve its processes in order to broaden its scope in the future. For 2024, this exclusion applies to the Centronic and LR Tech production sites. EXOSENS does not consider that the exclusion of these companies has a material impact on the data in the sustainability statement due to their workforce, the volumes produced and the continuity of their activities with those of the Group.

The Group does not exercise any operational control over other companies.

All quantitative sustainability data is consolidated in line with the principles outlined above, unless expressly stated otherwise in the report. In order to ensure consistency between the data from the European taxonomy and the financial statements, EXOSENS considers the scope of the financial statements for this section.

As this is the Group's first sustainability statement, the tools and processes used by EXOSENS are designed to evolve so that the quality and accuracy of the consolidated data can be improved. EXOSENS aims to manage data collection efficiently while monitoring and analysing performance so that it can be assessed and appropriate action can be taken as needed. EXOSENS therefore calls on all internal stakeholders affected by the data collection process, in particular the human resources, operations and finance departments at Group and subsidiary level. The Group calls on external consultants to help with issues that require specific expertise, such as calculating its carbon footprint.

A non-financial reporting policy was developed in 2024 to manage the collection and consolidation of non-financial information. This policy is to be reviewed in 2025 to take account of changes in the various processes for collecting non-financial information. The reporting framework is reviewed and updated each year.

The reporting scopes linked to the various topics published in this report are as follows:

- carbon footprint: EXOSENS follows the GHG Protocol when assessing the Group's carbon footprint, which covers scopes 1, 2 and 3. The entities covered are the ones that come within the scope of the sustainability statement presented above;
- workforce: the social indicators relating to company's workforce cover all EXOSENS employees with a direct employment contract with one of the Group's companies. The data relating to staff of subsidiaries acquired between 1 July and 31 December 2024 is published for the overall workforce in Section 2.5.8 "Characteristics of the undertaking's employees (ESRS S1-6)" of this sustainability statement (ESRS S1). The procedure for consolidating social data is a new procedure within the Group and is therefore likely to evolve over the coming years.

The non-financial reporting period is aligned with the Group's financial reporting period and covers the period from 1 January to 31 December 2024. Due to the reporting schedule, some of the data relating to the Group's carbon footprint is based on actual data for the first 10 months of the year (January - October 2024) and is estimated for the last two months. The appropriateness of this methodology will be reviewed for future publications.

The baseline year that will enable the Group to measure the progress made under its climate action plan is 2024.

2.1.1.2 Consideration of the value chain in the sustainability statement

This sustainability declaration covers the upstream and downstream value chains of EXOSENS. Both our external stakeholders (upstream suppliers and partners and downstream customers) and our internal stakeholders (employees) are included within the scope of this declaration.

The Group interviewed several internal and external stakeholders on various sustainability issues as part of the double materiality assessment in 2023. The materiality of the resulting issues takes into account the interests of all the Group's stakeholders.

Our policies apply to the various players in our value chain, thus ensuring that all stakeholders (employees, partners, suppliers and customers) are fully integrated into our sustainability approach, as outlined in more detail in the dedicated sections of this statement. The Group's commitments to its stakeholders are set out in the Code of Ethics, the Partners Code of Conduct, the Supplier Code of Conduct, the Responsible Purchasing Policy, and the Human Rights and Labour Rights Policy, providing a framework for how EXOSENS conducts its business. This approach ensures that the expectations of our entire value chain are considered in a balanced manner, with a focus on responsibility and sustainability.

2.1.2 Reporting scope and disclosures in relation to specific circumstances (ESRS 2 BP 2)

2.1.2.1 Specific contextual features related to the first year of disclosure of the requirements of the CSRD

The Group has reviewed all the applicable CSRD disclosure requirements for this first year of publication of its sustainability data.

Some estimates may be refined during future reporting periods, if necessary, when more reliable information becomes available. Some estimation methods may also be amended or adapted, if necessary, based on changes in practices commonly recognised by the market.

Despite the efforts made by the Group to cover the majority of these data points, certain data is not yet available in the format or level of detail expected by the directive due to the recent implementation of the CSRD. The main information concerned is outlined below:

- starting in 2025, EXOSENS is to initiate a resilience analysis of its strategy and business model in relation to climate change based on an analysis of physical and transition risk scenarios (see Section 2.2.3 “Material impacts, risks and opportunities and their interaction with strategy and business model” (ESRS 2 SBM-3)).
- concerning the scope:
  - the scope of the sustainability statement does not fully align with that of the financial statements. Subsidiaries acquired after 1 July 2024 could not be integrated into the Group's CSR management tools and, as a result, were not included in the sustainability reporting scope for the reporting period. They will be integrated into 2025 reporting. (see Section 2.1.1.1 "Scope of the sustainability statement").

    In addition, some of the subsidiaries (Photonis Shenzhen, Xenics USA, Telops FR, Telops USA and Photonis Asia Pacific) have been excluded due to their small size and limited environmental and social impact.
  - in terms of social information, EXOSENS was unable to collect reliable information across its entire reporting scope for the reporting period,
    - for the purposes of DR S1-16 “Remuneration metrics” in respect of the pay gap, Photonis France and Photonis Netherlands, which represent 64.3% of the Group's total workforce, have been included in the scope of the indicator. These sites are the ones so far that have been able to collect reliable data on the calculation of pay gaps, as EXOSENS has not been able to gather information for the other entities of the Group for this financial year. This ratio could therefore change in the coming years (see section 2.5.15 “Remuneration metrics”),
    - moreover, the total annual remuneration ratio was established on the basis of employees from the same country as the CEO of EXOSENS (mainland France) who belong to the EXOSENS SAS and Photonis France entities, covering 97% of the country's workforce;
- concerning partially or unpublished data:
  - in terms of environmental information, the Group does not yet have a transition plan for climate change mitigation. The Group will undertake the work required to assess the feasibility of a transition plan from 2025 onwards (see Section 2.2.2 “Transition plan for climate change mitigation” (ESRS E1-1)),
  - the Group does not currently have all the quantitative data on resource inflows, including resource use, which are subject to a disclosure requirement under ESRS E5 “Resources use and circular economy”,
  - in terms of reporting on the Green Taxonomy, on 29 November 2024, the European Commission published a draft set of FAQs on the interpretation and implementation of certain provisions of the EU Taxonomy Regulation (Article 8 of the Taxonomy Regulation and the Climate and Environment Delegated Acts). Question 79 relating to electrical and electronic equipment confirmed the eligibility of the Group's activities for the Green Taxonomy. The Group is currently analysing its alignment and will be able to present its conclusions in the 2025 report;

- concerning estimates:
  - Energy consumption (final energy consumed by the entities, in MWh) and the activity data used to establish the carbon footprint were collected from the eleven entities concerned by the sustainability statement and cover the period from January to October 2024 (inclusive). The energy consumption data collected in litres, cubic metres or monetary units has been converted into megawatt hours using conversion factors. Because of the publication schedule of the Universal Registration Document, the energy consumption and activity data for November and December 2024 used in the calculation of the Carbon Footprint have been estimated (see Sections 2.2.8 "Energy consumption and mix (ESRS E1-5)" and 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6)"),
  - estimates have been used to calculate Scope 3 for the following categories: "1. Purchased goods and services" and "11. Use of sold products". These estimates primarily focus on the use of monetary data and the duration of use of sold products.

2.1.2.2 Information stemming from other legislation

Information that stems from other legislative regulations may be published in this declaration and is clearly identified as such. A precise reference to the specific paragraphs of the relevant standards or frameworks is also provided where applicable, guaranteeing transparency and strict compliance in the communication of sustainability information.

2.1.2.3 Incorporation of information by reference

We also identify information that is incorporated by reference throughout the document and in Section 2.9 Annex: General disclosures (ESRS 2 IRO2) to guarantee complete transparency in the presentation of information. This enables stakeholders to identify the referenced elements clearly and access the corresponding sources to gain a deeper understanding.

2.1.3 The role of the administrative, management and supervisory bodies (ESRS 2 GOV 1)

2.1.3.1 Composition of the administrative, management and supervisory bodies and expertise and skills relating to sustainability

The composition of the EXOSENS governance bodies is described in detail in Section 3.1 of Chapter 3 "Corporate Governance" of this Universal Registration Document.

At 31 December 2024, the Company had a Board of Directors composed of eight (8) members and one (1) non-voting member.

The composition of the Company's Board of Directors complies with the provisions of Articles L.225-18-1 and L.22-10-3 of the French Commercial Code, which require a balanced representation of women and men on the Board of Directors. Three out of a total of eight directors on the Board are women (37.5%). Furthermore, in accordance with the independence criteria defined by the AFEP-MEDEF Code in its version updated in December 2022, three members of the Board of Directors are independent members (37.5%).

The background and experience of the members of the Board of Directors are described in Section 3.1.1 of this Universal Registration Document.

Six members of the Board of Directors sit on the committees that oversee the Group's sustainability matters. The CSR Committee and the Audit Committee are each composed of three directors. The tasks of these committees are described below in Section 3.1.5 of this Universal Registration Document. As at 31 December 2024, these committees were chaired by two independent members of the Board of Directors, Wendy Kool-Foulon (CSR Committee) and Brigitte Geny (Audit Committee).

Wendy Kool-Foulon has solid expertise in sustainable development, as she is also the Legal and CSR Director of the Verallia group and secretary of the Sustainable Development Committee. Brigitte Geny chairs the CSR Committees of the Cogelec and Biosynex groups. As part of their role, they also ensure that compliance and business ethics are upheld. The Board of Directors therefore benefits from the expertise and skills necessary to monitor and evaluate sustainability issues for the Group. In order to enhance the knowledge of the Board of Directors, the Group plans to train all its members in sustainability issues during the course of 2025.

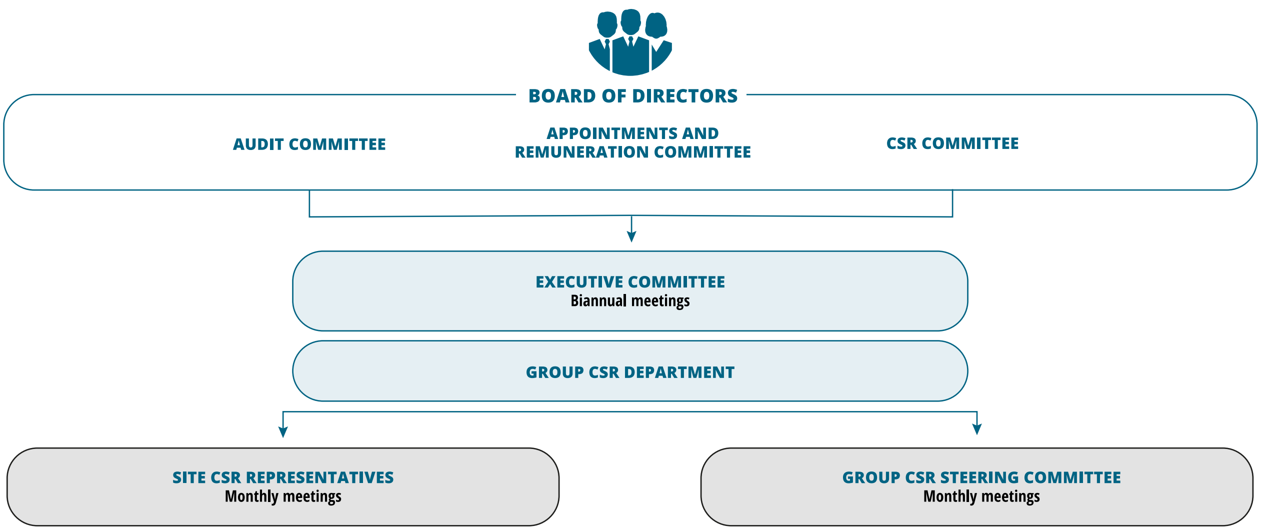
2.1.3.2 Role and responsibility of the administrative, management and supervisory bodies relating to sustainability

The following bodies are involved in sustainable development governance:

- the Board of Directors, supported by three specialised committees (the Audit Committee, the Appointments and Remuneration Committee and the CSR Committee), supervises the Group's CSR strategy and non-financial reporting. The precise tasks of these committees are described in Section 3.1.5 of this Universal Registration Document. The Board of Directors does not have employee representation, as the thresholds for such representation have not been met;
- the CSR Committee is responsible for the governance and monitoring of the integration of corporate social responsibility matters into the Group's strategy, as well as its operational implementation;
- the Audit Committee examines the sustainability statement, the non-financial reporting policy, the internal control systems and the internal audits relating to non-financial reporting, where applicable;

- the Appointments and Remuneration Committee is responsible for the regular assessment of the remuneration and benefits for the Group's executive directors, including objectives aligned with the CSR strategy; It reviews the corporate governance report;
- the Group's Executive Committee acts as a supervisory committee for the internal execution of the CSR strategy. The Management Committee helps to develop and implement this strategy and is involved in the decision-making process for sustainable development initiatives. Two formal meetings are held each year to review the progress of the CSR strategy, supplemented by ad hoc interventions by the CSR department if required. Quynh-Boï Demey, Chief Financial Officer and member of the Group's Executive Committee, is responsible for overseeing the CSR team, which reports to her;
- the CSR department is responsible for implementing, overseeing and supporting the Group's CSR strategy. Since 2023, this team has been leading the development of the CSR strategy, including the identification and assessment of material impacts, risks and opportunities in terms of sustainability and the identification of targets arising from the strategy. The CSR department also supports those involved in the strategy, both centrally and within the subsidiaries. It develops or supports the development of policies related to material sustainability matters for the Group. It reports regularly to the CSR Committee and the Audit Committee on the outcomes achieved and the implementation of the CSR strategy and the applicable regulatory obligations;
- the CSR Steering Committee was established centrally in 2022. It includes four members of the Group's Executive Committee (Quynh-Boï Demey, Chief Financial Officer, Pascal Joseph, Chief Operations Officer, Claire Valentin, Chief Strategy Officer, and Bella Zisere, Chief People and Culture Officer, the Director of Investor Relations and the CSR Manager. The CSR Steering Committee meets on a monthly basis. Jérôme Cerisier, the Company's Chief Executive Officer and director, takes part in these meetings on a quarterly basis. The meetings are dedicated to overseeing the action plan and deploying and updating the CSR strategy. The members coordinate between functions and geographical areas and are involved in teams with the CSR strategy as needed. The CSR Steering Committee has a decision-making role;
- the CSR coordinators play a key role in the local deployment of the CSR strategy. They are the point of contact within subsidiaries and coordinate sustainable development initiatives at a local level. They ensure that the Group's policies are applied, ensuring that they are implemented in a consistent, harmonised manner across the various entities. These coordinators attend monthly meetings with the CSR Department to exchange information, share best practice and align local efforts with the overall strategy. The frequency of these meetings helps the CSR strategy to become integrated smoothly across various sites, encouraging the effective implementation of initiatives at local level. Thanks to their in-depth knowledge of the local operational context, the representatives ensure that CSR actions are adapted to regional specifications while maintaining the Group's standards. Their proactive involvement also helps to strengthen the commitment of local teams, promoting a culture of sustainable responsibility within each entity.

This governance structure ensures that sustainability matters are taken into account systematically in the Group's strategic decisions, while encouraging operational alignment across all geographical areas and functions.



2.1.4 Information sent to the company's administrative, management and supervisory bodies and sustainability issues handled by these bodies (ESRS 2 GOV 2)

As a listed entity since 7 June 2024, the Company convened its various committees during the second half of 2024 to discuss topics linked to sustainable development. These topics are addressed and overseen by the relevant committees based on the responsibilities assigned to them, as described in Section 3.1.5 of this Universal Registration Document.

The CSR Committee met for the first time on 18 October 2024 to discuss reviewing the progress of this sustainability statement and presenting the 2023 carbon footprint assessment. Ad hoc meetings were organised with CSR Committee members in July and September 2024, ahead of the first CSR Committee meeting. The results of the double materiality analysis and the CSR strategy developed as a result were presented to the Committee. The Committee also received occasional updates on the impacts, risks, and opportunities of the Group's sustainability policy.

The main purpose of the Audit Committee meeting of 23 October 2024 was to review the audit plan for the sustainability statement.

Due to the listing of the Company on 7 June 2024, the remuneration policy for the members of the Group's Management Committee had already been finalised by that date. The Appointments and Remuneration Committee meeting on 17 October 2024 was informed of this remuneration policy and how it takes into account CSR objectives (see Section 2.1.5 "Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV 3)").

The chairs of the committees systematically pass on feedback and meeting reports to the Board of Directors after each meeting of the committee concerned. In addition, a specific item relating to the CSR strategy and non-financial reporting is included on the Board's agenda once a year. In 2024, this item was addressed at the Board of Directors' meeting of 25 October.

2.1.5 Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV 3)

Information relating to the remuneration of the Company's Chief Executive Officer can be found in Section 3.3 of this Universal Registration Document.

Since 2024, this performance-related remuneration has included a component linked to the Group’s CSR strategy. For the 2024 financial year, 10% of the variable annual remuneration of the Company's Chief Executive Officer will be based on three equally weighted qualitative objectives. For 2024, these performance conditions linked to remuneration were identical for all members of the Group’s Executive Committee.

BREAKDOWN OF CSR OBJECTIVES IN INCENTIVE MECHANISMS FOR EXECUTIVE COMMITTEE MEMBERS FOR 2024

Presentation to the Executive Committee, by the production sites, of a three-year decarbonisation plan and approval of this plan by the Executive Committee. This action plan was to include expected estimates for scopes 1 and 2 of the site's carbon footprint, as well as an assessment of the associated costs.	Preparation of an HR action plan by the sites following the internal Group survey.	Training for 100% of staff most exposed to combating corruption.

For the 2025 financial year, the Board of Directors meeting of 28 February 2025 set the annual variable component at an amount equal to 70% of the fixed annual remuneration, if the objectives are fully achieved.

70% of the variable component of remuneration is calculated by reference to quantitative criteria, with the remaining 30% calculated based on qualitative criteria.

The qualitative criteria are based on indicators that the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, has considered to be the most relevant in assessing the Group’s social and environmental performance, as well as strategic projects. For 2025, the qualitative criteria are linked, at 15%, to the following three qualitative objectives in equally weighted parts. These objectives are applicable to all members of the Executive Committee for 2025.

BREAKDOWN OF CSR OBJECTIVES IN INCENTIVE MECHANISMS FOR EXECUTIVE COMMITTEE MEMBERS FOR 2025

Gold medal awarded by the organisation EcoVadis	Employee engagement increased in line with the eNPS methodology: increase of 4 points compared to 2024 (target: 10)	Third party assessment carried out for 90% of suppliers and customers within the scope of the applicable Group procedure and for 100% of the Group's agents and distributors.

As at 31 December 2024, the free share plan, as authorised by the AGM of 31 May 2024, had not yet been implemented. It was subsequently approved by the Board of Directors on 28 February 2025 and its terms and conditions are described in Section 3 "Corporate Governance".

2.1.6 Statement on due diligence (ESRS 2 GOV 4)

Due diligence in relation to sustainability is a systematic, integrated process that enables the Group to identify, assess, prevent and mitigate the negative impacts of its activities on human rights, the environment and society, in accordance with international sustainability standards. This process is deeply rooted in the Group's governance, and guides its strategy, operations and decisions through the structured management of ESG (Environmental, Social, Governance) risks.

As highlighted throughout the sustainability statement, the EXOSENS Group is conducting a thorough analysis of its impacts, risks and opportunities and is developing specific mitigation measures. Its aim is to gradually introduce rigorous monitoring and control processes to ensure that its actions are effective. The following table illustrates the integration of due diligence in our operations:

Core elements due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	2.1.8 Strategy, business model and value chain (ESRS 2 SBM 1) 2.1.3 The role of the administrative, management and supervisory bodies (ESRS 2 GOV-1) 2.1.4 Information sent to the company's administrative, management and supervisory bodies and sustainability issues handled by these bodies (ESRS 2 GOV 2); 2.1.5 Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)
Engaging with affected stakeholders in all key steps of the due diligence process	2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2) 2.5.5.1 Whistleblower platform 2.5.5.2 CSE staff representatives and HR teams 2.5.5.3 Engagement survey 2.6.6 Supplier assessment
Identifying and assessing negative impacts	2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1) 2.5.5.1 Whistleblower platform 2.5.5.3 Engagement survey 2.6.6 Supplier assessment 2.7.6 Third party assessment 2.2.9 Carbon footprint assessment
Taking actions to address those negative impacts	2.5.6.4 Risk assessment on the health and safety of our employees 2.5.6.4 Measures for the prevention of physical risks 2.5.6.4 Measures for the prevention and management of PSR 2.6.6 Whistleblower platform 2.2.6 Processes to identify decarbonisation actions
Tracking the effectiveness of these efforts and communicating	2.5.4 Results of the engagement survey 2.1.4 Information sent to the company's administrative, management and supervisory bodies and sustainability issues handled by these bodies (ESRS 2 GOV 2)

2.1.7 Risk management and internal controls over sustainability reporting (ESRS 2 GOV 5)

Operational risk management and internal control are the responsibility of the Group's operating divisions and subsidiaries, under the functional control of the Finance and Administration Department (finance, legal, compliance, CSR) and the Group's Risk, Audit and Internal Control Department.

2.1.7.1 Risk management

The risks associated with sustainable development fall within the framework of the Group's major risk management procedure. The Group's Finance and Administration Department drew up a map of the main risks in 2023, which is to be reviewed annually.

The process of preparing and reviewing the mapping of major risks has helped to identify those to which the Group is exposed and to assess the potential impact of each identified risk, taking into account its criticality (i.e., seriousness and likelihood of occurrence), after considering the relevant action plans put in place. They are thus considered as net risks. Further information on these risks, the corresponding policies and mitigation measures, and the individuals responsible within the Group for monitoring and associated controls can be found in Chapter 4 "Risk factors and risk management system" of this Universal Registration Document.

At the same time, the Group's CSR department conducted a double materiality exercise as part of the CSRD (see Section 2.1.11 "Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1)") to identify the main sustainability-related risks. The risk assessment approach adopted, including the rating criteria (see Section 2.1.11.2 "Process to identify material impacts, risks and opportunities"), was used to determine whether or not a risk was to be deemed material. In accordance with the CSRD, the risks are assessed without taking action plans and mitigation measures into account and are therefore considered as gross risks.

All the risks identified in our double materiality matrix are covered by the risks identified at Group level: A general risk related to issues concerning corporate social responsibility (CSR) has been formally identified at the operational level as part of the risk management process and includes all sustainability risks. Additional alignment work was then carried out by the CSR and internal audit teams between operational risks and sustainability risks.

Identified sustainability risks	Operational risks
Increase in cyberattacks on confidential industrial data	Risks related to industrial espionage and data leakage and risks related to cybercrime and to a possible failure of the Group's IT systems
Volatility of energy prices	Risks related to changes in the economic and geopolitical situation
Reduction of the supplier base due to non-compliance with increasing regulations **Reliance on suppliers who are immature when it comes to environmental issues**	Risks related to supply chain
Industrial action linked to the failure of the social dialogue **Gender equality in the workplace** **Change in the remuneration and benefits processes for our employees**	Risks related to the recruitment and retention of experienced employees and management teams
Reduction of the supplier base due to non-compliance with increasing regulations **Increased regulations on GHG emissions**	Risks related to regulations and regulatory changes
Conflicts of interest, money laundering and corruption	Risks related to ethics and corruption

In terms of the Company's governance bodies, the Audit Committee is responsible for:

- monitoring the effectiveness of internal control, internal audit and risk management systems relating to accounting, financial and non-financial information;
- monitoring the systems and procedures in place to ensure the dissemination and application of best practice policies and rules, particularly in terms of compliance.

The policies, actions and measures related to each material sustainability risk are described in the specific thematic sections of this sustainability statement. They illustrate the Group's ability to transform these gross risks into net risks, thereby demonstrating the consistent, integrated way in which it manages sustainability issues.

The Audit Committee reports regularly to the Board of Directors on the performance of its duties and facilitates the Board's performance of its corresponding control and verification duties. It meets as often as necessary and, in any event, at least twice (2) a year (see Section 3.1.5 "Committees of the Board of Directors" in Chapter 3 of this Universal Registration Document).

2.1.7.2 Internal controls

EXOSENS has started to implement a reporting process dedicated to the collection of environmental, social and governance (ESG) data. Being aware of the importance of transparency and compliance with the new regulations, the Group is committed to gradually structuring this system to ensure that the reported information is reliable and verifiable. Ongoing efforts are being made to strengthen data collection, improve information quality and ensure compliance with the applicable regulatory frameworks. The Group plans to gradually structure and strengthen these schemes to ensure that accurate, relevant non-financial information is provided. The current non-financial reporting policy is to be updated in 2025 to reflect the new organisation and the changes in this area.

The internal control system linked to this non-financial reporting system is therefore also under development. It is part of the Group's internal control system, which covers all of its activities, including sustainable development (see Section 4.2 "Internal control system and risk management" in Chapter 4 of this Universal Registration Document). EXOSENS has conducted a self-assessment of its internal control system across all of the Group's operational entities. Further details on this process can be found in the section referred to above.

2.1.8 Strategy, business model and value chain (ESRS 2 SBM 1)

EXOSENS is a high-tech company specialising in the design, manufacture and marketing of electro-optical technologies in the fields of amplification, detection and imaging, intended for applications in the defense and surveillance, life sciences and environment, industrial control and nuclear sectors. Within the scope of the sustainability statement, the Group has 11 production and research and development sites around the world, and employs 1,401 people. Aligned with the scope of the financial statements, the number of employees is 1,511:

Group data on the number of employees is included in Section 2.5.8 "Characteristics of the undertaking's employees)". Our business model is based on our ability to offer our customers solutions with strong technological differentiators, which can be industrialised in large volumes to a high quality based on our expertise in industrial processes. In addition, EXOSENS has developed a strong relationship with its customers, which means that it can be involved in defining their needs at an early stage, and thus be in a good position to meet their expectations. EXOSENS has also developed an ecosystem made up of partners and suppliers who form a robust value chain, as well as innovation capacities with leading academic laboratories.

The revenue generated by EXOSENS is broken down by segment in the financial statements, namely the amplification and detection segments (see Section 6.1.2 "Notes to the consolidated financial statements- Note 4. Segment reporting" of this Universal Registration Document).

(in € million)	At 31 December 2024
Amplification	280.2
Detection and imaging	117.5
Other, eliminations and unallocated	-3.7
TOTAL REVENUE	394.1
TOTAL REVENUE within the sustainability scope[(1)]	387.7

(1) *See General basis for preparation of the sustainability statement (ESRS 2 BP-1).*

Our strategy is based on five main pillars:

- meeting the critical needs of end-users by leveraging our strong innovation capabilities;
- consolidating our leadership positions in high-growth niche markets;
- strengthening our long-term customer relationships to benefit from growth, particularly through recurrent business;
- making sustainability core to our activities;
- Accelerating our growth through targeted, value-creating acquisitions.

This strategy aims to strengthen the Group's position as a high value-added technology platform, covering the entire spectrum of particles and light, and positioning it in high-growth niche markets. To this end, the Group draws on its strong innovation capacities, its international commercial presence (US, Europe and Asia), and targeted acquisitions.

The CSR approach is an important component of the Group's overall strategy, whose aim is to ensure that its activities are sustainable. This approach is therefore structured around four key areas of commitment for the Group:

- incorporating sustainability in relationships with customers and suppliers ;
- taking care of employees ;
- enhancing environmental responsibility ; and
- being uncompromising in terms of ethics and compliance.

These key areas of commitment can be broken down into policies, actions and targets within the Group, which are outlined in this sustainability statement in accordance with the CSRD disclosure requirements.

EXOSENS was awarded the EcoVadis silver medal in August 2024 in recognition of its commitment to CSR. This distinction places the Group among the top 15% of highest rated companies in the EcoVadis database, highlighting the strength of its CSR management system. The assessment is based on international standards such as the Global Reporting Initiative, the United Nations Global Compact and ISO 26000, and covers four key topics: the environment, social and human rights, ethics, and responsible purchasing. These pillars are broken down into 21 sustainability criteria, which can be used as a basis to assess the commitment and practices of companies in key areas. The assessment covers aspects such as energy consumption and greenhouse gas emissions, water and waste management, employee health and safety, respect for human rights, the fight against corruption, responsible competitive practices and suppliers' environmental and social commitments. This comprehensive approach guarantees a thorough and rigorous analysis of companies' sustainable management practices. The EcoVadis silver medal thus recognises the Group's continuous efforts to improve its practices and generate a positive impact. This recognition has encouraged EXOSENS to maintain its commitment to more responsible and sustainable development, and is motivating the Group to strive for the EcoVadis gold medal in 2025.

The Group's business model is presented in the Business Model section of this Universal Registration Document.

Further information on the Group's strategy can be found in Section 1.4.2 of Chapter 1 “Presentation of the Group and its activities” of this Universal Registration Document.

The Group's upstream value chain includes all the stakeholders in its supply chain. These stakeholders include direct and indirect suppliers. The former have a direct link with EXOSENS and represent one of the most important links in this value chain in that they supply the Group with the components, glass and raw materials essential to the manufacture of our products. Suppliers are described in more detail in Section 1.6.3.2 “The Group's suppliers” of this Universal Registration Document.

The Group operates a dual sourcing process in order to limit the potential risks associated with the failure of a supplier or the temporary or permanent interruption of supplies from a supplier. Combined with the counterparty vetting procedure and the due diligence process, this ensures that inputs are obtained and secured. These procedures and processes are outlined in Section 4.1.2 “Risks related to the Group's activities” of the Universal Registration Document.

EXOSENS has already begun to incorporate sustainability criteria in the selection of its direct partners (see Section 2.6.3 “Policies related to value chain workers” (ESRS S2-1). EXOSENS has no contact with the indirect suppliers belonging to the extended supply chain.

The Group's downstream value chain focuses on its customers and end-users as described in Section 1.6.3.1 “The Group's customers” of this Universal Registration Document. The Group’s products are sold to its customers (OEMs) who incorporate them into systems and equipment intended for a wide range of end-users in four main markets: (I) defense and surveillance; (ii) life sciences and the environment; (iii) industrial control; and (iv) nuclear power.

The various stakeholders involved in the Group's own operations interact with both the upstream and downstream value chains. With regard to the downstream value chain, see Section 1.6.3.1 of this Universal Registration Document, the Group aims to provide its customers with the most innovative products that best meet their needs in terms of quality, reliability and safety. The Group's research and development teams can interact with customers or end users to provide the Group's customers with the most suitable products. In addition, the Group provides its customers or end users with regular component replacements as needed throughout the lifespan of the systems. The Group's relationships with its customers and end users are described in more detail in Section 1.6.3.1 of this Universal Registration Document.

The Group’s sales organisation is also closely linked to OEM customers. To a lesser extent, the Group supplies some of its products directly to end users.

Some of the Group's sites had already integrated environmental, social and governance criteria to varying degrees at each stage of the value chain. The Group's CSR strategy is a driver for consolidating and harmonising the Group's practices and their impact on its value chain. Some aspects are still in the exploratory phase and the Group is gradually working to identify environmental, social and governance criteria and integrate them into its interactions with the relevant stakeholders.

As outlined above, our administrative, management and supervisory bodies play a key role in the management of sustainability issues. They receive regular information on the risks and opportunities associated with sustainability and incorporate these considerations in the company's overall strategy.

2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2)

As part of the processes to identify and assess material impacts, risks and opportunities (see Section 2.1.11 "Description of the processes to identify and assess material impacts, risks and opportunities" of this Universal Registration Document), the steering committee in charge of this project has identified the stakeholders in its value chain with the aim of integrating their expectations into its CSR strategy. The dialogue with the stakeholders is set out in the table below.

Categories of stakeholders	Engagement methods	Main interests and concerns	Examples of responses provided by EXOSENS
Employees	Internal communication channels (Reveal platform) Annual engagement surveys *Ad hoc* meetings	Working in safe and fair conditions Having a good work-life balance Being offered training and development opportunities	The Group's CSR strategy incorporates aspects related to working conditions (monitoring work-related injuries and promoting gender equality). A further component of the strategy is well-being at work, which is linked to the training of managers on this issue.
Financial partners (shareholders, investors, analysts, banks)	Participation in *roadshows* and investor conferences Publications of financial documents (URD, press releases, etc.)	Financial performance and sustainable growth strategy Non-financial risk management and regulatory compliance Governance and remuneration	Strong growth in activities (CAGR of 33% in sales over the period 2021-2024) and high level of profitability (adjusted EBITDA margin of 30% in 2024) Targeted, dynamic external growth strategy (eight acquisitions since the end of 2022)
Direct customers (OEMs) and end users	Customer satisfaction surveys Trade fairs, one-off events *Ad hoc* meetings	Reliable, high-performance products Innovation Transparency about impacts of ESG	Product quality and innovation are at the heart of the Group's concerns The Group maintains close, direct relationships with its customers and end users in order to meet the high standards of safety, reliability, performance and innovation. Group has developed a CSR strategy that highlights its ESG commitments
Direct product suppliers / service providers	Discussions about calls for tenders On-site audits Technical meetings	Fair commercial relationships Clear ESG criteria Collaboration on ESG issues	The Group's CSR strategy takes supplier-related expectations into account A Partners Code of Conduct incorporates the Group's expectations on ESG issues The Group has also developed a responsible purchasing policy. The purchasing and CSR teams work in close collaboration
Indirect suppliers	Monitoring via direct suppliers	Environmental impact of raw materials	The Group has no direct contact with indirect suppliers. The Supplier Code of Conduct requires the Group's direct suppliers to enforce ESG commitments within their own upstream value chain, extending to the indirect suppliers of EXOSENS
Agents and distributors	Sales meetings, Performance conditions	Commercial performance, Trusting relationship	
Civil society	The Group's external communication (website, social networks, press releases)	Job creation, positive local impact	The sites organise student visit initiatives and provide local visibility to the company
Technological partnerships and scientific community	Participation in congresses, trade fairs and conferences R&D discussions	Collaboration on innovation, sharing of knowledge Financing	Partnerships are formed with technological partners and the scientific community to develop innovation
Professional federations such as the GICAT	Participation in sector-specific discussions	Representation of sector-specific interests, standards	

EXOSENS considered the interests and points of view of its main stakeholders during the materiality assessment process by involving them directly through interviews. This stage is described in more detail in the following paragraph:

- employees : the Project Committee for the CSR strategy included employees from several Group sites. Twenty interviews were conducted with other employees to assess the issues identified by the Project Committee. Employee engagement through Reveal, the Group's internal communication platform, and annual surveys is essential for maintaining the corporate culture and retaining talent. Employees have a direct influence on productivity and Innovation. Their satisfaction is key for the smooth running and corporate culture of the Group. The interviews revealed that employee protection and the human element in general are at the heart of the Group's values.
- Customers / end users: Sustainability issues are increasingly present in general in our relationships with customers and end users. This was also highlighted in the interviews conducted with various customers and end users as part of the materiality assessment. Environmental, social and governance issues are becoming increasingly important for customers and end users, who demand transparency and commitments. Climate is one of the main priorities, followed by industrial data cybersecurity, eco-design, diversity and inclusion and ethical practices. Although corporate social commitment is not yet the primary criterion for selecting a supplier, it is becoming increasingly important and may now be a differentiating factor. Customers and end users are also keen to support their suppliers, as they recognise the virtuous impact of the collaborative approach and the strength of their value chain. As a customer of its own suppliers, EXOSENS is aligned with these expectations and has incorporated them into its commitment to sustainability and its CSR strategy.

- Financial partners: their influence is evident in the governance and strategic decisions of the company, with a focus on managing risks related to environmental, social and governance (ESG) issues. ESG issues are strategic for financial partners, who adapt to companies and their level of maturity and are ready to support them. Investors' priorities seem to be focused on energy performance, ethics and social responsibility, employee well-being and development and cybersecurity. CSR is seen as a resilience issue, particularly when investors themselves are increasingly subject to reporting obligations (SFDR, Article 29 LEC, European Green Taxonomy), which guide them in their financing decisions.
- suppliers: EXOSENS maintains long-term, trusting relationships with its suppliers, and is seen as a key customer by those surveyed during the materiality assessment. They demonstrate a genuine capacity for development and improvement in order to meet the specific needs of EXOSENS, which are often technically demanding. Suppliers are displaying growing maturity in relation to CSR, mainly due to increasing demands from their own customers. Improvement and progress are best achieved through a collaborative approach, reflecting a genuine desire for growth. Suppliers are aware that overall performance must now fully incorporate the challenges of sustainable development;

The CSR strategy clearly shows that the interests and views of the main stakeholders outlined above are taken into account by the Group (see Section 2.1.11 "Description of the processes to identify and assess material impacts, risks and opportunities" of this Universal Registration Document)..

2.1.10 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM 3)

I, R, O	Actual / Potential	Description	Value chain	Time horizons	ESRS - Topic	Sub-topic	Stakeholders affected	Impacts Environment (E) /Population (P)	IRO link / business model
I -	Actual	Transporting raw materials to production sites	Upstream	ST	E1 - Climate change (see Section 2.2.3)	Climate change adaptation and mitigation	Direct suppliers	E	Yes
I -	Actual	Increase in negative environmental impact due to the distribution of our products to our customers	Downstream	ST			Customers	E	Yes
R	Actual	Increased regulations on GHG emissions	Downstream	•			Customers	•	No
R	Potential	Reliance on suppliers who are immature when it comes to environmental issues	Upstream	•			Direct suppliers	•	Yes
R	Potential	Inadequate energy recovery and recycling systems on our sites	Downstream	•		Energy	Customers	•	No
R	Actual	Volatility of energy prices	Own operations Upstream Downstream	•			Suppliers Customers	•	No
I -	Actual	Energy consumption of production and assembly processes	Own operations Downstream	ST			Customers	E	Yes
O	Potential	Optimisation of resources thanks to the integration of eco-design criteria into new products	Own operations Upstream Downstream	•	E5- Circular economy (see Section 2.3.1)	Resource inflows, including resource use	Suppliers Customers	•	Yes

I, R, O	Actual / Potential	Description	Value chain	Time horizons	ESRS - Topic	Sub-topic	Stakeholders affected	Impacts Environment (E) /Population (P)	IRO link / business model
I -	Potential	Loss of engagement and job satisfaction	Own operations	ST	S1- Own workforce (see Section 2.5.2)	Job security Work-life balance	Employees	P	No
I -	Potential	Harm to physical and mental health and safety or our employees	Own operations	LT		Health and safety	Employees	P	No
R	Actual	Industrial action linked to the failure of the social dialogue	Own operations Downstream	•		Social dialogue	Employees Customers	•	No
R	Potential	Change in the remuneration and benefits processes for our employees	Own operations	•		Adequate wage	Employees	•	Yes
R	Actual	Insufficient promotion of gender equality in the workplace	Own operations	•		Gender equality and equal pay for work of equal value Diversity	Employees	•	Yes
I -	Actual	Violation of professional ethics and social responsibility in the supply chain	Upstream	ST	S2- Workers in the value chain (see Section 2.6.2)	Working conditions other work-related rights	Direct suppliers Service providers	P	Yes
R	Actual	Reduction of the supplier base due to non-compliance with increasing regulations	Upstream	•	G1- Business conduct (see Section 2.7.1)	Management of relationships with suppliers	Suppliers Service providers	•	No
R	Potential	Conflicts of interest, money laundering and corruption	Own operations Downstream	•		Corruption	Employees Investors Customers	•	Yes
I +	Actual	Contribution to nuclear, scientific, and medical research and to environmental protection.	Own operations Upstream Downstream	ST	Specific information (see Section 2.7.1)	Responsible positioning within society	Employees Technological partnerships and scientific community Investors	P E	Yes
R	Potential	Increase in cyberattacks on industrial data	Own operations Downstream	•	Specific information (see Section 2.8.1)	Industrial data security	Employees Investors Customers	•	Yes

The material topical ESRS are listed below: Climate change (E1), Resource use and circular economy (E5), Workforce (S1), Workers in the value chain (S2) and Business conduct (G1).

In addition, the Group has identified specific material information regarding the protection of industrial data and responsible positioning within society.

The impacts, risks and opportunities, and their links with the Group's strategy and business model, are described in detail in the SBM-3 sections of each topical ESRS and in the section relating to specific information. They are intrinsically linked to our strategy and our business model and guide our current and future activities.

To date, the Group has not identified any current financial impact on its financial situation, financial results and cash flows from these material IROs. Furthermore, EXOSENS has not identified any material risks and opportunities that could lead to a significant adjustment in the carrying amounts of assets and liabilities reported in the financial statements (see note 2.4 of the consolidated financial statements presented in Chapter 6 of this Universal Registration Document).

We have not yet carried out a formal qualitative analysis of the resilience of the Group's strategy and business model in the face of material sustainability impacts, risks and opportunities. Nevertheless, sustainability topics are integrated into discussions with the Group's Strategy Department, with an emphasis on the topics most likely to have an impact on our long-term strategy and forward-looking trend analyses.

Given the importance of this approach, particularly in relation to climate change and our corresponding obligations under the CSRD, we have made the completion of this analysis one of our objectives for 2025, which means that we will be able to publish more detailed information related to this analysis in the next report.

2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1)

The process to identify and assess material impacts, risks and opportunities in relation to sustainability has been recently introduced within EXOSENS. The Group adopted a CSR strategy in 2023 before it was a listed company, and even before the publication of the CSRD guidelines. As part of this exercise, the Group had already incorporated the principles of double materiality and identified the key issues, which enabled it to develop a CSR strategy built around commitment-based pillars with clear, time-bound objectives.

In accordance with the new requirements imposed by the European Directive on non-financial reporting (CSRD), the Group has intensified its double materiality analysis using an overall approach to ensure that environmental, social, and governance issues are taken into account exhaustively and strategically in the Group's activities and strategies.

This approach, which follows a due diligence process, has highlighted the material sustainability issues for the Group covered by a topical ESRS from ESRS 1 (AR16).

This approach will be refined in the coming years, particularly through analyses of ESRS E1 topics and other thematic standards of the CSRD. Starting in 2025, EXOSENS is to initiate a resilience analysis of its strategy and business model in relation to climate change based on an analysis of physical risk scenarios and an analysis of transition risk scenarios (see Section 2.2.3 "Material impacts, risks and opportunities and their interaction with strategy and business model" (ESRS 2 SBM-3)). Analyses related to the subjects of other topical ESRS from ESRS 1 (AR 16) may also be conducted in the coming years.

2.1.11.1 Process to identify material impacts, risks and opportunities

EXOSENS has established a structured project governance system by creating a dedicated project committee made up of key representatives from various departments at the head office or sites, such as finance, operations strategy, purchasing, environment, maintenance, human resources and quality. Decisions have been made on a collaborative basis, with each member sharing their own specific expertise.

A number of Project Committee meetings have been organised to reflect the issues and needs emerging throughout the process.

The CSR Steering Committee has also been involved in identifying the impacts, risks and opportunities related to environmental, social and governance (ESG) issues, validating the work of the Project Committee. The Group's Executive Committee has the final role of validating the CSR strategy.

The process was carried out with the support of specialised external consulting firms to ensure that the methodology was solid and impartial.

An internal review was carried out first of all on the existing sustainability practices within the Group. This involved collecting key documents covering several areas including purchasing, operations, sales, human resources, and the quality, health, safety and environment departments.

An in-depth study was then conducted on the sustainability position of other key players in the sector in order to identify expectations and best practices.

On the basis of these preliminary stages, the project committee identified an initial list of issues relevant to the Group, each of which was then assessed from the point of view of impact materiality and financial materiality by around 30 internal and external stakeholders, selected to represent all the key players in its value chain.

Among the external stakeholders were customers, suppliers, decision-makers, federations and investors, who offered a diverse and representative view of external expectations.

Discussions were held at the same time with internal stakeholders from various teams and locations within the Group. These participants included members of the Management Committee, as well as representatives from the purchasing, sales, finance, R&D, human resources, IT, operations and production departments. These internal consultations provided a forum for addressing the specific features of the Group's activities and subsidiaries.

The relevant issues identified were then reviewed in the light of all the topics and sub-topics of AR 16 (ESRS 1) to ensure that they had been properly analysed. By taking into account all the themes of AR 16, it has been possible to identify the topical ESRS associated with the Group's material issues.

So far, none of these issues highlighted any connection with the disclosure standards related to biodiversity and ecosystems (ESRS E4) or consumers and end users (ESRS S4).

With regard to consumers and end users (ESRS S4), end users in the CSRD Directive are defined as individuals who ultimately use or are intended to ultimately use a particular product or service. The consultation with EXOSENS stakeholders did not reveal any concerns related to the sub-topics of ESRS S4 (see Section 2.1.9 "Interests and views of stakeholders" (ESRS 2 SBM 2)).

In terms of biodiversity (ESRS E4), the small size of the products manufactured and marketed by the Group and the minimal use of raw materials in their production imply that the impact of EXOSENS on biodiversity is limited. The product manufacturing process uses minerals in limited quantities. The Group's various production sites have small footprints, which minimises their impact on ecosystems. These various factors explain why the theme of biodiversity does not represent a major issue for the Group.

Based on the above-mentioned materiality assessment process, the mapping of major risks, consultation with stakeholders, and current practices and benchmarks in the different sectors (above-mentioned sector analysis, GRI, SASB), a list of impacts, risks and opportunities (IRO) has been identified for each of the above-mentioned sustainability issues.

This list was then reviewed, substantiated and validated during a number of collaborate workshops with EXOSENS contributors, in addition to exchanges with the Group's CSR, Finance and Audit departments.

The risks and opportunities defined during this exercise were categorised according to several possible types, depending on whether they were associated with the direct impact on revenue / EBITDA, business continuity, regulations, reputation, or stakeholder expectations.

The positive and negative impacts were also categorised according to their type: environmental impacts, health and safety or human rights.

Lastly, each impact, risk and opportunity was classified according to its position in the value chain or in the Group's internal operations. EXOSENS has taken the geographical areas of its activities, its facilities and its distribution channels into consideration in this process. The process for defining impacts, risks and opportunities is reviewed annually if so required by the Group's business activities or acquisitions, i.e. if a significant material event occurs for the Group.

2.1.11.2 Process to assess material impacts, risks and opportunities

Financial materiality rating method

The rating method for risks and opportunities is based on the combined assessment of two key dimensions: the potential severity of the financial consequences and the likelihood of occurrence of the identified risks or opportunities.

- Potential severity of the financial consequences: this dimension measures the potential impact on cash flows, performance, competitive position, or cost of and access to financing for the company in the short, medium or long term. The levels of severity have been determined using specific scales adapted to the nature of the risks or opportunities. The degree of severity is assessed on a scale of 1 to 4 (from low to critical).
- Likelihood of occurrence: this indicator assesses the likelihood that the risk or opportunity will materialise, assuming that there are no control mechanisms or risk management policies in place (gross assessment).

These two factors are multiplied to obtain an overall rating, which means that the risks and opportunities can be prioritised according to their materiality.

Impact materiality rating method

Similarly, the rating method for impact materiality is based on the assessment of the negative and positive impacts related to the company's activities, according to several key dimensions. These impacts include effects on the health and safety of individuals, respect for human rights, and the environment. Each impact has been measured according to its severity and likelihood of occurrence using specific scales.

In the context of negative impact materiality, severity corresponds to the highest level of at least one of its three regulatory sub-criteria (magnitude, scope and irremediable character). The degree of severity is assessed on a scale of 1 to 4 (from low to critical). In the context of positive impact materiality, severity corresponds to the highest level of at least one of its two regulatory sub-criteria (magnitude and scope).

The likelihood of occurrence is also assessed for potential positive or negative impacts to complete the analysis. This methodology produces a rigorous assessment that complies with regulations, by clearly distinguishing between actual impacts (active during the reporting period) and potential impacts, while taking into account their severity, scale, repairability and likelihood.

Calculation of the materiality of IROs and issues

The financial materiality of IROs was rated on a "gross" basis, i.e. without considering the control measures implemented by the company to mitigate the severity or frequency of an IRO. This approach ensures that the inherent ESG issues and IROs inherent in the Group's activities are accurately reflected. A consistency check was also carried out on the financial scale and the probabilities between major risks and IROs. Following the rating of the IROs, a threshold greater than or equal to 2.25 on a scale of 4 was approved by the CSR Steering Committee. This decision was based on a review of the consistency of the results obtained in relation to the set threshold, with the threshold greater than or equal to 2.25 allowing for the identification of a list of relevant material CSR issues for the Group and the sector. The rating of the IROs has led to a refining of the analysis of the AR-16 sub-topics (ESRS 1) and led to a precise identification of the topical ESRS applicable to the Group.

The link between the applicable topical ESRS resulting from the double materiality exercise and the pillars of the Group's CSR strategy is presented in the table below.

Table showing the link between the applicable topical ESRS and the pillars of the EXOSENS CSR strategy

Topical ESRS	CSRD topic	Pillars of the EXOSENS CSR strategy	Material matter of the EXOSENS CSR strategy
ESRS E1	Climate change	Environmental responsibility	Combating climate change and reducing the carbon footprint Energy management
ESRS E5	Circular economy		Eco-design
ESRS S1	Own workforce	Social responsibility	Gender equality Employee engagement Social dialogue and transparent communication Employee health and safety Work-life balance
ESRS S2	Workers in the value chain	Sustainable partnerships	Relationships with suppliers and responsible purchasing
ESRS G1	Business conduct	Uncompromising governance	Responsible positioning within society Professional ethics Relationships with suppliers and responsible purchasing

ENVIRONMENT

2.2 Climate change (ESRS E1)

I, R, O	Actual / Potential	Sub-topics (ESRS 1 AR16)	Description	Policies	Actions	Targets
I-	Actual	Climate change mitigation	Transporting raw materials to production sites	Environmental policy Supplier Code of Conduct		
I-	Actual		Increase in negative environmental impact due to the distribution of our products to our customers			
R	Potential		Reliance on suppliers who are immature when it comes to environmental issues		Launch of the Supplier Code of Conduct with our main suppliers(1)	100% of our main suppliers have signed the Code of Conduct 80% of our strategic suppliers(2) committed to a CSR approach by 2027
R	Actual	Climate change adaptation	Increased regulations on GHG emissions		Group's Carbon Footprint Start of the feasibility study of the SBTi objectives and definition of a climate strategy	
R	Potential	Energy	Inadequate energy recovery and recycling systems on our sites		Organisation of workshops with the various sites to identify specific actions	
R	Actual		Volatility of energy prices			
I-	Actual		Energy consumption of production and assembly processes		Organisation of workshops with the various sites to identify specific actions	

(1) Main suppliers are those whose annual revenue exceeds €100,000 (USD equivalent) or single source suppliers.

(2) Strategic suppliers are those whose annual revenue exceeds €250,000 (USD equivalent) or single source suppliers.

2.2.1 Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)

The integration of sustainability-related performance in incentive schemes and the remuneration of corporate officers are outlined in Sections 2.1.5 "Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV 3)" and 3.3 "Remuneration of corporate officers" of this Universal Registration Document.

2.2.2 Transition plan for climate change mitigation (ESRS E1-1)

EXOSENS does not currently have a transition plan dedicated to climate change mitigation The Group will undertake the work required to assess the feasibility of a transition plan from 2025 onwards.

2.2.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

We have not yet carried out a resilience analysis on our strategy and business model with regard to climate change. This work will begin in the 2025 financial year with the help of a consultancy firm specialising in environmental issues. It will include an analysis of physical risk scenarios (short, medium and long term) with at least one high-emission climate scenario, as well as a scenario analysis of transition risks (short, medium and long term) with at least one low-carbon scenario. The process will include the identification of specific climate-related issues and potential transformations in the business environment.

At this stage, however, the double materiality exercise has identified the four risks and three negative impacts listed in the table above and described below.

2.2.3.1 Combating climate change and reducing the carbon footprint

EXOSENS has identified several negative impacts related to its activities concerning the challenge of combating climate change and reducing its carbon footprint. These impacts, which primarily concern transport, distribution and managing relationships with our suppliers, are central to our focus and efforts to limit our contribution to greenhouse gas (GHG) emissions. It is essential that we understand and manage these issues so that we can align our operations to our environmental objectives while meeting our stakeholders' expectations.

Description	I,R,O	Comments
Transporting raw materials to production sites **Increase in negative environmental impact due to the distribution of our products to our customers**	I-	Transporting raw materials to our production sites and distributing our products to our customers have a negative impact on the environment due to the greenhouse gas emissions produced. Although the impact of emissions linked to transporting raw materials is moderate in proportion to the quantities transported at Group level, it remains significant and has consequences for climate change. Similarly, the distribution of our products accentuates these environmental impacts. While the scale of this impact remains moderate in terms of pollution and greenhouse gas emissions, mainly due to the low weight of the materials involved, its scope is global and there are environmental implications for our customers in different regions. These two environmental impacts, which we consider to be frequent due to our current reliance on polluting transport methods, are difficult to mitigate in the short term.
Reliance on suppliers who are immature when it comes to environmental issues	R	The Group's reliance on certain suppliers who are immature when it comes to environmental issues also represents a significant risk for EXOSENS. This situation could give rise to significant costs, whether it involves ensuring these suppliers become compliant or having to find new, more sustainable partners, particularly when strategic suppliers are involved. Such a transition could also disrupt our supply chain, leading to prolonged contractual delays with direct impacts on our operations. In addition, working with suppliers who are not committed to environmental initiatives could affect our image and reputation, both at local and global level, with potential repercussions for the entire Group. This risk, which we consider likely, highlights the challenge of working with partners who are aligned with our environmental objectives. With this in mind, we have set ourselves the objective of ensuring that 80% of our strategic suppliers[(1)] will have committed to a CSR approach by 2027.
Increased regulations on GHG emissions	R	The tightening of regulations on greenhouse gas emissions represents another risk for EXOSENS, with major financial and reputational implications. These regulations, which focus on reporting and reducing emissions, require investment in cleaner production technologies, advanced reporting systems and adjustments to our production processes. Failure to comply with these requirements could incur financial penalties and damage the Group's reputation. This risk is considered likely, in view of international commitments such as the Paris Agreements, the Energy-Climate Law and the adoption of new measures such as the carbon tax. These measures, which are designed to combat climate change, make compliance unavoidable and emphasise the need to anticipate and adapt quickly to these developments in order to limit the negative impacts.

(1) Strategic suppliers are those whose annual revenue exceeds €250,000 (USD equivalent) or single source suppliers.

2.2.3.2 Energy management system

EXOSENS has identified several impacts, risks and strategic opportunities related to energy management, reflecting the challenges and levers associated with energy optimisation in our industrial processes.

Description	I,R,O	Comments
Energy consumption of production and assembly processes	I-	The energy consumption of production and assembly processes represents a material negative environmental impact for EXOSENS, primarily due to the CO2 emissions generated. This impact concerns all our sites, with variations depending on the energy mixes of the producing countries. Reliance on fossil fuels makes this a common risk that is difficult to mitigate in the short term. The impact of GHG emissions caused by this fuel consumption are irreversible, or may only be remedied in the very long term. In response to this situation, EXOSENS has developed a strategy that involves purchasing electricity from renewable sources, backed by Guarantees of Origin, as a first step towards reducing energy consumption. Alongside this strategy, each subsidiary has adopted an action plan whose aim is to reduce this negative impact.
Inadequate energy recovery and recycling systems on our production sites	R	The inadequacy of energy recovery and recycling systems on our sites could represent a major risk for EXOSENS, with significant environmental and operational implications. If the existing equipment, such as cooling machines and heat recovery systems, is not sufficient to effectively manage the excess energy generated by our industrial processes, it could lead to increased energy inefficiency. This situation could result in high operational costs, an increased carbon footprint and challenges in meeting regulatory requirements and the growing expectations in terms of sustainability. The likelihood of this risk is considered frequent, mainly due to the potential obsolescence of certain technologies, insufficient capacity to adapt to evolving activities and increasing energy ambitions that exceed the current performance of systems. This lack of optimisation could weaken our competitive position and compromise our strategic objectives related to energy transition and environmental responsibility.
Volatility of energy prices	R	The volatility of energy prices represents a significant risk for EXOSENS due to its direct financial impact. It is influenced by economic and geopolitical factors, such as fluctuations in supply and demand, international tensions and decisions by major energy producers, with significant fluctuations already being observed in recent years. Climate change intensifies this risk by disrupting energy production. Extreme climatic events such as droughts, heatwaves and storms have a particular impact on renewable energy sources such as hydropower and wind, which are completely dependent on climatic conditions. The use of alternative energy sources does not eliminate this risk, as these options are also subject to variations in the energy market. The impact of this risk varies depending on the types of energy contracts in place at our various sites and their duration.

2.2.4 Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 IRO-1)

The Group has identified various impacts and risks (listed above) related to climate change as part of the double materiality exercise, as outlined in Section 2.2.3 "Impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)" of the report. The processes to identify and assess material impacts, risks and opportunities are outlined in Section 2.1.11 "Description of the processes to identify and assess impacts, risks and opportunities (ESRS 2 IRO 1)" of this Universal Registration Document. As outlined in the previous section, transition risk and physical risk scenarios will be analysed from 2025, to refine the analysis of the IROs identified in the double materiality exercise. Once these analyses are complete, we will be able to describe the exposure and sensitivity of our assets and business activities to climate-related hazards (as yet unidentified) that result in gross physical risks.

2.2.5 Policies related to climate change mitigation and adaptation (ESRS E1-2)

The environmental policy pursued by EXOSENS incorporates the management of impacts and risks related to climate change mitigation as identified in our double materiality matrix. It addresses the following themes: climate change mitigation, energy efficiency and optimisation, renewable energy deployment and the environmental impact of our products. This policy enables us to limit out exposure to regulatory risks while promoting the integration of innovative technologies to reduce our emissions. It covers indirectly the negative impacts related to transporting raw materials to our production sites (upstream of our value chain) and distributing our products to our customers (downstream of our value chain), which are mainly linked to the greenhouse gas emissions that they generate. It applies to all our sites and activities across the Group.

The Chief Operations Officer is in charge of supervision. Each site is responsible for communicating this policy to its employees so that they can adopt it in their daily practices. It can also be consulted on our website and so is available to all our stakeholders.

We also ensure that our suppliers are committed to our environmental approach through our Supplier Code of Conduct. This Code sets out clear requirements, such as compliance with environmental regulations, the implementation of sustainable practices and the reduction of negative environmental impacts. It also addresses several key themes involved in the responsible management of environmental issues. We encourage our partners through the Code to adopt certified management systems and always to strive to improve their environmental performance.

To ensure that these commitments are met, we reserve the right to carry out regular audits and assessments, as stated in the Code, in order to check our suppliers' compliance and identify any discrepancies. The responsibility of our main suppliers [1] in terms of sustainably is reinforced by their obligation to sign this Code. These measures aim to limit potential disruptions in our supply chain and reduce costs related to compliance and sourcing new partners. They also enable us to collaborate with suppliers who are aligned with our CSR objectives. This Code of Conduct is described in more detail in Section 2.6.3.2 "Supplier Code of Conduct".

As outlined above, we have not yet carried out an assessment of physical and transition risk scenarios (short, medium and long term) including high-emission and low-carbon scenarios. This explains why we do not currently have any specific policies on adapting to climate change. The work that is to begin in this area in 2025 will give us a better understanding of the potential impacts of climate change on our activities and help us to develop appropriate policies so that we can respond effectively.

2.2.6 Actions and resources in relation to climate change policies (ESRS E1-3)

EXOSENS has been calculating its carbon footprint each year since 2022 in line with the GHG Protocol methodology. In 2024, we worked with a specialised firm to revise the method used to calculate our carbon footprint (see Section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6)"). By calculating and monitoring our carbon footprint over recent years, we have been able to identify our main sources of emissions, which is a key stage in developing levers to reduce GHG that are tailored to our specific needs, which will form an integral part of the transition plan with work beginning in 2025.

With this aim in sight, we started work in 2024 on defining the Group's decarbonisation pathway in order to define objectives and actions to put our climate strategy into practice. Workshops were organised to identify specific decarbonisation levers in categories related to energy (Scopes 1 and 2), purchases of goods and services (Scope 3) and business travel (Scope 3). Several key players from the Group's various production sites were involved in these workshops. After these sessions, the eight production sites covered by the scope of this sustainability statement were tasked with preparing an initial action plan, including estimates of the expected emission reductions for scopes 1 and 2 and an assessment of the associated costs. The completed work was presented to the Executive Committee in December 2024. The sites have so far identified a number of initiatives:

Entity	Actions	Description
Photonis France	Geothermal project	• Project launched in 2024 Initial work will start in mid-2025 and will run until mid-2026. • Objectives: ▪ Reduction in energy consumption ▪ Improvement in energy ratings ▪ Reduction of the carbon impact by approximately 116 tCO_2e per year as soon as the system is 100% operational (2026-2027), ▪ Better control of energy costs • Planned investment for implementation of the system: €810,000
	Modernisation of the heating system in certain buildings	• Actions carried out in 2024 • Objectives: ▪ Reduction in energy consumption ▪ Improved thermal comfort ▪ Reduction of the carbon impact estimated at 62 tCO_2e per year
Photonis Netherlands	Gradual replacement of decentralised cooling systems with a centralised system	• Actions carried out in 2024 • Objectives: ▪ Improved system efficiency ▪ More environmentally friendly system • Thanks to this initiative, it will be possible to install heat exchangers in the coming years, which will significantly reduce the use of natural gas.
	Installation of a new section of the main circuit and connection of the system to the renovated clean rooms	• Actions carried out in 2024 • Investment of €855,000 • Another department will be added to the centralised cooling system in 2025, with an investment of around €100,000 and an estimated reduction of 1 450 tCO_2e.

The Group's work will be refined in 2025 based on the 2024 carbon footprint calculation with the aim of adopting specific, measurable and attainable decarbonisation targets for the Group. The Group will also endeavour to continue the work of collecting and validating carbon data across the sites in the coming years in order to refine the quantification of their carbon impact and the resources required for their implementation and maintenance (Capex, Opex).

For the 2024 financial year, the analysis of Capex and Opex is included in Section 2.4.2 "2024 analysis" dedicated to the European Green Taxonomy. In 2025, the Group will study the link between the CapEx and OpEx associated with the implementation of the actions identified during the year and the European Taxonomy indicators.

The Group also gradually rolled out its Code of Conduct to its suppliers and partners in 2024. This initiative aims to strengthen their commitment and anticipate the risk associated with reliance on suppliers who are still immature when it comes to environmental issues.

[1] *Main suppliers are those whose annual revenue exceeds €100,000 (USD equivalent) or single source suppliers.*

2.2.7 Targets related to climate change mitigation and adaptation (ESRS E1-4)

In January 2024, EXOSENS signed the commitment letter to the Science Based Target initiative (SBTi).

This initiative is a collaborative project launched in 2015 by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF). Its aim is to help companies to set greenhouse gas (GHG) emission reduction targets in line with scientific data and the objectives of the Paris Agreement. The SBTi process can be broken down into five key stages: commitment, development of objectives, submission, validation and progress communication. The company begins by making a public commitment to setting science-based objectives, thereby demonstrating its commitment to sustainability. It then develops specific, measurable objectives using the resources and tools provided by the SBTi. These objectives are then submitted to the SBTi for validation, ensuring that they comply with strict scientific criteria. Once they have been validated, the objectives are published and the company shares regular updates on its progress to ensure ongoing transparency and accountability. Lastly, the company monitors and reports on its GHG emissions, demonstrating its ongoing efforts to achieve its reduction targets.

By officially committing to this initiative, EXOSENS therefore embarked on the first stage of the SBT initiative process in 2024 and then began to define the decarbonisation objectives to be achieved using this methodology. The Group has until January 2026 to decide whether or not to disclose objectives aligned with this initiative.

As part of this work initiated in 2024, the working groups and actions described in the previous section were set up to assess the feasibility for the Group of setting targets aligned with the SBTi. This work of feasibility study and climate strategy definition will continue in 2025 (see Section 2.2.6 "Actions and resources in relation to climate change policies (ESRS E1-3)") with the aim of adopting, during the course of the year, specific, measurable and attainable greenhouse gas emission reduction targets, which may or may not fall within the SBTi methodology.

The Group has also set itself the objective of ensuring that all its main suppliers [(1)] have signed the Code of Conduct by the end of 2025 and 80% of strategic suppliers [(2)] are committed to a CSR approach by the end of 2027. These objectives are directly linked to the risk of reliance on suppliers who are relatively immature when it comes to environmental issues, and demonstrate the Group's desire to engaging its entire upstream value chain.

The EcoVadis silver medal awarded to the Group in August 2024 is a further testament to the strength of its commitment to CSR, particularly in terms of the environment, which is one of the four pillars of the EcoVadis evaluation methodology. The Group aims to achieve the EcoVadis gold medal in 2025 to continue developing a solid and recognised CSR management system.

2.2.8 Energy consumption and mix (ESRS E1-5)

The scope of the energy consumption calculation covers the Group's entities within the scope of the sustainably report, namely the parent company and its ten subsidiaries: EXOSENS SA, Photonis France SAS, Phothonis Netherlands BV, Photonis Germany GmbH, Photonis Defense Inc, Photonis Scientific Inc, El-Mul Technologies Ltd, Sinfrared Pte LTD, Telops Inc, Xenics NV. Subsidiaries with fewer than ten employees and subsidiaries acquired by the Group after 1 July of the reporting year were excluded from the reporting scope (see Section 2.1.1.1 "Scope of the sustainability statement").

Energy consumption (final energy consumed by the entities, in MWh) was collected from the 11 entities and covers the period from January to October 2024 (inclusive). The data collected in litres, cubic metres or monetary units has been converted into megawatt hours using conversion factors. Because of the publication schedule of the Universal Registration Document, linear extrapolation was applied to obtain the energy consumption figures for November and December 2024.

2.2.8.1 Total energy consumption and mix

For the purpose of reporting its energy consumption, EXOSENS has considered energy to be renewable only when its origin is clearly defined in the suppliers' contracts (guarantees of origin contracts).

The following methodological points do not apply to EXOSENS and are therefore not covered in its reporting:

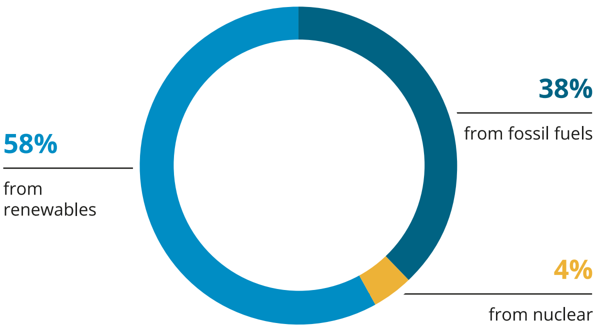
- production of renewable energy on sites;
- purchase of steam or heat from third-party industrial processes;
- purchase of hydrogen.

(1) Main suppliers are those whose annual revenue exceeds €100,000 (USD equivalent) or single source suppliers.
(2) Strategic suppliers are those whose annual revenue exceeds €250,000 (USD equivalent) or single source suppliers.

ENERGY CONSUMPTION AND MIX

Energy consumption and mix	2024
1) Fuel consumption from coal and coal products (MWh)	0
2) Fuel consumption from crude oil and petroleum products (MWh)	2,446
3) Fuel consumption from natural gas (MWh)	5,161
4) Fuel consumption from other fossil sources (MWh)	2
5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	6,105
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	13,714
Share of fossil sources in total energy consumption (%)	**38%**
7) Consumption from nuclear sources (MWh)	1,471
Share of fossil sources in total energy consumption (%)	**4%**
8) Consumption of renewable fuels (biomass (organic industrial and municipal waste), biogas, renewable hydrogen, etc.) (MWh)	0
9) Consumption of renewable electricity (MWh)	20,705
10) Consumption of self-generated non-fuel renewable energy (MWh)	0
11) Total consumption of renewable electricity (MWh)	20,705
Share of renewable sources in total energy consumption (%)	**58%**
Total consumption of energy (MWh)	**35,891**

BREAKDOWN OF ENERGY CONSUMPTION BY SOURCE



2.2.8.2 Energy consumption and mix in sectors with a high climate impact

The entities within the scope of the sustainably report carry out various activities that are associated with different NACE codes. Eight out of the eleven entities within the scope of the sustainability statement carry out activities in a "sector with a high climate impact" (NACE codes 26.11, 26.51, 27.90, 27.11) and account for more than 95% of the Group's energy consumption and consolidated revenue (whose calculation method is aligned with IFRS 15 - see Section 6.1.2 "Notes to the consolidated financial statements - Note 5 Revenue"). Taking a conservative approach and to ensure consistency with the calculation of energy consumption, the financial statements and the carbon intensity indicator, EXOSENS has also chosen to take all its activities into account (including ones that are not classified in "high climate impact sectors") to calculate the energy intensity indicator.

ENERGY INTENSITY PER EURO OF NET REVENUE FOR ACTIVITIES IN SECTORS WITH A HIGH CLIMATE IMPACT

The consolidated revenue (whose calculation method is aligned with IFRS 15, see Section 6.1.2 "Notes to the consolidated financial statements- Note 5. Revenue") was used to calculate the energy intensity of its activities. For information, for the calculation of intensity indicators, we have also presented the result from the scope of the sustainability statement, i.e. excluding the revenue data of entities acquired after 1 July 2024.

	2024
Total energy consumption (MWh)	35,891
Consolidated revenue (€ millions)	394.1
Energy intensity associated with activities in high climate impact sectors in relation to consolidated revenue (MWh/€ millions)	91.1
Revenue within the scope of the sustainability statement (€ million)	387.7
Energy intensity associated with activities in high climate impact sectors in relation to revenue within the scope of the sustainably report (MWh/€ millions)	90.8

2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6)

The scope of the carbon footprint calculation is identical to that of energy consumption reporting (see Section 2.1.1.1 "Scope of the sustainability statement") for direct operations; it also incorporates the upstream and downstream value chain via the Scope 3 calculation.

The activity data used to calculate the carbon footprint was collected from the Group's entities during the period from January to October 2024 (inclusive). Because of the publication schedule of the Universal Registration Document, linear extrapolation was applied to obtain the activity data for November and December 2024. The reference year that will enable the Group to measure the progress made under its climate action plan is 2024 for all entities covered by the sustainably report.

The method used to calculate GHG emissions is aligned with the GHG Protocol Corporate Standard (operational control approach). EXOSENS would like to continue to work on these improvements over the coming years, refining data collection in the following areas: "1. Purchased goods and services", "9. Downstream transportation", "11. Use of sold products". In addition, following a due diligence process, EXOSENS and the consultancy firm that assisted with this work have excluded certain irrelevant items from the calculation of scope 3 of the 2024 carbon footprint (items shown as 0 in the table below).

All the emission factors have been obtained from secondary databases. The selected emission factors take into account CO_2, CH_4, N_2O, HFC, PFC, SF_6, et NF_3 emissions and use the latest Global Warming Potential (GWP) figures published by the IPCC based on a time horizon of 100 years. The emission factors used were obtained from the ADEME database; the Ecoinvent and GLEC databases were used to refine certain emission factors, particularly for purchases and transport, and the IEA 2023 database was used for electricity.

The following methodological points do not apply to EXOSENS and are therefore not covered in its reporting:

- biomass combustion resulting in biogenic emissions;
- emissions trading systems (no sites concerned);
- purchasing of carbon credits.

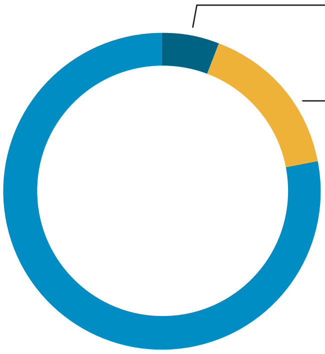
For the purpose of calculating scope 2 GHG emissions (market-based approach), EXOSENS has considered energy to be renewable only when its origin is clearly defined in the suppliers' contracts (guarantees of origin contracts).

GHG EMISSIONS – SCOPE 1, SCOPE 2, SCOPE 3

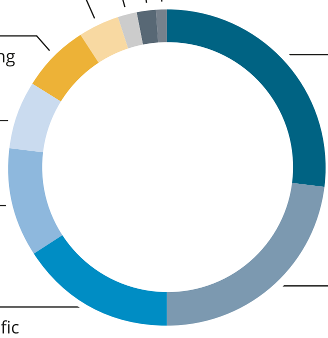
	2024
Gross GHG emissions - Scope 1 (tCO_2eq)	**1,959**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%
Gross GHG emissions - Scope 2 – *location-based* (tCO_2eq)	**5,691**
Gross GHG emissions - Scope 2 – *market-based* (tCO_2eq)	**2,523**
Percentage of scope 2 GHG emissions from contractual instruments (%)	**40%**
Gross GHG emissions - Scope 3 (tCO_2eq)- *location-based*	**27,694**
Gross GHG emissions - Scope 3 (tCO_2eq)- *market-based*	27,710
1. Purchases of goods and services	8,604
2. Capital goods	4,135
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)- location-based	1,864
3. Fuel and energy-related activities (not included in Scope1 or Scope 2)- market-based	1,880
4. Upstream freight	1,380
5. Operating waste	135
6. Business travel	733
7. Employee commuting	2,200
8. Upstream leased assets	0
9. Downstream freight	1,198
10. Processing of sold products	0
11. Use of sold products	7,384
12. End-of-life treatment of sold products	62
13. Downstream leased assets	0
14. Franchises	0
15. Investments[1]	0
Total GHG emissions – *location-based* (tCO_2eq)	**35,343**
Total GHG emissions – *market-based* (tCO_2eq)	**32,191**

(1) EXOSENS does not have a stake of more than 20% in any other entity.

GHG EMISSIONS IN 2024 – BREAKDOWN OF SCOPES 1, 2, 3



BREAKDOWN OF GHG EMISSIONS BY ENTITY *(LOCATION-BASED)*



CARBON INTENSITY PER EURO OF NET REVENUE

The consolidated revenue (whose calculation method is aligned with IFRS 15, see Section 6.1.2 "Notes to the consolidated financial statements" Note 5. Revenue") was used to calculate the energy intensity of its activities. For information, we have also presented the results based on the scope of the sustainability statement, i.e. excluding the revenue data from Centronic Limited (CL) and LR Tech Inc. from the intensity indicator calculations.

Carbon intensity per million euros of net revenue	**2024**
Net revenue (financial statements) (in € million)	394.1
Total GHG emissions *(location-based)* per euro of net revenue (tCO_2eq/€ million)	89.7
Total GHG emissions *(market-based)* per euro of net revenue (tCO_2eq/€ million)	81.7
Net revenue within the scope of the sustainability statement (€ million)	387.7
Total GHG emissions *(location-based)* per euro of net revenue (tCO_2eq/€ million)	91.1
Total GHG emissions *(market-based)* per euro of net revenue (tCO_2eq/€ million)	83.0

2.3 Resource use and circular economy (ESRS E5)

I, R, O	Actual / Potential	Sub-topic	Description	Policies	Actions	Targets
O	Potential	Resource inflows, including resource use	Optimisation of resources thanks to the integration of eco-design criteria into new products	Environmental policy	Initial considerations around eco-design, with the launch of training sessions at Photonis France as a first step	100% of new products are to incorporate an eco-design approach by 2027 100% of R&D teams are to be trained in eco-design by 2025

2.3.1 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The double materiality exercise carried out by the Group brought to light a major strategic opportunity related to the use of resources and the circular economy, which is presented above and described below.

Optimisation of resources thanks to the integration of eco-design criteria into new products	This opportunity will help to reduce environmental impacts throughout the product life cycle and is consistent with the growing expectations of markets and customers in terms of sustainability. It is also part of a specific objective within the Group's CSR strategy. This opportunity could have a significant impact in terms of financial materiality. The Group's differentiation strategy would be strengthened, as would its attractiveness to its customers, by optimising resources and the related costs.

As part of the work to identify the CSRD data points applying to material issues, it became clear that the E5 standard seems to apply primarily to companies whose business model focuses on the circular economy. In this sense, EXOSENS is not certain that this ESRS is applicable to the opportunity identified above. This opportunity could also be integrated into ESRS E1, from the point of view of reducing CO_2 emissions and mitigating climate change, in line with the approach taken by some players in the industry in which EXOSENS operates. This opportunity would then be perceived as a mitigation measure rather than an opportunity. Further work is therefore required to determine the most suitable approach and ensure that the statement provided is consistent with the ESRS requirements. However, the Group has chosen to address this opportunity in relation to the disclosure requirements of ESRS E5 for the 2024 financial year, while seeking to clarify this issue for the coming years.

2.3.2 Description of the processes to identify and assess material IROs related to resource use and the circular economy (ESRS 2 IRO-1)

The processes to identify and assess material impacts, risks and opportunities are outlined in Section ESRS 2 IRO-1 of this report. Interviews with the Group's internal and external stakeholders have helped to identify opportunities for optimising of resources thanks to the integration of eco-design criteria into new products. The R&D Department, the Purchasing Department and the Health, Safety and Environment department are the operational units associated with the material opportunity identified in this section. EXOSENS is unable to provide a list and ranking of the material resources used for the entities within the scope of the sustainability statement for the 2024 financial year.

2.3.3 Policies related to resource use and circular economy (E5-1)

The environmental policy addresses the material opportunity identified and described above. It is concerned with the impact of products and the Group's intention to understand and quantify this impact, with the aim of establishing mitigation measures. This initiative relates directly to the Group's commitment to adopt an eco-design approach for all its new products by 2027. The environmental policy is described in more detail in Section 2.2.5 "Policies related to climate change mitigation and adaptation (ESRS E1-2)".

The policy is general at this stage and the planned work relating to eco-design will enable us to define the Group's specific actions more clearly. For this reason, the issue of transitioning away from the use of virgin resources and the use of more secondary resources, as well as the topics of sustainable supply and the use of renewable resources, are not addressed in the policy.

2.3.4 Actions and resources related to resource use and circular economy (E5-2)

As part of the aim to adopt an eco-design approach for all new products by 2027, the Group has set itself an intermediate objective of training all its R&D teams in eco-design by 2025.

This training has already been provided to the R&D team of Photonis France in 2024 and aims to foster a better understanding of the role of eco-design in improving the overall performance of EXOSENS, as well as the prerequisites for a successful eco-design approach. This initiative will promote the eco-design process at Group level, enabling it to implement an action plan aimed at integrating eco-design criteria into new products by 2027. The R&D teams will then be able to take into account the various components of eco-design and optimisation of resource management in their work.

2.3.5 Targets related to resource use and circular economy (E5-3)

As outlined above, one of the objectives of the CSR strategy is to adopt an eco-design approach for all new products by 2027. An intermediate target in working towards this objective is to provide training in eco-design for all R&D teams in 2025.

At this stage, the targets defined by EXOSENS in terms of resource use and the circular economy are aimed at training employees in eco-design and are therefore similar to prevention objectives. They are voluntary and do come with any legal obligation.

2.3.6 Resource inflows (E5-4)

The Group is not in a position to publish the consolidated data for the 2024 financial year relating to:

- the overall total weight of products and technical and biological materials used;
- the percentage of biological materials used to produce the company's products and services that comes from sustainable sources;
- the weight and percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the company's products and services.

If this topical ESRS remains applicable, EXOSENS will work on implementing the data collection channels necessary to produce this data in the coming years.

2.4 Application of the European Green Taxonomy to the Group's activities

2.4.1 Presentation of the Green Taxonomy

European Regulation 2020/852, also known as the "Taxonomy" Regulation, was published by the EU on 18 June 2020 to establish a framework for promoting sustainable investment within the European Union [(1)]. This regulation sets out a list of economic activities that are considered environmentally sustainable, based on demanding technical criteria. The Green Taxonomy is a key component of the European Green Deal, which aims to achieve carbon neutrality by 2050. It is based on six major environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The European Green Taxonomy is a classification system that aims to identify sustainable economic activities and direct financial flows towards the most environmentally friendly activities, thereby helping investors to distinguish genuinely sustainable activities from those that are not.

Under the Green Taxonomy, a company must determine the eligibility and then the alignment of its activities with the applicable regulations. An economic activity is considered eligible if it is explicitly described in the list currently found in the annexes to the regulation and if it has the potential to contribute significantly to one of the environmental objectives. It is considered aligned once all of the following minimum criteria and guarantees are confirmed and respected: Substantial Contribution (SC); Do No Significant Harm (DNSH) (generic and specific); and Minimum Safeguards (MS).

As a company that has been listed on the Euronext regulated market since 7 June 2024, EXOSENS is subject to the obligations of the Green Taxonomy and must analyse its activities and investments in the light of this text so that it can contribute transparently and responsibly to the European Union's environmental objectives. EXOSENS is obliged to publish indicators that show the proportion of its eligible turnover, capital expenditures (CAPEX) and operating expenditures (OPEX) arising from products and/or services associated with the economic activities described in the annexes to the Taxonomy. It is also required to publish indicators on the proportion of its turnover, CAPEX and OPEX aligned with the sustainable economic activities defined in the annexes to the delegated acts [(2,3)]. However, due to its recent listing and the impact of this listing on sustainability obligations, which have been brought forward by one year, the Group was unable to complete the alignment work related to taxonomy for the 2024 financial year. This work will be continued in the 2025 financial year and presented in the 2025 report. However, in order to ensure consistency between the data from the European taxonomy and the financial statements, EXOSENS considers the scope of the financial statements for this section. As 2024 is the first year of application of the taxonomy for the Group, no comparative information is published in the report.

2.4.2 2024 analysis

				Reported indicators	
Objective	Number	Name of activity	Description of the activity within EXOSENS	Turnover	CAPEX
Circular economy	1.2	Manufacturing of electrical and electronic equipment	Manufacturing of electro-optical equipment	x	x
Climate change mitigation	7.4	Installation, maintenance and repair of electric vehicle charging stations inside buildings (and in car parks attached to buildings)	Installation of electric terminals for electric or hybrid cars		x
Climate change mitigation	7.3	Installation, maintenance and repair of energy-efficient equipment	Modification and optimisation of air conditioning systems Optimisation of air conditioning systems Optimisation of cooling systems		x

(1) *European Regulation 2020/852 of 18 June 2020. Available on : https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32020R0852&from=F*

(2) *COMMISSION DELEGATED REGULATION (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. Available on: https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32021R2139*

(3) *COMMISSION DELEGATED REGULATION (EU) 2023/2486 OF THE COMMISSION of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council with technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and reduction of pollution, or the protection and restoration of biodiversity and ecosystems, and whether that economic activity causes significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 with regard to the information to be published specifically for those economic activities. Available on: https://eur-lex.europa.eu/ legal-content/FR/TXT/PDF/?uri=OJ:L_202302486*

2.4.2.1 Turnover

On 29 November 2024, the European Commission published a draft set of FAQs on the interpretation and implementation of certain provisions of the Taxonomy Regulations (Article 8 Regulation and the Climate and Environment Delegated Regulations). Question 79 relating to electrical and electronic equipment makes the Group's activities eligible for the Green Taxonomy The Group is currently analysing the consequences of this publication on its taxonomy reporting and will be able to present its conclusions in the 2025 report.

2.4.2.2 CapEx

EXOSENS has also identified individually sustainable economic activities involving capital expenditure (CapEx), which are presented in the summary table above.

2.4.2.3 OpEx

The Group's operating expenses related to the requirements of the Taxonomy include the following direct non-capitalised costs: research and development costs, building renovation costs, short-term rental contracts, maintenance/servicing and repair costs, any other direct expenses related to the day-to-day maintenance of tangible assets by the Company or by the third party to whom these activities are outsourced, which are necessary for these assets to continue functioning properly. The evaluation of these operating expenses in 2024 revealed that they were considered insignificant in relation to the Group's total operating expenditure. The ratio of operational expenditure within the meaning of the Taxonomy (€22.9 million) to the Group's total operating expenditure (€301.0 million, excluding provisions and amortisations - amounts to 7.6% (see Section 6.1.2 "Notes to the consolidated financial statements").

2.4.2.4 Approach to identifying financial eligibility indicators

Turnover indicator: the activity of EXOSENS is fully covered by the Taxonomy under the "Circular economy" objective. EXOSENS therefore declares 100% of its turnover as eligible for the Taxonomy for activity 1.2 "Manufacturing of electrical and electronic equipment". The consolidated turnover, used as the denominator Taxonomy, amounts to €394.1million (see Section 6.1.2 "Notes to the consolidated financial statements - Note "Revenue").

CAPEX indicator: According to the Taxonomy Regulation, the CAPEX denominator includes the acquisition of property, plant and equipment (IAS 16), intangible assets (IAS 38), right-of-use assets (IFRS 16), and acquisitions related to business combinations (IFRS 3). This indicator includes changes in scope. In 2024, eligible CAPEX amounted to €56.8 million, (See Section 6.1.2 "Notes to the consolidated financial statements" - Note 16), i.e. 100% of the total CAPEX in the denominator, distributed as follows:

- property, plant and equipment (IAS 16): €25.8 million;
- tangible assets (IAS 38): €14.1 million;
- right-of-use assets (IFRS 16): €3.2 million;
- business combinations (IFRS 3): €13.6 million;
- total CAPEX in the denominator: €56.8 million.

(See Section 6.1.2 "Notes to the consolidated financial statements")

OPEX indicator: the evaluation of these operating expenses in 2024 revealed that they were considered insignificant in relation to market practices and the materiality thresholds observed by EXOSENS.

2.4.2.5 Assessment of alignment with the Taxonomy

In order to determine whether an economic activity is aligned within the meaning of the Taxonomy, it must contribute substantially to climate objectives. In order to contribute to a climate objective, an activity must meet specific technical criteria defined for that activity in the relevant appendix of the delegated act on climate. A detailed analysis of the various DNSH criteria must then be carried out for all activities where a substantial contribution to climate change mitigation is demonstrated.

EXOSENS was not able to conduct the above-mentioned alignment analysis on its turnover and CapEx for the 2024 financial year 2024.

2.4.2.6 Compliance with Minimum Guarantees

Alignment with the European green taxonomy involves compliance with minimum guarantees. The minimum guarantees include all the procedures established to ensure that economic activities respect:

- the OECD Guidelines for Multinational Enterprises;
- UN Guiding Principles on Business and Human Rights (UNGP), including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work;
- the International Bill of Human Rights.

Despite the absence of an alignment analysis, the Group does have policies in place to ensure compliance with the various themes covered by the Minimum Guarantees of the European Green Taxonomy. EXOSENS is aware that the behaviour and contribution of its employees and the players in its value chain play an important role in compliance with minimum guarantees. In this regard, the Group has been a signatory of the United Nations Global Compact since 2024. The Group has also implemented safeguards for its upstream value chain by deploying an internal responsible purchasing policy for the purchasing teams and an external Code of Conduct for its suppliers. The whistleblowing system implemented by the Group also makes it possible to report any violations of ethical issues in compliance with the standards and laws applicable in the countries in which the subsidiaries are located. This confidential and anonymous system is accessible at all times online and by telephone. It is available to Group employees, as well as to any external parties who may need to raise an alert related to EXOSENS.

Taxation: The Group is committed under its tax policy to complying with the laws, regulations and tax treaties applicable in all the countries in which it operates, as well as with the international standards in force. In this regard, the Group's finance and legal teams rely on external tax consultancies to ensure compliance with local tax legislation on an ongoing basis. The Group does not engage in any fraud or tax evasion. In view of its values and ethical principles, as well as its corporate social responsibility requirements, the Group:

- prepares and files tax returns accurately and on time, in accordance with the applicable regulations;
- carries out transactions in line with the underlying economic reality;
- rejects all abusive tax planning as well as the use of artificial structures located in "tax havens"; and
- cooperates with local tax authorities in the event of tax audits.

Corruption: The Group has made ethical business conduct one of the central pillars of its CSR strategy. The Legal, CSR, Compliance and Audit Departments are committed to complying with legal obligations regarding minimum guarantees and ensure that the related internal policies on anti-corruption are implemented. No convictions for corruption were issued against EXOSENS during the 2024 financial year. The EXOSENS Code of Ethics highlights the principles of honesty, integrity and fairness and the highest ethical standards that must underpin all activities and decisions made within the Group. It is a key document underpinning the activities of all employees and defines the rules to be applied and the behaviours to be adopted by everyone, in terms of human rights, anti-corruption and unfair competition.

Competition law: In accordance with the Code of Ethics, the Group's employees must therefore actively contribute to the prevention of illegal practices, such as price setting, market sharing, production limitation, bid rigging, abuse of market power and other anti-competitive or monopolistic behaviours. EXOSENS was not convicted by a court for violating competition laws during the 2024 financial year. Furthermore, no convictions have been issued against EXOSENS with regard to human rights.

Human rights: All these documents also outline the commitments made by EXOSENS in terms of human rights and compliance with applicable regulations and laws, and they extend these commitments throughout the Group's value chain.

All of these policies and measures are outlined in the sections related to ESRS S2 et ESRS G1 (see Sections 2.6 "Workers in the value chain (ESRS S2)" and 2.7 "Business conduct (ESRS G1)").

2.4.3 European Taxonomy Tables

2.4.3.1 Turnover

Financial year N	Year N			Substantial Contribution criteria						Do No Significant Harm criteria ("DNSH criteria")									
Economic activities	Code (a)	Turnover	Share of turnover, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Share of revenue aligned with the taxonomy (A.1.) or eligible for the taxonomy (A.2.), year N-1	Transitional activity category	Enabling activity category
		(in € millions)	%	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	E	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with the taxonomy)																			
Turnover from environmentally sustainable activities (aligned with the taxonomy) (A.1)			%														%		
Enabling activities			%														%	E	
Transitional activities			%														%		T
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy).																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacturing of electrical and electronic equipment	CE1.2	394.1	100%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								%		
Turnover from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2).		394.1	100%					100%									%		
A. Turnover from activities eligible for the taxonomy (A.1 + A.2)		394.1	100%					100%											
A. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
Turnover from activities not eligible for the taxonomy		**0**	**0%**																
TOTAL		**394.1**	**100%**																

2.4.3.2 CapEx

Financial year N	Year			Substantial Contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities	Code (a)	CapEx	Share of CapEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Share of CapEx aligned with the taxonomy (A.1.) or eligible for the taxonomy (A.2.), year N-1	Enabling activity category	Transitional activity category
		(in € millions)	%	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with the taxonomy)																			
CapEx from environmentally sustainable activities (aligned with the taxonomy) (A.1)			%	%	%	%	%	%	%								%		
Enabling activities			%	%	%	%	%	%	%								%	E	
Transitional activities			%	%													%		T
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy).																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacturing of electrical and electronic equipment	CE 1.2	55.3	96%	N/EL	N/A	N/A	N/A	EL	N/EL								%		
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	1.5	3%	EL	N/EL	N/A	N/A	N/A	N/A								%		
Installation, maintenance and repair of electric vehicle charging stations inside buildings (and in car parks attached to buildings)	CCM 7.4	0.0	1%	EL	N/EL	N/A	N/A	N/A	N/A								%		
CapEx from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2).		56.8	100%	%	%	%	%	%	%								%		
A. CapEx from activities eligible for the taxonomy (A.1 + A.2)		56.8	100%	%	%	%	%	%	%								%		
A. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
CapEx from activities not eligible for the taxonomy		**0**	**0%**																
TOTAL		56.8	**100%**																

2.4.3.3 OpEx

Financial year N	Year			Substantial Contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities	Code (a)	OpEx	Share of OpEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum guarantees	Share of OpEx aligned with the taxonomy (A.1.) or eligible for the taxonomy (A.2.), year N-1	Enabling activity category	Transitional activity category
		(in € millions)	%	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES; NO; N/EL	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	E	T
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY																			
A.1 Environmentally sustainable activities (aligned with the taxonomy)																			
OpEx from environmentally sustainable activities (aligned with the taxonomy) (A.1)		0	0%	%	%	%	%	%	%								%		
Enabling activities			%	%	%	%	%	%	%								%	E	
Transitional activities			%	%													%		T
A.2 Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy).																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2).		0	0%	%	%	%	%	%	%								%		
A. OpEx from activities eligible for the taxonomy (A.1+ A.2)		0	0%	%	%	%	%	%	%										
A. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY																			
OpEx from activities not eligible for the taxonomy		22.9	**100%**																
TOTAL		22.9	**100%**																

2.4.3.4 Gas and nuclear sectors

Line	Activities related to nuclear energy	
1	The company engages in, finances or is exposed to research, development, demonstration and deployment activities for innovative electricity generation facilities based on nuclear processes with minimal waste from the fuel cycle.	NO
2	The company engages in, finances or is exposed to activities involving the safe construction and operation of new nuclear electricity or industrial heat generation facilities, in particular for district heating or for industrial processes such as hydrogen production, including their safety upgrades, using the best available technologies.	NO
3	The company engages in, finances or is exposed to activities involving the safe operation of existing nuclear electricity or industrial heat generation facilities, in particular for district heating or for industrial processes such as hydrogen production, from nuclear energy, including their safety upgrades.	NO
	Activities related to fossil gas	
4	The company engages in, finances or is exposed to activities related to the construction or operation of electricity generation facilities using gaseous fossil fuels.	NO
5	The company engages in, finances or is exposed to activities related to the construction, refurbishment, and operation of combined heat / cooling and electricity generation facilities using gaseous fossil fuels.	NO
6	The company engages in, finances or is exposed to activities related to the construction, refurbishment or operation of heat generation facilities that produce heat / cooling from gaseous fossil fuels.	NO

SOCIAL

2.5 Own workforce (ESRS S1)

I, R, O	Actual / Potential	Sub-topic	Description	Policies	Actions	Targets
I-	Potential	Secure employment Work-life balance	Loss of engagement and job satisfaction		Implementation of the overall people review exercise.	Score of 10 (+4 points) based on the eNPS methodology by the end of 2025
I-	Potential	Health and safety	Harm to physical and mental health and safety of our employees	Labour and human rights policy	Implementation of the whistleblower platform	Harmonisation of reporting from the various sites to improve monitoring of workplace accidents at Group level by 2025 Score of 10 (+4 points) based on the eNPS methodology by the end of 2025
R	Actual	Social dialogue	Industrial action linked to the failure of the social dialogue	Labour and human rights policy		Score of 10 (+4 points) based on the eNPS methodology by the end of 2025
R	Potential	Adequate wages	Change in the remuneration and benefits processes for our employees			Score of 10 (+4 points) based on the eNPS methodology by the end of 2025
R	Actual	Gender equality (and equal pay for work of equal value) Diversity	Insufficient promotion of gender equality in the workplace	Labour and human rights policy		30% of women on the Executive Committee by 2025 20% of women in senior management by 2025

2.5.1 Interests and views of stakeholders (ESRS 2 SBM-2)

The engagement of our employees is one of the main factors in maintaining smooth internal operations, developing the corporate culture and enhancing the external attractiveness of the Group. We aim to maintain a motivating, inclusive working environment, while remaining attentive to our employees, in order to encourage their engagement and strengthen their sense of belonging.

The stakeholders are described in Section 2.1.9 "Interests and views of stakeholders (ESRS 2 SBM-2)".

2.5.2 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

Employees are naturally a key asset for EXOSENS and therefore play a central role in our ability to innovate and maintain our productivity.

The double materiality exercise identified two negative impacts and three actual or potential risks stemming from the nature of our activities and our organisational structure, which could have negative consequences on our employees' engagement and social dialogue within the company. They are listed in the introductory table to this section and described below. Special attention is given to staff involved in the production workforce on industrial sites (employees and supervisors), who are identified as the employees most exposed to the identified IRO.

The processes to identify and assess material impacts, risks and opportunities are outlined in Section 2.1.11 "Description of the processes to identify and assess impacts, risks and opportunities (ESRS 2 IRO 1)".

2.5.2.1 Employee engagement, work-life balance and adequate wages

Description	I,R,O	Comments
Loss of engagement and job satisfaction	I-	Loss of engagement and job satisfaction is a potential negative impact that is critical for the Group, as it could reduce motivation and the sense of purpose at work, lead to an increase in the voluntary turnover rate and, consequently, result in the loss of key employees if appropriate measures are not taken. The context of EXOSENS is such that its current composition is the result of numerous acquisitions of autonomous companies, whose employees have had to adapt to new ways of working within a more global and integrated group, with its own values and its own culture. It could prove difficult for some to integrate such a significant change without feeling a loss of meaning and engagement in the context of new obligations and a new managerial culture - this represents a major transition in many respects. EXOSENS has introduced a number of measures with the aim of mitigating and preventing this impact, which is currently considered to be potential as long as the voluntary turnover rate remains low (below 3%) at Group level. This is a potential impact related to the context of the company.
Change in the remuneration and benefits processes	R	A change in the remuneration and benefits processes represents a potential risk related to our own operations, which could have a significant impact on the satisfaction and motivation of our employees. This could lead to a decline in their engagement and productivity and could also reduce the Group's ability to retain talent and attract high-quality candidates, thereby increasing the employee turnover rate and the costs associated with recruitment and training. A decline in our attractiveness as an employer could also weaken our ability to maintain a competitive advantage in demanding markets where human capital has an essential role to play. However, this risk is mitigated by our commitment to aligning with the industry remuneration and employee benefit schemes and benchmarks in the countries in which we operate, driven by our aim to maintain our competitive attractiveness in the job market. EXOSENS will therefore continue to benchmark remuneration schemes with the help of specialised firms.

2.5.2.2 Employee health and safety

Description	I,R,O	Comments
Harm to physical and mental health and safety or our employees	I-	Any harm caused to the health and safety of our employees, whether physical or mental, represents a major potential impact related to our operations, particularly in industrial facilities involving shift work. This impact may stem from work-related accidents due to inappropriate practices or equipment, resulting in injuries, illnesses or psychological problems such as stress, anxiety or burn-out. This is a potential impact related to specific cases and the context of the company. The likelihood of these scenarios is greatly reduced by our commitment to providing a safe, healthy working environment in line with our CSR strategy. Although this issue is aligned with our social responsibility, it only has an indirect influence on our current strategy and economic model, which are more focused on technological innovation and operational performance. However, by identifying this impact we are in a better position to prevent these risks and promote a respectful, inclusive corporate culture. In the longer term, preventing and managing this impact will strengthen the commitment of our teams and support sustainable growth in line with our sustainability and social responsibility commitments.

2.5.2.3 Social dialogue and transparent communication

Description	I,R,O	Comments
Industrial action linked to the failure of the social dialogue	R	A failure or absence of social dialogue within EXOSENS represents a major operational and financial risk. This risk, which is directly linked to our operations, could result in industrial action such as strikes or work stoppages, disrupting our daily activities. These interruptions would affect our production, delivery times and customer satisfaction, as well as incurring significant costs to manage conflicts and restore operations. Industrial action, although exceptional, has already been observed in the Group. This risk is considered likely and its potential financial impact is significant.

2.5.2.4 Gender equality

Description	I,R,O	Comments
Insufficient promotion of gender equality	R	Insufficient promotion of gender equality represents an actual risk. Without specific initiatives such as mentoring programmes or promotion of equal access to opportunities, we could be in danger of creating an environment in which certain categories of employees feel disadvantaged, particularly if they perceive inequalities in terms of accessing career opportunities, responsibilities or professional recognition. We consider this risk to be likely. Although EXOSENS actively monitors indicators such as equal pay (for Photonis France: score of 86 out of 100 in 2023 and 88 points out of 100 in 2024) and has set an objective of having at least 30% of women on its Executive Committee and 20% of women in senior management by 2025, we still see an imbalance in the representation of women in certain strategic and technical positions. In addition, unconscious biases and cultural barriers may still hinder the progress of gender equality. Promoting this issue is therefore a challenge that requires constant attention and enhanced effort. The promotion of gender equality is essential if we are to strengthen our corporate culture, enhance the satisfaction of our teams and assert our position as an inclusive, attractive employer.

2.5.3 Policies related to own workforce (ESRS S1-1)

The Group adopted a labour and human rights policy in 2023. The aim of this policy is to guarantee the safety, protection and well-being of our employees based on values such as trust, respect and team spirit. The policy recognises the importance of preventing, mitigating, and addressing potential and actual human rights impacts in our supply chain and operations and reaffirms our commitment to combating child labour, forced labour, human trafficking, and all forms of discrimination, particularly those based on ethnicity, gender, age, or any other characteristic. This policy applies to all the Group's employees and covers all activities, focusing particularly on respecting the fundamental rights of employees. It is communicated to all employees, who are expected to implement it as part of their professional activities. The Executive Committee is in charge of this policy, which is reviewed each year. The Chief Executive Officer is the most senior member of the company responsible for implementing this policy.

This policy addresses certain negative impacts and risks from the point at which they are identified as material in the double materiality analysis. It deals in particular with:

- health and safety: The policy emphasises the prevention of risks linked to inadequate equipment, work practices and hazardous substances. It includes specific commitments, such as training all managers in psychosocial risks in 2025 and aligning site reporting with the tracking of workplace accident frequency rates. These measures aim to guarantee safe, respectful working conditions for all our employees, including temporary staff and subcontractors;
- social dialogue: The policy highlights the importance of open, constructive dialogue with employees and their representatives. It reaffirms our commitment to promoting freedom of association and collective bargaining, while ensuring that the voice of every employee is heard and acknowledged. These principles are intended to establish transparent, respectful working conditions that will encourage collaboration based on trust and continued improvement;
- gender quality: The policy stresses that the fight against gender inequality is a major social challenge. It incorporates the objective of our CSR strategy to have 30% of women on the Executive Committee and 20% of women in senior management by 2025, while ensuring transparency regarding the gender distribution in our workforce.
- engagement and work-life balance: remuneration policies are established at local level in order to take inflation rates, applicable legislation, industry negotiation practices and other local aspects into consideration. This diversity shows consideration of the specific features and operational autonomy of the Group's entities, but does not promote the establishment of an aligned policy in terms of remuneration and benefits. Other local policies, such as the remote working policy at Photonis France, for example, promote a work-life balance. These local initiatives address the negative impacts associated with the loss of engagement and job satisfaction.

EXOSENS is committed to respecting the human rights and labour rights of all our employees. This commitment is underpinned by recognised international standards, such as the UN Guiding Principles on Business and Human Rights and the fundamental conventions of the International Labour Organisation (ILO). We strive to maintain a fair working environment, free from discrimination and harassment, where every employee can enjoy safe working conditions and fair remuneration. Our internal policy also reflects our commitment to respecting employee rights, including freedom of association and collective bargaining.

In order to encourage a climate of trust and an environment in which employees can express themselves freely, our company promotes open social dialogue and transparent communication on all our sites. We also ensure that we respect local regulations regarding staff representation in every country in which we operate. Although these regulations vary, they share common principles, which allows us to adopt a consistent approach at Group level while adapting to specific local requirements.

Furthermore, as outlined above, EXOSENS has also established a whistleblower platform. Further information on this topic can be found in Sections 2.5.5.1 "Whistleblower platform" and 2.7.4 "Business conduct policies and corporate culture (ESRS G1-1)".

2.5.4 Process for engaging with own workforce and workers' representatives about impacts (ESRS S1-2)

Each entity is responsible for social dialogue with workers' representatives. This involves the CSEs (Social and Economic Committees) within the entities Photonis France and EXOSENS SA, and the works council within Photonis Netherlands and Proxivision. However, due to the Group's structural organisation, there is currently no single body responsible for an overall framework agreement with management.

The size and strategy of the Group enable management to prioritise direct dialogue with all employees.

In 2024, EXOSENS launched an internal engagement survey, based on the international methodology of the Employee Net Promoter Score, aimed at employees to assess their engagement and identify their expectations, needs and concerns, including in terms of engagement and job satisfaction and health and safety. The aim of this initiative, which is to take place each year from now on, is to harmonise practices and collect comparable data from different sites so that each site can create an action plan that takes into account both the Group's overall issues and its specific features. Once the results had been obtained, they were presented to the Human Resources Directors of the various sites. A summary of the overall survey results was then shared with all the employees in the form of an infographic. The Human Resources Managers then presented the results specific to each site. This engagement survey allows EXOSENS to calculate the *employee Net Promoter Score* (eNPS) of each site and of the Group as a whole.The Group's eNPS was 6 in 2024, a low score showing that there is still room for improvement. According to the eNPS benchmark, a good score would be between 20 and 30. Our CSR strategy aims to achieve a score of 10 in 2025 and 12 in 2026. This survey also assessed employees' perception of the company's values, namely Trust, Entrepreneurial Spirit, Passion, Respect and Team Spirit. Local action plans have been developed for each site in line with the avenues for development identified by the survey. Future surveys will help to identify the relevance of action plans and will serve more generally as a barometer for employee engagement and their alignment with our values.

The Human Resources Department, with the support of local management, has the operational responsibility for ensuring that the engagement survey is implemented and the results are incorporated into our strategy, and also ensures that employee feedback is taken into account in our objectives and actions.

2.5.5 Processes to remediate negative impacts and channels for own workforce to raise concerns (ESRS S1-3)

The protection of our employees is a top priority for EXOSENS. The various communication channels established within the Group help to manage worrying situations reported by employees, thus facilitating their resolution.

2.5.5.1 Whistleblower platform

In accordance with European requirements, EXOSENS implemented a whistleblowing platform in 2024 to enable employees to report, anonymously if necessary, any risks or problems related to health, safety or working conditions.

This platform is easily accessible, guarantees confidentiality and allows reports to be processed quickly. No punitive steps will be taken against the whistleblower if investigations following on from the report do not confirm the allegation. Conversely, if an employee makes false or malicious allegations, and particularly if they persist in doing so, disciplinary measures may be taken against them. Furthermore, we are committed to protecting employees from any personal claims, as well as from any harm, victimisation, harassment or intimidation related to their disclosures.

The aim of the whistleblower platform is to ensure that that the concerns of our stakeholders, and therefore those of all our employees, are dealt with effectively. Employees may also contact the Human Resources Managers at their site directly to report a problem and ensure that it is dealt with.

EXOSENS ensures that the reporting channels are accessible to all employees and that their use is clear and regulated. A case manager has been appointed at each site. The whistleblower policy has been sent to them by the Group's Compliance Department to guarantee effective communication. The case managers are responsible for processing admissible reports in accordance with the established process. These individuals, who work in the HR, operational, quality, finance and legal departments, have undergone specific training on the whistleblower procedure. The Group's Compliance Department is involved in every case reported by the whistleblowing platform.

When a report is submitted, the designated "case manager", who is bound by confidentiality, conducts a thorough investigation and, if necessary, consults internal departments or external experts (such as lawyers or investigators). The reports are anonymised in all published documents in order to protect confidentiality. The individuals concerned by a report are notified within a reasonable period, generally within one month, unless preventive measures require additional time, such as the preservation of evidence. They are also informed of the reported facts, the planned investigation measures and their rights regarding access and rectification.

The whistleblower is kept informed of the action planned or taken as a result of their report within a reasonable period of no more than three months from acknowledged of receipt of the report or, failing that, three months from the expiry of a period of seven working days following the report. They are also notified in writing if the report is considered inaccurate or unsubstantiated. This system is intended to ensure that reports are managed rigorously and transparently and that the rights of all concerned are protected. Different types of corrective action may be taken depending on the conclusions of the investigation conducted in the field (disciplinary sanctions, managerial or mediation measures). The whistleblower mechanism and the report handling procedure are outlined in Section 2.7.4 "Business conduct policies and corporate culture (ESRS G1-1)".

No alerts were issued during the reporting period.

2.5.5.2 CSE staff representatives and HR teams

The Social and Economic Committees (CSE) and their respective Health, Safety and Working Conditions Committees (HSWCC), the staff representatives and the HR teams at each site also play a key role in the management and transmission of reports.

2.5.5.3 Engagement survey

The annual engagement survey presented above (see Section 2.5.4 "Process for engaging with own workforce and workers' representatives about impacts (ESRS S1-2)") also allows employees to express their dissatisfaction, so that this can be taken into account by management.

2.5.6 Taking action on material impacts, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (ESRS S1-4)

EXOSENS has introduced various tools to determine the necessary actions in response to the actual or potential negative impacts on its employees, as well as the associated risks and opportunities.

The engagement survey plays a central role by highlighting priority issues and gathering suggestions for improvement directly from employees.

Furthermore, the whistleblower platform not only allows for the prompt handling and resolution of reports, but also offers an additional means of identifying desirable long-term improvements and defining measures to be implemented to prevent or limit negative impacts.

The two measures outlined above, as well as the exchanges between Human Resources, senior management and the various teams, provide a basis for the development of an action plan that will help to reduce negative impacts and promote a positive working environment. The financial resources allocated to these initiatives vary from country to country, with a national or sector-based wage policy structuring progress in France, Belgium and the Netherlands. In other countries, initiatives are conducted locally for the time being and are difficult to quantify at group level. More global initiatives are, however, planned at group level for 2025, particularly with a view to improving gender parity.

2.5.6.1 Engagement and job satisfaction

Loss of engagement and job satisfaction is a potential negative impact that is critical for the Group, as it could reduce motivation and the sense of purpose at work, lead to an increase in the voluntary turnover rate and, consequently, result in the loss of key employees if appropriate measures are not taken. The context of EXOSENS is such that its current composition is the result of numerous acquisitions of autonomous companies, whose employees have had to adapt to new ways of working within a more global and integrated group, with its own culture and values. It could prove difficult for some to embrace such a significant change without feeling a loss of meaning and engagement in the context of new obligations and a new managerial culture - this represents a major transition in many respects.

It should be noted that the turnover rate currently remains low within the Group (less than 3% voluntary redundancy). However, it is important to pay particular attention to addressing this issue. The annual employee engagement survey (eNPS) highlights these "weak signals" and the HR action plans presented to the Executive Committee as a result help address the issue through both local and global initiatives. In addition, a "people review" exercise, carried out for the first time in 2025, should help to detect "critical" situations in which there is a high risk of key staff leaving, so that these situations can be addressed for each case identified.

EXOSENS is also implementing a long-term incentive plan for key personnel in 2025 as an additional lever to retain talent (see Section 3 "Corporate Governance").

Improving the employee engagement rate is a criterion of the long-term incentive plan.

2.5.6.2 Gender equality

The risk associated with this issue is that of insufficient promotion of gender equality in the workplace.

The Group's various subsidiaries have drawn attention to the difficulty in recruiting women in industrial and technological sectors. The Group has taken up this issue and set itself the objective of having 30% of women on the Group Executive Committee and 20% of women in senior management by 2025.

The matter has already been addressed on our industrial sites such as Photonis Netherlands, for example, which organises campaigns and events. A whole day is set aside every year when young female students are invited to visit the workshops, with the aim of encouraging them to choose technical studies and to apply for internships.

In addition, several of the Group's subsidiaries have introduced transparent salary scales to guarantee fair treatment. Photonis Netherlands and Photonis France regularly analyse the gender pay gap, while Xenics places particular emphasis on female representation at all professional levels, from production to management and engineering. El Mul has established and runs a specific community focused on women's leadership. Photonis Scientific publishes an annual report in which the number of men and women who hold management positions are listed.

2.5.6.3 Social dialogue and transparent communication

The risk associated with this issue is that of the occurrence of industrial action linked to the failure of the social dialogue.

Different representation structures exist across our sites, which take into account the specific legal features of each country. This means that employees have formal channels through which they can express their concerns, contribute to the continuous improvement of working conditions and actively participate in the decisions that affect them. Representation practices vary according to local regulations, but they all aim to provide smooth communication and a fair representation of employees' interests:

- Photonis France has established a Social and Economic Committee (CSE) as a representative body for employees ;
- the registered office (entity with fewer than 50 employees) has also set up a CSE;
- Photonis Germany has a committee made up of five members that meets on a monthly basis;
- although an election was held within Xenics to appoint employee representatives, no candidate was elected. In the absence of an employee representative, a person has been specifically trained to act as a link between the employees and management;
- Photonis Netherlands organises union elections every four years to guarantee active employee representation;
- an employee representative has recently been elected within Telops to promote dialogue between employees and management, following the practices used at our European sites;
- there is no specific federal law in the United States on employee representation, but union representation exists in certain sectors. For example, Photonis Defense in the state of Pennsylvania works directly with the unions, which negotiate the terms of representation at the company level and ensure that equal pay is respected;
- the legislation in Israel does not require a workers' committee in companies the size of El-Mul. However, El-Mul has chosen to adopt a direct communication approach in order to maintain open, constructive dialogue between management and employees.

2.5.6.4 Employee health and safety

The negative impact related to this issue is that of harm to the physical and mental health and safety or our employees.

Some sites have introduced regular health checks for their employees, including annual medical consultations to monitor and protect their well-being. Most of them also offer their employees the option of continuous medical monitoring, aimed at preventing and managing psychosocial and physical risks.

Risk assessment on the health and safety of our employees

The quality of the employees' work environment, adequate training, regular campaigns to raise awareness related to applied safety instructions, and a detailed analysis of the root causes of accidents and near misses should help prevent workplace accidents and work-related illness. As part of our CSR strategy, we are working to improve the monitoring of workplace accidents at Group level.

This initiative will enable us to identify clearly the specific risks on each site and adapt our preventive measures accordingly. Security will be improved on all our sites by the enhanced monitoring of this data, helping to create a safer working environment for all our employees.

Each industrial site currently carries out a health and safety risk assessment, with a focus on working conditions, risks related to machinery and exposure to high temperatures or chemicals. By analysing the severity and frequency of exposure, it is possible to determine the degree of risk so that effective preventive and corrective measures can be implemented to prevent incidents and respond appropriately should they occur.

In the case of Photonis France, for example, the single occupational risk assessment document (DUERP) complies with the regulatory requirements. It identifies and rates risks in collaboration with all the managers so that they can be ranked according to the scores obtained. This assessment is updated every year to take into account any amendments and improvements that may be required.

Measures for the prevention of physical risks

The Group's commitment in terms of health and safety is reflected in its ongoing efforts to assess and improve equipment, establish and comply with best working practices and proactively mitigate the risks associated with contact with harmful substances and hazards in the workplace.

Given the industrial nature of the Group's activities, the risk assessments (referred to above) have identified the main health and safety risks that it faces. Depending on the site, these risks may concern exposure to chemicals, gases and X-rays, particularly during assembly and production processes or in clean rooms. The Group's commitment is reflected in its ongoing efforts to assess and improve equipment, establish and comply with best working practices and proactively mitigate the risks associated with contact with harmful substances and hazards in the workplace.

Several initiatives and measures were introduced in 2024 in order to prevent these risks:

- in accordance with local regulations, a Safety Committee has been set up in the majority of branches. It meets several times a year to ensure compliance with current standards and to step up health and safety practices;
- Photonis Germany organises annual training courses to remind people of the best practices relating to their role and expertise;
- Photonis France provides its employees with prevention sheets on identified risks, namely the risks of exposure to chemical substances, noise, etc.;
- Photonis Defense has a health emergency action plan, including the procedures to follow in case of fire or other incident (reporting procedure, evacuation instructions, roles and responsibilities of emergency staff), as well as training and assessment exercises.

In addition, Photonis France, which represents around 40% of the Group's workforce, is ISO45001 certified. This certification defines the requirements for an occupational health and safety management system and is designed to reduce the risk of injury and illness in the workplace.

There are also systems in place to ensure that medical and safety needs can be addressed swiftly and appropriately: For example, Telops ensures that there is a trained first-aider on site, in addition to other safety measures.

Measures for the prevention and management of psychosocial risks (PSR)

The whistleblower platform can be used at Group level to escalate information related to psychosocial risks. Training on the prevention psychosocial risks is also to be provided for managers in 2025.

Various local measures are already being implemented on our sites to prevent psychosocial risks and the harm that could be caused as a result to the physical and mental health and safety or our employees.

- Photonis Netherlands has altered its office spaces in order to reduce mental stress and improve working conditions, specifically by addressing the noise issues at the site. The management also organises anonymous medical screening on a voluntary basis, in order to support employees in addressing any potential individual health issues;
- fifteen people within Photonis France, known as "stress leads", are specifically trained and are available to assist those in need of support. A "Well-being at work week" was organised in 2024 at the Brive-la-Gaillarde site, where several hundred employees attended awareness-raising workshops and screening sessions (anonymous and voluntary);
- our Canadian subsidiary Telops works together with its health insurance provider to assess psychosocial and physical risks based on 15 specific criteria. The site is then able to draw up an action plan based on this information;
- the site of our subsidiary Xenics, located in Tienen, Belgium, is working on the reorganisation of the space so that employees can take part in a sporting activity during their lunch break;
- this work on the reorganisation of spaces and the break room was completed in Rehovot (El Mul) at the end of 2024;
- similar efforts have been made on the Grenoble site to create a “relaxation area”.

Our sites which currently have no staff representative body consolidating feedback on PSR are nevertheless working to promote a culture of open communication and encourage dialogue between employees and management.

Action is being taken by the various sites in relation to harassment in particular:

- El-Mul has introduced compulsory training on sexual harassment for all its employees in Israel, in accordance with local legal requirements, in order to ensure a respectful and safe working environment;
- within Photonis Scientific, harassment complaints can be made verbally or in writing, and are followed up by a confidential investigation. Disciplinary measures will be taken in the event of inappropriate behaviour. A meeting with a manager or a human resources representative may be organised if a problem persists, to give the employee an opportunity to confide in someone and find a solution together. Training on the prevention of harassment risks is also offered on the Sturbridge site;
- clear processes have been established within Telops so that an investigation can be launched as soon as an incident occurs and potential solutions can be found.

The main tools currently used to measure the effectiveness of the actions and initiatives implemented to achieve these objectives are the employee engagement survey and the reports collected through the whistleblowing platform.

2.5.6.5 Remuneration and benefits

The risk associated with this issue is that of the non-alignment of remuneration and benefits processes for our employees may with market practices.

To date, no concerted action has been taken within the EXOSENS Group regarding the identified risk of a lack of harmonisation in employee remuneration and benefits processes. Practices in this area vary from one company to another, with each entity developing its own initiatives according to its local requirements and regulatory constraints. However, studies on our remuneration and social benefits practices, with a more centralised approach and the support of external firms, will be considered for 2025-2026.

2.5.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (ESRS S1-5)

The aim of the Group's CSR strategy is to achieve 20% of women in senior management in 2025 (25% in 2026) and 30% on the Group's Management Committee in 2025. This target reflects the Group's commitment to promoting gender equality in the workplace and has a material impact in the context of double materiality.

The strategy also involves providing training for all managers in psychosocial risks by the end of 2025, which addresses the negative impact of harm to physical and mental health and safety or our employees.

The Group has also set itself the objective of achieving an overall score of 10 (+4 points) by the end of 2025 based on the eNPS methodology. Action plans have been developed and implemented across all countries, before being consolidated and monitored at Group level, in order to meet this objective. This objective helps to address the negative impacts associated with the loss of engagement and job satisfaction.

To date, the Group has not set any objectives relating to the other negative impacts and risks identified, namely:

- the risk related to a change in the attractive remuneration and benefits processes for our employees;
- the risk of industrial action linked to the failure of the social dialogue.

These material issues for the Group will be addressed at a global level with the support of the Executive Committee members and relevant key performance indicators will be defined to measure progress in these areas. Changes in these indicators will therefore be monitored on a regular basis. A baseline year will be determined to track the evolution of each indicator, creating a clear framework for the analysis and continuous improvement of the policies in place.

EXOSENS did not enter into direct dialogue with its employees or their representatives to establish targets in relation to the management of identified material IROs during the 2024 financial year.

The EcoVadis silver medal awarded in August 2024 reflects the commitment of EXOSENS to guaranteeing working conditions that comply with international standards. The Group is committed to ensuring the health and safety of its employees, promoting constructive social dialogue and offering opportunities for professional development through training programmes. The assessment also highlighted its commitments to human rights, particularly the fight against forced labour and human trafficking, as well as its initiatives in the areas of diversity, fairness and inclusion. The Group’s objective is to achieve the EcoVadis gold medal in 2025. This approach reflects the Group's ever-increasing commitment to improving its practices and enhancing its positive impact in each of the areas assessed by EcoVadis, including respect for human rights and working conditions.

2.5.8 Characteristics of the undertaking's employees (ESRS S1-6)

As at 31 December 2024, EXOSENS employed 1401 [(1)] people worldwide. Including the companies acquired after 1 July 2024, the Group had 1,511 employees at the end of the reporting period. They specialise in the fields of electronics and optoelectronics and operate in an environment focused on innovation and technological excellence, working on cutting-edge technologies in a range of sectors such as night vision, intensified cameras and scientific detectors. Ninety-six employees left the Group during the 2024 financial, and the Group's turnover rate was 6.85%.

GENDER DISTRIBUTION IN 2024

The tables below highlight the CSRD publication requirements applying to ESRS S1-6 and present the various distributions of the Group's workforce:

	Number of employees (workforce) 2024
Male	841
Female	560
TOTAL EMPLOYEES	**1,401**

	Employed workforce in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees.	
Country	Number of employees (workforce) 2023	**Number of employees (workforce) 2024**
France	525	587
Germany	58	64
The Netherlands	275	372
Belgium	69	61
Canada	84	89
Israel	54	63
United States	137	148

	Information on employees by type of contract, broken down by gender (workforce) 2024		
	Female	Male	Total
Number of employees (workforce)	560	841	1,401
Number of permanent employees (workforce)	535	805	1,340
Number of temporary employees (workforce)	25	36	61
Number of non-guaranteed hours employees (workforce)	0	0	0
Number of full-time employees (workforce)	434	780	1,214
Number of part-time employees (workforce)	125	62	187

(1) *As stated in Section I.1.A, Group subsidiaries with fewer than ten employees and subsidiaries acquired after 1 July 2024 are not included within the scope of the sustainability statement. Indirect labour (temporary staff, consultants) has not been taken into account here. Note 7 of Section 6 "Financial statements for the year ended 31 December 2024" presents the average workforce for the Group.1,401 refers to the number of employees at year-end.*

2.5.9 Collective bargaining coverage and social dialogue (ESRS S1-8)

74.5% [(1)] of employees within EXOSENS are covered by collective bargaining agreements (company or sector). The Group does not have an agreement with its employees for representation by a European Works Council (EWC), a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

The Group's statement regarding coverage of collective bargaining and social dialogue in the European Economic Area (EEA) and outside the EEA follows the applicable publication requirement as outlined below:

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Representation in the workplace (EEA only) (for countries with > 50 employees representing > 10% of the total employees)
0-19%		United States: employees belonging to the Photonis Defense production site in Lancaster are affiliated to the labour union known as the International Brotherhood of Electrical Workers.	
20-39%			
40-59%			
60-79%			
80-100%	100% of employees of subsidiaries located in EEA countries that meet the applicable criteria (>50 employees representing >10% of the total number of employees)		100% of employees of subsidiaries located in EEA countries that meet the applicable criteria (>50 employees representing >10% of the total number of employees)

2.5.10 Diversity metrics (ESRS S1-9)

Women account for 30% of the Group's Executive Committee. Women account for 23% of senior management in the Group's subsidiaries with more than 50 employees. The overall percentage of women in senior management within the group is 24%.

	Male	Female
Number on the Executive Committee	7	3
Percentage on the Executive Committee	70%	30%
Number in senior management positions in the Group	94	29
Percentage in senior management positions in the Group	76%	24%

Senior management is defined as including members of the Management Committees of the countries, as well as certain N-1s of these local Management Committees.

THE FOLLOWING TABLE SHOWS THE BREAKDOWN OF THE GROUP'S EMPLOYEES BY AGE:

	Employees aged under 30	Employees aged between 30 and 50	Employees aged over 50
Number	141	691	569
Percentage	10%	49%	41%

(1) *This calculation does not include the subsidiaries Sinfrared, Photonis Scientific and El-Mul.*

2.5.11 Adequate wages (ESRS S1-10)

EXOSENS ensures that no employee is paid below the legal, federal or contractual minimum wage according to the applicable regulations in the countries in which it operates. Information on the minimum wage by country, by state (in the United States of America) and by branch (CLA - collective labour agreement for the metal and electrical industry - in the Netherlands and the collective agreement for the metal industry in France) is public [(1)].

2.5.12 Social protection (ESRS S1-11)

All Group employees benefit from comprehensive social protection for major life events (job loss, illness, work-related injury and acquired disability, retirement, parental leave) due to the fact that EXOSENS sites are located in countries that all offer public coverage programmes for these events.

2.5.13 Health and safety metrics (ESRS S1-14)

EXOSENS publishes information on the coverage and performance of its health and safety management system. All Group employees are covered by this system, which is based on legal requirements and recognised standards or guidelines, depending on what is applicable to the subsidiaries. No deaths were recorded among the company's staff or among other workers present on its sites as a result of work-related illness or accidents during the reporting period. It should be noted that the Group adopted a labour and human rights policy in 2023. This policy aims to ensure the safety, protection and well-being of our employees.

In 2024, the Group recorded 20 workplace accidents, 11 of which resulted in lost time, for a workforce of 1,401 employees (including 1,214 full-time). The total number of days lost due to workplace accidents amounted to 413 in 2024.

In the absence of consolidated data, the FR2 calculation is estimated on the basis of normal working hours for this reporting year. A conservative assumption of 1,607 hours per year has been used (which is generally higher in countries other than France), without distinguishing between the 1,214 full-time and part-time employees. A representative number of hours can be extrapolated to calculate the frequency rates using this approach. The FR2 has been calculated as 8.9 for this first reporting year.

2.5.14 Work-life balance metrics (ESRS S1-15)

All Group employees are entitled to family-related leave under the social policy or applicable collective bargaining agreements. 3.35% of employees actually took family-related leave during the reporting period. However, it should be pointed out that the survey may be incomplete, as some employees may take carer’s leave without necessarily declaring it as such. When broken down by gender, 4% of women and 3% of men took family-related leave within the Group. More specifically, it should be noted that policies in this area are currently essentially local and are based on the legislation in force.

(1) *Accessible to the public: US Department of labor, Classification Métallurgie, Collective Agreements Metalektro*

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2.5.15 Remuneration metrics (pay gap and total remuneration) (ESRS S1-16)

As part of the exercise for 2024, EXOSENS is only able to present and consolidate reliable data for the two largest entities with significant industrial populations: Photonis France and Photonis Netherlands.

The method used to calculate the total annual remuneration ratio takes into account several contextual factors, such as the country and work organisation (shift-based or day work). Comparisons must be made based on comparable job types. However, due to the statistical predominance of certain roles according to gender (for example, male-dominated physicists or female-dominated workshop technicians), disclosing results by job category for small entities could reveal data that is almost identifiable. Therefore, comparable, shareable data is provided for subsidiaries with more than 100 employees within the same country, namely Photonis France and Photonis Netherlands.

The total population assessed on these two sites includes 902 employees, representing 64.3% of the Group's workforce. Furthermore, for this first year of reporting, EXOSENS can only estimate the average gross monthly remuneration of male and female employees at these two sites.

The pay gap at the Photonis France and Photonis Netherlands sites is 25%, to the detriment of women.

This ratio could therefore change in the coming years.

The Group also monitors these indicators by job category, and the percentages reflect a gap to the detriment of women.

	Photonis France[(1)]
Managers and Executives	1%
ETAM	3%
Workers	1.4%

(1) For the Photonis France site, the employee categories are obtained from the metalworking industry collective agreement.

	Photonis Netherlands[(2)]
Management	0%
Middle Management	1.9%
Technical Staff	1.3%
Operational Staff	4%

(2) For the Photonis Netherlands site, the breakdown is done by job categories.

The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration of all employees (excluding the highest-paid individual) is 20.56 in relation to the median salary.

The workforce used as the basis for the calculation includes employees from the same country as the CEO of EXOSENS (mainland France) who belong to the EXOSENS SAS and Photonis France entities, covering 97% of the country's workforce. This ratio is also presented in Section 3.3.5 "Ratio between the remuneration of the Chairman and Chief Executive Officer and the mean and median remuneration of the Group's employees" of the Universal Registration Document.

2.5.16 Incidents, complaints and severe human rights impacts (ESRS S1-17)

No incidents of discrimination, including harassment, were reported within the Group during the reporting period. Seven complaints were filed through channels available to company staff to express their concerns, in addition to one complaint to the National Contact Points for OECD Multinational Enterprises. The total amount of fines, penalties and compensation for damages resulting from the incidents and complaints referred to above amounted to €0, which means that no reconciliation is required with the amounts presented in the financial statements.

EXOSENS reports that no serious human rights incidents affecting its own workforce were recorded in 2024. There were no cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. Therefore, the total number of serious human rights incidents related to the company's own workforce is zero. In addition, given the absence of incidents, there have been no fines, sanctions or compensation stemming from such cases. The information concerning the reconciliation of the amounts represented by fines, sanctions and compensation with the amounts presented in the financial statements is therefore not applicable.

2.6 Workers in the value chain (ESRS S2)

I, R, O	Actual / Potential	Sub-topic	Description	Policies	Actions	Targets
I-	Actual	Working conditions Other work-related rights	Violation of professional ethics and social responsibility in the supply chain	Membership of the United Nations Global Compact and compliance with its 10 principles Responsible Purchasing Policy Supplier Code of Conduct	Membership of the United Nations Global Compact Establishment of a whistleblower platform Stepping up the assessment process for certain suppliers by integrating ESG criteria	80 % of strategic suppliers[1] committed to a CSR approach by 2027 100% of our partners, including our main suppliers, are committed to complying with the Code of Conduct by 2025[2]

1 Strategic suppliers are those whose annual revenue exceeds €250,000 (USD equivalent) or single source suppliers.

2 Main suppliers are those whose annual revenue exceeds €100,000 (USD equivalent) or single source suppliers.

2.6.1 Interests and views of stakeholders (ESRS 2 SBM-2)

Companies need to rethink their practices in the face of current environmental, social and ethical challenges. The challenges, which are crucial both in terms of economic performance and their impact on society and the environment, will require a fundamental transformation of value chains. It is therefore essential to work on every stage of this chain in order to minimise harmful effects both on the environment and on the workers involved.

Responsible purchasing is already part of our teams' practices at EXOSENS and specific steps have been taken since 2023 to structure and formalise these practices, thus increasing the Group's commitment to sustainability within its responsible purchasing policy. This project is managed by the purchasing department in collaboration with the CSR department.

Direct product suppliers and service providers play a crucial role in the ability of EXOSENS to create value, and constitute a key group of potentially affected stakeholders (see Section 2.1.9 "Interests and views of stakeholders (ESRS 2 SBM-2) (ESRS 2 SBM 2)").

2.6.2 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The double materiality exercise has highlighted an actual negative impact related to the workers in our value chain, which is presented above and described below. This negative impact refers more to systemic and widespread events than isolated ones, and affects workers in the upstream value chain.

Description	I,R,O	Comments
Violation of professional ethics and social responsibility in the value chain	I-	The failure of stakeholders in our supply chain to respect ethics and take social responsibility into account has a negative impact that could significantly affect our operations. The efforts required to ensure that these partners comply, such as audits, potential sanctions or the replacement of non-compliant suppliers, can incur high costs. This impact, which we consider likely, is due to the fact that certain suppliers find it difficult to adapt to the increasing demands of social responsibility, particularly due to insufficient resources and rapid regulatory developments.

The processes to identify and assess material impacts, risks and opportunities are outlined in Section 2.1.11 "Description of the processes to identify and assess impacts, risks and opportunities (ESRS 2 IRO 1)" of this Universal Registration Document.

For the time being, policies, actions and objectives focus exclusively on the Group's upstream value chain, i.e. direct suppliers. The Group has not yet identified any workers within its upstream value chain with particular characteristics requiring special attention in terms of human rights or working conditions.

EXOSENS is firmly committed to the promotion of human rights and has joined the United Nations Global Compact (UNGC), thus strengthening its commitment to applying these standards across all its operations.

The issue of taking stakeholders into account is addressed in more detail in Section 2.1.9 "Interests and views of stakeholders (ESRS 2 SBM-2)".

2.6.3 Policies related to value chain workers (ESRS S2-1)

The Group's ethical concerns encompass its employees and also extend to its suppliers. Therefore, as part of the Group's commitment to responsible purchasing practices, EXOSENS strives to guarantee working conditions that are in line with applicable international and national human rights standards. EXOSENS decided to join the United Nations Global Compact in January 2024. Through this membership, EXOSENS is committed to respecting and promoting the Ten Principles of the Global Compact, four of which are specifically dedicated to labour rights: freedom of association and the right to collective bargaining, the elimination of forced labour, the effective abolition of child labour, and the elimination of discrimination in employment.

The Group complies with the legal frameworks of the countries in which it operates, which formally prohibit child labour, forced labour and human trafficking. Through its responsible purchasing strategy, EXOSENS is committed to upholding the fundamental rights of workers, in particular by prohibiting such practices.

No cases of human rights violations have been reported in relation to our suppliers to date and, since October 2023, EXOSENS has been implementing policies aimed at preventing any human rights violations, both within the Group or in its value chain. The Responsible Purchasing Policy and the Supplier Code of Conduct are reviewed each year (as outlined below) as part of our responsible purchasing strategy and are aimed at different audiences. They address both environmental and social issues, with a particular emphasis on human rights. These documents address the negative impact of violations of ethics and social responsibility in the supply chain.

The Chief Executive Officer is the most senior member of the company responsible for ensuring compliance with these policies. They were launched in 2024 under the supervision of the Chief Operations Officer and the Group Director of Purchasing, who ensure that they are correctly implemented and effectively integrated in the company's practices.

2.6.3.1 Responsible purchasing policy

The Group's responsible purchasing policy concerns and is shared with all the Group's purchasing teams. The Group is committed through this policy to complying with all local and international laws relating to purchasing, particularly those linked to the importing and supplying of minerals. This policy strictly prohibits the purchasing of conflict minerals and EXOSENS complies with the corresponding international regulations in order to promote responsible and ethical procurement practices throughout the entire value chain.

This policy also emphasises the commitment of EXOSENS to incorporating more responsible practices into its purchasing processes by guiding its buyers and integrating key points from the Group's CSR strategy into their processes. The specific points addressed in this policy concern:

- the Group's desire to reduce its environmental impact related to purchases of materials, which account for the majority of its greenhouse gas emissions;
- the social responsibility of EXOSENS and the companies with which the Group collaborates, particularly in relation to health and safety, adequate wages and the formal prohibition of practices such as forced labour, child labour, professional violence and discrimination;
- the ethical and transparent running of its business and that of its commercial partners, particularly in relation to corruption, fraud and any other behaviour considered to be unethical;
- training and raising the awareness of purchasing teams about responsible purchasing in order to increase their knowledge on the subject and promote initiatives. The CSR department presented the Group's responsible purchasing approach and the guiding principles of ISO 20400 during a seminar in 2024 attended by members of the purchasing department.

The policy also highlights the importance of the supplier assessment and selection stages. This process is based not only on the technical skills of the suppliers, but also on social, environmental and ethical criteria. These aspects were incorporated more fully into the supplier selection process in 2024, including a request that our main suppliers sign the Supplier Code of Conduct. The purchasing department has also introduced questions related to environmental, social and governance issues into the supplier assessment procedure, as outlined below.

2.6.3.2 Supplier Code of Conduct

The Supplier Code of Conduct represents the first step for EXOSENS suppliers in committing to respecting ethical, environmental and social standards. This document is signed by our main suppliers of products and services, i.e. those whose business volume exceeds €100,000 (or the equivalent in US dollars) or suppliers who are identified as single source suppliers.

As part of its CSR strategy, EXOSENS has committed to ensuring that 100% of its main suppliers sign this Code of Conduct by the end of 2025 as further evidence of its commitment to responsible, sustainable business practices.

This document sets out the behaviours and practices that our suppliers must adopt in order to maintain a sustainable, reasonable, mutually beneficial business relationship. Its aim is to ensure that our suppliers act with integrity, respect the applicable laws and align with the company's ethical principles. Our Code of Conduct emphasises compliance with the applicable laws, the fight against corruption, respect for human rights, environmental protection and the protection of industrial data. The Group requires its main suppliers to respect and enforce fundamental labour rights, including the prohibition of child labour, forced labour, corporal punishment, harassment and discrimination. Through this Code of Conduct, the Group demands that all its employees are treated with dignity and respect, receive an adequate minimum wage and are guaranteed maximum working hours and safe working conditions, in accordance with applicable laws and regulations.

The Supplier Code of Conduct was drawn up in line with the following standards and third-party initiatives: the Sapin II law in France, the US FCPA, the UK Bribery Act and the ISO standards (ISO 14001, ISO 45001, ISO 50001) relating to environmental, health and safety management. It is accessible on the Group's website.

As at 31 December 2024, 60% of main suppliers had signed the Code of Conduct

Photonis France, which is the Group's largest site, also implemented additional guidelines in 2024 for all its suppliers and service providers based on the Health, Safety and Environment Commitments document. This document takes into account the CSR commitments made at Group level and sets out additional health, safety and environmental commitments and the site's expectations of its suppliers and service providers. Photonis France informs its partners that greater attention is paid to the accident rates of the supplier's or service provider's workers, their risk assessment, the limitation of their environmental impacts (waste, energy consumption), their commitment to human rights, anti-corruption and ethical practices, regulatory compliance and the adoption of action plans to fulfil their commitments.

A third-party whistleblower platform is available to report issues related to human rights in order to prevent and, if necessary, address any potential human rights impacts arising from its relationships with suppliers. The main suppliers are made aware of the existence of this platform through the Supplier Code of Conduct. It is available on the Group's website. Further information on this whistleblower platform can be found in Sections 2.5.5.1 "Whistleblower platform" and 2.7.4 "Business conduct policies and corporate culture (ESRS G1-1)".

2.6.4 Process for engaging with value chain workers about impacts (ESRS S2-2)

EXOSENS maintains close contact with its suppliers as part of its purchasing activities for goods and services, but has not implemented a specific mechanism to gather and integrate the views of workers in its upstream value chain in its decisions or activities aimed at managing the negative impact on these workers of the violation of ethics and social responsibility in its supply chain.

2.6.5 Processes to remediate negative impacts and channels for value chain workers to raise concerns (ESRS S2-3)

EXOSENS has created a whistleblower platform, which allows third parties, including workers in the Group's upstream value chain, to report any reprehensible, unethical or illegal behaviour in connection with the company's activities. These reports may be made anonymously. This tightly regulated system outlines clear steps for reporting behaviours or misconduct. It also protects whistleblowers by guaranteeing the confidentiality of their identity and that of any third party mentioned in the report.

The Group intends to protect whistleblowers from any personal claims and any form of prejudice, victimisation, harassment or intimidation resulting from their disclosures. Furthermore, the Group is committed to ensuring that whistleblowers are not subjected to any form of retaliation. Protection against retaliatory measures is also offered to third parties, whether natural or legal persons, who are connected to the whistleblower and may be involved.

The Supplier Code of Conduct refers to this platform, which is therefore open to all workers of our suppliers committed to complying with this document. The procedure for using the platform is available online on the Group's website. Further information on this whistleblower platform can be found in Sections 2.5.5.1 "Whistleblower platform" and 2.7.4 "Business conduct policies and corporate culture (ESRS G1-1)".

The Group has not yet introduced any processes whereby it encourages or requires the provision of this specific channel in the workplace of its suppliers' employees.

2.6.6 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (ESRS S2-4)

In order to prevent and reduce the negative impacts relating to ethics and social responsibility in its supply chain, in 2024 the Group stepped up the evaluation process for some of its suppliers by integrating environmental, social and governance criteria. This process was established by the Group's purchasing teams, in collaboration with the quality, compliance and CSR teams, and is to be rolled out to all the purchasing teams within the Group.

The suppliers in the Amplification segment who come within the scope of this assessment are:

- suppliers of materials and components used directly in product composition;
- subcontractors or suppliers of materials or components that have an impact on product transformation;
- suppliers of tools and consumables (such as chemicals) that are required for product manufacturing.

This assessment process applies in three specific cases:

- during the assessment of a new supplier with a view to future collaboration (self-assessment by the supplier);
- for the selection of a supplier (during a visit by the buyer and the supplier quality department);
- as part of a supplier audit (carried out by the quality team). As at 31 December 2024, five of our strategic suppliers had been audited on the basis of our supplier assessment process.

This assessment covers quality and operational management, resource and environmental management, customer management, subcontracting and continuous improvement. This assessment process forms an integral part of the ISO 9001, ISO 14001, ISO 19443 and ISO 45001 certification requirements. The questions added relating to sustainability include:

- compliance with the REACH and RoHS regulations;
- the existence of a health and safety policy;
- the existence of a policy that prohibits carcinogenic, mutagenic or reprotoxic substances;
- the existence of a policy that prohibits child labour and forced labour;
- the existence of a non-discrimination policy;
- the existence of a system to combat harassment;
- the existence of supplier CSR commitments.

This assessment encourages our partners to adopt responsible practices and therefore helps to establish a constructive dialogue to guide our suppliers toward standards aligned with our CSR objectives.

One of the objectives of the Group's CSR strategy is to ensure that 80% of its strategic suppliers have committed to a CSR approach by the end of 2027. (1) Strategic suppliers are those whose annual revenue exceeds €250,000 (USD equivalent) or single source suppliers. This assessment can be used as a basis for an audit of suppliers on sustainability issues. On this basis, the Group is to develop an action plan to fulfil the objective that it has set for 2027.

Furthermore, as outlined above, a whistleblower platform was set up in 2024. It can be accessed from the Group's website and is available to all our stakeholders, including the workers in our value chain. Further details about this mechanism can be found in Sections 2.5.5.1 "Whistleblower platform" and 2.7.4 "Business conduct policies and corporate culture (ESRS G1-1)". This initiative plays a crucial role in ensuring that ethical and responsible practices are respected within our upstream value chain. It provides a simple way to report any incidents or inappropriate behaviour and helps to enhance transparency and vigilance. This mechanism helps to identify problems quickly to that corrective action can be taken, thereby upholding our commitment to responsible conduct. EXOSENS was not aware of any human rights incidents within its upstream value chain in 2024.

2.6.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (ESRS S2-5)

Our CSR strategy has been developed to take into account the views of our various stakeholders (see Section 2.1.9 "Interests and views of stakeholders (ESRS 2 SBM-2) (ESRS 2 SBM 2)"). Interviews were conducted with several representatives of our suppliers to assess the importance of the issues identified by the Group for these stakeholders.

In order to strengthen professional ethics and social responsibility within our supply chain, we have set the following two objectives:

- 100% of our partners, including our main suppliers [(1)] are committed to complying with our Supplier Code of Conduct by 2025. The Supplier Code of Conduct is therefore directly linked to this objective;
- 80% of our strategic suppliers [(2)] will adopt a CSR approach by 2027. A precise action plan is currently being drawn up in line with this objective.

The EcoVadis silver medal awarded in August 2024 recognises the efforts made by EXOSENS to incorporate sustainable practices throughout its supply chain. The Group's objective is to achieve the EcoVadis gold medal in 2025. This approach reflects its commitment to improving its practices and strengthening its positive impact in each of the areas assessed by EcoVadis, including responsible purchasing.

(1) Main suppliers are those whose annual revenue exceeds €100,000 (USD equivalent) or single source suppliers.
(2) Strategic suppliers are those whose annual revenue exceeds €250,000 (USD equivalent) or single source suppliers.

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GOVERNANCE

2.7 Business conduct (ESRS G1)

I, R, O	Actual / Potential	Sub-topic	Description	Policies	Actions	Targets
R	Actual	Management of relationships with suppliers	Reduction of the supplier base due to non-compliance with increasing regulations	Supplier Code of Conduct Responsible purchasing policy	Deployment of the Supplier Code of Conduct	80 % of strategic suppliers committed to a CSR approach by 2027 100% of our partners, including our main suppliers, are committed to complying with the Code of Conduct by 2025.
R	Potential	Corruption	Conflicts of interest, money laundering and corruption	Code of Ethics Whistleblower procedure	Whistleblower platform Organisation of a training course in 2024 on the subjects of corruption and unfair competition for the Group's most at-risk employees.	100% of the Group's most at-risk staff to be trained by 2025
I+	Actual	Corporate culture	Contribution to nuclear, scientific, and medical research and to environmental protection.			

2.7.1 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The double materiality exercise has identified the two risks and the positive impact related to business conduct listed above and described below:

2.7.1.1 Relationships with suppliers and responsible purchasing

Description	I,R,O	Comments
Reduction of the supplier base due to non-compliance with increasing regulations	R	The rapid development of regulations represents a risk for our supply chain. If suppliers are unable to comply with these growing demands, their ability to remain in business could actually be compromised. This could reduce the diversity of our supplier base, increase our reliance on a limited number of compliant partners, and lead to disruptions in our operations as well as higher procurement costs. This risk, which is significant in terms of financial materiality, stems from the costs associated with ensuring compliance or replacing non-compliant suppliers, as well as the potential operational impacts. This risk is considered likely given the challenges facing certain suppliers in adapting to the applicable regulations.

2.7.1.2 Responsible positioning within society

Description	I,R,O	Comments
Contribution to nuclear, scientific, and medical research and to environmental protection.	I+	The contribution of EXOSENS to nuclear, medical and scientific research and to environmental protection is a real and positive impact from the Group's activities.. This significant impact is demonstrated through technological innovations and the strengthening of the strategic position of EXOSENS in critical areas. Its scope is global and concerns the whole organisation, encouraging strategic partnerships, funding, and increased recognition. This positive impact, which we consider to be likely, is also reflected in the sense of pride and belonging felt by employees, which strengthens their commitment and contribution to the company's success. Since it forms an integral part of the strategy and DNA of EXOSENS, the Group has decided to assign this positive impact relating to specific information to ESRS G1- Business Conduct. In the field of nuclear instrumentation, the products developed by EXOSENS play a key role in nuclear safety by allowing for the detection, measurement and analysis of the level of neutrons and gamma rays in nuclear reactors, whether for research purposes or in operational settings to provide electricity. EXOSENS collaborates with major players such as Framatome and the CEA in France, equipping over 180 types of reactors in more than 30 countries and providing gamma and neutron detectors tailored for next-generation reactors. The Group also develops devices to meet the new demands of distributed nuclear energy (Small Modular Eeactor-SMR). In the field of life sciences, the Group develops products that meet a variety of needs by providing high-performance detection and imaging solutions. These products can be used to carry out real-time analyses to check tissue health, analyse the molecular and functional composition of substances, detect suspicious elements or bacteria in samples, and support research in advanced fields such as optical microscopy and fundamental physical sciences. The Group develops detection and imaging solutions in the field of environmental protection to monitor the environment and identify potentially disruptive events. They are particularly effective in detecting gas leaks, especially methane leaks in geographical areas, thus offering solutions for gas transmission network operators as well as the oil and gas industry. EXOSENS products are also used to improve plastic sorting, a major environmental challenge, by enabling precise identification of the different types of plastic. The Group's thermal cameras can also be used to prevent the outbreak of fire, thus providing valuable assistance when decisions have to be made quickly. The products developed by EXOSENS in the field of industrial control help to enhance quality control on production lines. Imaging techniques, particularly in ultra-violet and infrared, can detect phenomena that are not identifiable in the visible spectrum. These solutions are particularly relevant in the fields of semiconductor inspection, sorting on food processing lines, maintenance of high-voltage lines and non-destructive testing of mechanical parts. Space exploration is not a major focus for the Group, but it is a field that allows it to remain at the cutting edge of technology. The Group has been collaborating for many years with international agencies such as NASA and the European Space Agency. These partnerships have led to the development of customised detection solutions that are designed to be integrated into satellites. These innovative technologies can be used to analyse the composition of asteroids and study the atmospheres of planets, as demonstrated by their use in the JAXA and SVOM space missions. Further information on the Group's activities can be found in Section 1.2.2 "Targeted end markets" of this Universal Registration Document.

2.7.1.3 Professional ethics

Description	I,R,O	Comments
Conflicts of interest, money laundering and corruption	R	The existence of conflicts of interest, money laundering and corruption represents an actual risk that could expose EXOSENS to fraudulent or unethical practices. Although assessed as rare internally, this risk could materialise in relation to our value chain due to our interactions with various stakeholders. The potential impact is major, including financial and legal sanctions, the cancellation of strategic contracts, or even a suspension of activity, with lasting repercussions on the Group's reputation. This kind of situation could undermine the confidence of our stakeholders. Even though we have not yet recorded any cases and we are in compliance with the applicable laws in this area, this risk reminds us to remain vigilant, to step up our controls and to promote a strong ethical culture at all levels of our organisation. This risk, identified as material, involves addressing all data points related to prevention, detection (including training), incidents and associated cases.

2.7.2 The role of the administrative, management and supervisory bodies (GOV-1)

The Board of Directors of EXOSENS is responsible for supervising the implementation company's strategy and guaranteeing compliance with ethical and legal standards. It is assisted by specialised committees, including the Audit Committee, the Appointments and Remuneration Committee, and the CSR Committee, which focus on specific areas of governance. The Board members are required to adhere to strict obligations, such as confidentiality, the absence of conflicts of interest and active participation in meetings, thereby ensuring transparent and responsible governance.

The role of the administrative, management and supervisory bodies in terms of sustainability, as well as their composition, are presented in the Section 2.1.3 "The role of the administrative, management and supervisory bodies (ESRS 2 GOV 1)" of this sustainability statement.

2.7.3 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

The processes to identify and assess material impacts, risks and opportunities are outlined in Section 2.1.11 "Description of the processes to identify and assess impacts, risks and opportunities (ESRS 2 IRO 1)" of this Universal Registration Document.

2.7.4 Business conduct policies and corporate culture (ESRS G1-1)

The EXOSENS Code of Ethics covers the risk of conflicts of interest, money laundering and corruption. It addresses the fundamental principles of integrity, honesty and compliance with legal obligations, providing a clear framework to guide the actions and decisions of all employees. This policy applies to all Group employees. The Chief Executive Officer is the most senior member of the company responsible for ensuring compliance with the Code of Ethics. This document is aligned with local and international laws and includes references to recognised standards, particularly in terms of the fight against corruption (the Sapin II law in France, for example) and fair business practices. The Code of Ethics is made available externally on the EXOSENS website and internally through the Group's intranet site.

The Codes of Conduct for partners and suppliers address the risk of reducing the supplier pool due to non-compliance with increasing regulations. They define the ethical, environmental and commercial principles with which they must comply. This applies to our main suppliers, distributors and agents. The latter must not only integrate these principles into their activities, but also into their value chain. These documents set out specific compliance requirements and ask our partners to respect all the applicable laws, regulations and standards. The main suppliers, agents and distributors receive these documents from the start of their collaboration with EXOSENS. They can also be obtained from our website. The Chief Executive Officer is the most senior member of the company responsible for guaranteeing compliance with this policy.

There is currently no policy that addresses the positive impact related to the contribution to nuclear, scientific, and medical research and to environmental protection.

The Group's corporate culture is based on fundamental values: team spirit, respect, trust, passion and entrepreneurial spirit. These structuring principles promote collaboration, enhance internal cohesion and support innovation, which is an essential lever of our collective success. This agile culture, focused on customers' needs and based on a decentralised organisation, enables us to respond quickly to the demands of our market. We conduct an annual engagement survey in order to assess and strengthen this culture (see Section 2.5.4 "Process for engaging with own workforce and workers' representatives about impacts (ESRS S1-2)"). This key tool helps us to identify areas for improvement, address the expectations of our teams and to ensure the sustainability of our internal dynamics.

As outlined in Section 2.5.5.1 "Whistleblower platform" of this Universal Registration Document", EXOSENS has introduced a whistleblower mechanism that enables our internal and external stakeholders to report any concerns relating to unlawful behaviour or violations of our Code of Ethics, our Partners Code of Conduct and any other Group policies. This mechanism complies with the relevant applicable laws Our whistleblower platform can be accessed anonymously and can be used to report any ethical issues or violations of internal rules. Our employees can also contact the human resources managers on their site. Each report is then examined by a designated case manager, and the Group's compliance department ensures that it is followed up properly. A rigorous process has been established to ensure that the reports are handled transparently and confidentially, protecting whistleblowers from any form of retaliation, including harassment or intimidation. In line with our Code of Ethics and our whistleblower procedure, we are committed to investigating cases of misconduct in a diligent, independent, and objective manner.

EXOSENS ran a training course in 2024 on the subjects of corruption and unfair competition for the Group's most at-risk employees, who include:

- executives, purchasing managers, sales representatives, HR managers, audit/quality service managers, legal managers, marketing managers, finance managers;
- any employee in a high-risk or sensitive position such as:
  - those in charge of contract management,
  - those involved in relationships with external partners and government bodies,
  - those involved in financial transactions.
  - those working in international contexts or in high-risk regions.

80% of the most at-risk staff members had taken part in this training course by 31 December 2024. The Group's objective for 2025 is to ensure that 100% of its most at-risk staff receive training.

2.7.5 Management of relationships with suppliers (G1-2)

The Code of Conduct intended for our partners and the responsible purchasing policy for our employees described above (see Section 2.6.3 “Policies related to value chain workers (ESRS S2-1)”) give us a better insight into the risks related to our supply chain and help to ensure that our stakeholders have a clear understanding of our sustainability commitments.

In line with our supplier selection procedure, we pay particular attention to the environmental and social practices of our suppliers. However, these aspects do not currently constitute outright exclusion criteria. Further information on the selection of suppliers can be found in Section 2.6.3.1 "Responsible purchasing policy".

2.7.6 Prevention and detection of corruption and bribery (G1-3)

The measures described above help us to prevent, detect and deal with risks or cases of corruption and bribery.

As described in the Group's whistleblower policy, the case manager is responsible for handling the alert and any investigation that may follow. Depending on the case, the investigation may be carried out by a different internal contact person or an external entity. The whistleblowing procedure has been communicated to the Group's employees and is described at Section 2.5.5.1 "Whistleblower platform".

As part of its Anti-Corruption Programme, the Group has also introduced a third-party assessment procedure addressing issues related to corruption. This procedure consists of analysing their risk profile in terms of compliance and integrity as well as collecting documents and information via questionnaires and reports. The Group also uses a screening tool to conduct further investigations if necessary. Due diligence is initiated by the main point of contact with the third party, who may be based in a subsidiary or at the registered office. The Group Compliance Department is responsible for refining the assessment if necessary. The General Management may then also be involved in the final decision-making relating to third parties, depending on the results of the due diligence.

If cases of corruption and bribery were to be discovered, the Group Audit Committee would be informed.

The training provided on corruption also covers topics related to bribes and is aimed at the most at-risk staff, as defined in Section 2.7.4 "Corporate culture and business conduct policies".

EXOSENS has demonstrated the robustness of its governance system in terms of business ethics by being awarded the EcoVadis silver medal in August 2024. The assessment highlighted its rigorous policies against corruption and anti-competitive practices, as well as its responsible management of sensitive information. These commitments provide a transparent business framework that complies with international standards.

The Group’s objective is to achieve the EcoVadis gold medal in 2025. This approach reflects its commitment to improving its practices and strengthening its positive impact in each of the areas assessed by EcoVadis, including ethical practice.

2.7.7 Incidents of corruption or bribery (G1-4)

The Group was not convicted of any violation of anti-corruption laws during the reporting period. The amount of fines for violating anti-corruption laws is therefore zero. The Group's objective is to maintain the same results in 2025.

2.8 Specific information on the protection of industrial data

I, R, O	Actual/ Potential	Description	Policies	Actions	Targets
R	Potential	Increase in cyberattacks on confidential industrial data	Code of Ethics Cybersecurity policy (currently being updated by the Group IT Department) Information classification procedure	Whistleblower platform Business continuity plan Implementation of phishing tests Progressive roll-out of cybersecurity training (starting with Photonis France and Photonis Netherlands)	Four phishing test campaigns per year.

2.8.1 Impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The double materiality exercise enabled us to identify the risk related to the protection of industrial data presented above and described in more detail below.

Increase in cyberattacks on confidential industrial data	The increase in cyberattacks on our industrial data, such as research and development data or data related to our intellectual property assets, represents a potential risk for EXOSENS. These attacks could result in significant financial losses, such as ransom payments or theft of intellectual property, but could also damage our reputation and disrupt our operations. Due to our strategic position in a sensitive sector, we are particularly exposed to cybercriminals, who actively target companies like ours to exploit critical data. The challenge here is therefore to protect these assets that drive the success of EXOSENS, while maintaining the trust of our stakeholders.

2.8.2 Interests and views of stakeholders

The protection of sensitive industrial data is a central focus for EXOSENS in its cybersecurity strategy. Clients and suppliers demand flawless protection of their strategic information, while investors closely monitor the management of digital threats that could impact industrial assets. In response to these critical issues, EXOSENS is building on trusting relationships while preserving its capacity for innovation. The Group maintains open dialogue with its stakeholders in order to adapt and improve security measures in response to emerging threats, thereby ensuring optimal protection of critical data. This proactive approach not only guarantees compliance with regulatory requirements, but also reduces the financial and reputational risks linked to cyberattacks. Further information on stakeholders can be found in Section 2.1.9 "Interests and views of stakeholders (ESRS 2 SBM-2)"

2.8.3 Policies and procedures related to the protection of confidential industrial data

The protection of our confidential industrial data is one of our priorities and a strategic challenge in the face of the constant rise in cyberattacks. This topic is covered in various policies applicable to the entire Group.

2.8.3.1 Code of Ethics

The Code of Ethics establishes the foundations of a security culture, emphasising that the confidentiality of information is essential in order to protect strategic assets, limit legal risks and maintain the company's reputation. The key principles are set out below:

- strict compliance with confidentiality agreements (NDA);
- safe handling of professional equipment;
- compliance with the cybersecurity programme protocols;
- raising awareness about the safe management of information in public and digital spaces.

The Chief Executive Officer oversees the implementation of the policy, while site managers ensure that employees comply with the rules.

2.8.3.2 Group cybersecurity policy

EXOSENS is in the process of finalising its cybersecurity policy for the Group, which should be completed in 2025. This policy will outline the Group's cybersecurity policy and address a number of key questions:

- aim and objectives of cybersecurity initiatives;
- protected data and resources;
- threats in the process of being mitigated;
- measures to promote sustainable resilience in terms of security;
- Incident response protocols.

This policy is based on a continuous, dynamic approach to cybersecurity risk management, providing a strategic framework to anticipate and mitigate threats following the Plan-Do-Check-Act cycle. The policy will apply to all EXOSENS employees and external partners who have access to systems or information. While high-level guidelines are shared with the general management, relevant measures are communicated to employees through training programmes.

The Chief Operations Officer will supervise the application of this policy and the IT Director will manage its implementation within the Group.

2.8.3.3 Information classification procedure

A structured information classification procedure is currently being developed and should be finalised during the first quarter of 2025. This procedure will allow data to be classified in three separate categories:

1. public information: information that can be freely circulated, provided that its source is mentioned;
2. internal information: information that is reserved for employees and is accessible only based on requirements related to their roles;
3. restricted information: information that is limited to selected internal users under strict confidentiality agreements (NDAs).

This classification system ensures that appropriate protection measures are applied according to the sensitivity of the data. Resources have been set aside for the implementation of the system with the assistance of an external consultant. Industrial data and intellectual property typically fall under level 2, with some critical aspects classified at level 3.

2.8.4 Risk remediation procedures and channels for raising concerns

2.8.4.1 Whistleblower platform

The establishment of the whistleblower platform (see Sections 2.5.5.1 "Whistleblower platform" and 2.7.4 "Business conduct policies and corporate culture (ESRS G1-1)") in 2024 has stepped up the proactive approach taken by EXOSENS to cybersecurity. This system allows employees to report any anomalies, suspicious behaviour, or potential security breaches quickly and confidentially and encourages vigilance. It helps to detect threats early and therefore reduces risks related to human error and malicious attacks.

2.8.4.2 Business continuity plan

The Business Continuity Plan (BCP) promotes operational resilience by minimising disruptions and maintaining access to critical resources. It clearly defines responsibilities and preserves the essential functions of the company, while reducing operational and financial risks. This structured approach enhances regulatory compliance and stakeholder confidence.

The BCP is the responsibility of the Group Security Director.

2.8.5 Actions and approaches intended to mitigate significant cybersecurity risks

In response to the risk posed by attacks on industrial data, the Group appointed a Group IT Director in 2022 to strengthen its cybersecurity programme.

Key initiatives include:

- phishing test programme: a phishing awareness initiative spanning several years using the KnowBe4 platform. Simulated attacks are used to assess the vigilance of employees, identify vulnerabilities at the site and step up training. Employees who fail these tests are offered additional training on cybersecurity;
- cybersecurity training: New employees in the Netherlands and France are offered cybersecurity training as soon as they join the company. This practice is being rolled out across all Group entities, ensuring that continuous training is provided for employees who fail phishing tests.

2.8.6 Targets related to the increase in cyberattacks on confidential industrial data

EXOSENS aims to conduct four phishing test campaigns per year at all Group subsidiaries as part of its CSR strategy. This objective is an integral part of the desire to reduce the risks of attacks on confidential industrial data and to promote a proactive cybersecurity culture.

Although this objective was not fully achieved on all sites in 2024, the Group is now working with a specialised service provider to carry out the tests and provide effective follow-up. The service provider will also develop customised training programmes for key departments, including sales, R&D and other critical functions.

ANNEX AND REPORT

2.9 Annex: ESRS2 IRO2 tables

ANNEX 1: DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT (ESRS 2 IRO 2)

		Reference to other sections of the Universal Registration Document
ESRS 2- General disclosures		
BP-1	General basis for preparation of the sustainability statement	2.1.7.2 Internal controls 1.4.2 Group strategy 2.5.8 Characteristics of the undertaking's employees (ESRS S1-6)
BP-2	Disclosures in relation to specific circumstances	2.1.1.1 Scope of the sustainability statement 2.2.8 Energy consumption and mix (ESRS E1-5) 2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6) 2.9 Annex: General disclosures (ESRS 2 IRO 2) - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (ESRS 2 IRO 2) 2.5.15 Remuneration metrics (pay gap and total remuneration) (ESRS S1-16) 2.2.2 Transition plan for climate change mitigation (ESRS E1-1)
GOV-1	The role of the administrative, management and supervisory bodies	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies;	2.1.5 Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV 3)
GOV-3	Integration of sustainability-related performance in incentive schemes;	
GOV-4	Statement on due diligence	
GOV-5	Risk management and internal controls over sustainability reporting	2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1) 2.1.11.2 Process to identify material impacts, risks and opportunities 4.2 Internal control and risk management system
SBM-1	Strategy, business model and value chain	1.6.3.1 The Group's customers 1.6.3.2 The Group's suppliers 4.1.2 Risks related to the Group's activities 2.6.3 Policies related to value chain workers (ESRS S2-1) 6.1.2 Notes to the consolidated financial statements - Note 4 Segment reporting 2.5.8 Characteristics of the undertaking's employees (ESRS S1-6) Our business model
SBM-2	Interests and views of stakeholders	2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1)
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	6.1.2 Notes to the consolidated financial statements - Note 2.4 Climate risk

		Reference to other sections of the Universal Registration Document
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	2.1.8 Strategy, business model and value chain (ESRS 2 SBM 1) 2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2) 2.2.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	
IRO-2	List of data points in cross-cutting and topical standards that derive from other EU legislation	
E1 - Climate change		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	2.1.5 Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV 3) 3.3 Remuneration and appointment of corporate officers
E1-1	Transition plan for climate change mitigation	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
E1 IRO-1	Description of the processes used to identify and assess impacts, risks and opportunities associated with climate change	2.2.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3) 2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1)
E1-2	Policies related to climate change mitigation and adaptation	2.6.3.2 Supplier Code of Conduct
E1-3	Actions and resources in relation to climate change policies	2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6) 2.4.2 2024 analysis
E1-4	Targets related to climate change mitigation and adaptation	2.2.6 Actions and resources in relation to climate change policies (ESRS E1-3)
E1-5	Energy consumption and mix	2.1.1.1 Scope of the sustainability statement 6.1.2 Notes to the consolidated financial statements - Note 5 Revenue
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.1.1.1 Scope of the sustainability statement 6.1.2 Notes to the consolidated financial statements - Note 5 Revenue
E5 - Resource use and circular economy		
E5 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	
E5 IRO-1	Description of the processes to identify and assess material IROs related to resource use and the circular economy	
E5-1	Policies related to resource use and circular economy	2.2.5 Policies related to climate change mitigation and adaptation (ESRS E1-2)
E5-2	Actions and resources related to resource use and circular economy	
E5-3	Targets related to resource use and circular economy	
E5-4	Resource inflows	
EUTR	European taxonomy	2.6 Workers in the value chain (ESRS S2) 2.7 Business conduct (ESRS G1)
S1 - Own workforce		
S1 SBM-2	Interests and views of stakeholders	2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2)
S1 SBM-3	Significant impacts, risks and opportunities and their interaction with strategy and business model	2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1)

		Reference to other sections of the Universal Registration Document
S1-1	Policies related to own workforce	2.5.5.1 Whistleblower platform 2.7.4 Business conduct policies and corporate culture (ESRS G1-1)
S1-2	Process for engaging with own workforce and workers' representatives about impacts	
S1-3	Procedures to remediate negative impacts and channels for own workforce to raise concerns	2.7.4 Business conduct policies and corporate culture (ESRS G1-1) 2.5.4 Process for engaging with own workforce and workers' representatives about impacts (ESRS S1-2)
S1-4	Taking action on material impacts, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing risks and opportunities	
S1-6	Characteristics of the undertaking's employees	
S1-8	Collective bargaining coverage and social dialogue	
S1-9	Diversity metrics	
S1-10	Adequate wages	
S1-11	Social protection	
S1-14	Health and safety metrics	
S1-15	Work-life balance metrics	
S1-16	Remuneration metrics (pay gap and total remuneration)	3.3.5 Ratio between the remuneration of the Chairman and Chief Executive Officer and the mean and median remuneration of the Group's employees
S1-17	Incidents, complaints and severe human rights impacts	
S2 - Workers in the value chain		
S2 SBM-2	Interests and views of stakeholders	2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2)
S2 SBM-3	Material impacts, risks and opportunities and interactions with strategy and business model	2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1) 2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2)
S2-1	Policies related to value chain workers	2.5.5.1 Whistleblower platform 2.7.4 Business conduct policies and corporate culture (ESRS G1-1)
S2-2	Processes for engaging with value chain workers about impacts	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise their concerns	2.5.5.1 Whistleblower platform 2.7.4 Business conduct policies and corporate culture (ESRS G1-1)
S2-4	Taking action on significant impacts on value chain workers, and approaches to managing significant risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	2.5.5.1 Whistleblower platform 2.7.4 Business conduct policies and corporate culture (ESRS G1-1)
S2-5	Targets related to managing significant negative impacts, advancing positive impacts, and managing significant risks and opportunities	2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2)
G1 - Business conduct		
G1 SBM-3	Material impacts, risks and opportunities and their interaction with their strategy and business model	1.2.2 Targeted end markets
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	2.1.3 The role of the administrative, management and supervisory bodies (ESRS 2 GOV 1)

		Reference to other sections of the Universal Registration Document
G1 IRO-1	Description of the processes to identify and assess IROs	2.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1)
G1-1	Business conduct policies and corporate culture	2.5.4 Process for engaging with own workforce and workers' representatives about impacts (ESRS S1-2) 2.5.5.1 Whistleblower platform
G1-2	Management of relationships with suppliers	2.6.3 Policies related to value chain workers (ESRS S2-1) 2.6.3.1 Responsible purchasing policy
G1-3	Prevention and detection of corruption and bribery	2.7.4 Business conduct policies and corporate culture
G1-4	Incidents of corruption or bribery	
Specific information - responsible positioning within society		2.7 Business conduct (ESRS G1)
Specific information - protection of industrial data		
	Interests and views of stakeholders	2.1.9 Interests and views of stakeholders (ESRS 2 SBM-2)
	Policies and procedures related to the protection of confidential industrial data	
	Risk remediation procedures and channels for raising concerns	2.5.5.1 Whistleblower platform 2.7.4 Business conduct policies and corporate culture (ESRS G1-1)
	Actions and approaches intended to mitigate significant cybersecurity risks	
	Targets related to the increase in cyberattacks on confidential industrial data	

We refer to other legislations to highlight the consistency of our sustainability commitments with the various existing laws and regulations.

ANNEX 2: LIST OF DATA POINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark Regulation reference[(3)]	European Climate Law reference[(4)]	Paragraph
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator n° 13 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II[(5)] ;		2.1.3.1 Composition of the administrative, management and supervisory bodies and expertise and skills relating to sustainability
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		2.1.3.1 Composition of the administrative, management and supervisory bodies and expertise and skills relating to sustainability
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator n° 10 Table 3 of Annex 1				2.1.6 Statement on due diligence (ESRS 2 GOV 4)
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator n° 4 Table 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453[(6)], Table 1: qualitative information on environmental risk and Table 2: qualitative information on social risk. Regulation (EU) 2022/2453[(6)], Table 1: qualitative information on environmental risk and Table 2: qualitative information on social risk.	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator n° 9 Table 2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator n° 14 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1818 ([7]), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Not available
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1; Banking book-Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not applicable
ESRS E1-4 GHG emission reduction objectives paragraph 34	Indicator n° 4 Table 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3; Banking book -Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Not available

Disclosure requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark Regulation reference[3]	European Climate Law reference[4]	Paragraph
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator n° 5, Table 1 and Indicator n° 5 Table 2 of Annex 1				2.2.8.1 Total energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator n° 5 Table 1 of Annex 1				2.2.8 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator n° 6 Table 1 of Annex 1				2.2.8.2 Energy consumption and mix in sectors with a high climate impact
ESRS E1-6 Gross GHG emissions Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicator n° 1 and n° 2 Table 1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator n° 3 Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3; Banking book -Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6)
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at significant physical risk paragraph 66 (c).			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47;Template 5:Banking book -Climate change physical risk: Exposures subject to physical risk.		Phase-in CSRD
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral.		Phase-in CSRD
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69				Delegated Regulation (EU) 2020/1818, Annex II	Phase-in CSRD

Disclosure requirement and related data point	SFDR reference[1]	Pillar 3 reference[2]	Benchmark Regulation reference[3]	European Climate Law reference[4]	Paragraph
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator n° 8 Table 1 of Annex 1 Indicator n° 2 Table 2 of Annex 1 Indicator n° 1 Table 2 of Annex 1 Indicator n° 3 Table 2 of Annex 1				Non-material
ESRS E3-1 Aquatic and marine resources paragraph 9	Indicator n° 7 Table 2 of Annex 1				Non-material
ESRS E3-1 Dedicated policy paragraph 13	Indicator n° 8 Table 2 of Annex 1				Non-material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator n° 12 Table 2 of Annex 1				Non-material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator n° 6.2 Table 2 of Annex 1				Non-material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator n° 6.1 Table 2 of Annex 1				Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator n° 7 Table 1 of Annex 1				Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator n° 10 Table 2 of Annex 1				Non-material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator n° 14 Table 2 of Annex 1				Non-material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator n° 11 Table 2 of Annex 1				Non-material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator n° 12 Table 2 of Annex 1				Non-material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator n° 15 Table 2 of Annex 1				Non-material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator n° 13 Table 2 of Annex 1				Not applicable
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator n° 9 Table 1 of Annex 1				Not applicable
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator n° 13 Table 3 of Annex 1				Not applicable
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator n° 12 Table 3 of Annex 1				Not applicable
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator n° 9 Table 3 and Indicator n ° 5 Table 1 of Annex 1				2.5.3 Policies related to own workforce (ESRS S1-1)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		2.5.3 Policies related to own workforce (ESRS S1-1)
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator n° 11 Table 3 of Annex 1				2.5.3 Policies related to own workforce (ESRS S1-1)

Disclosure requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark Regulation reference[(3)]	European Climate Law reference[(4)]	Paragraph
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator n° 1 Table 3 of Annex 1				Not available
ESRS S1-3 Grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator n° 5 Table 3 of Annex 1				2.5.5 Processes to remediate negative impacts and channels for own workforce to raise concerns (ESRS S1-3)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator n° 2 Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Phase-in CSRD
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator n° 3 Table 3 of Annex 1				Phase-in CSRD
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator n° 12 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		2.5.15 Remuneration metrics (pay gap and total remuneration) (ESRS S1-16)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator n° 8 Table 3 of Annex 1				2.5.15 Remuneration metrics (pay gap and total remuneration) (ESRS S1-16)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator n° 7 Table 3 of Annex 1				2.5.16 Incidents, complaints and severe human rights impacts (ESRS S1-17)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator n° 10 Table 1 and Indicator n° 14 Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		2.5.16 Incidents, complaints and severe human rights impacts (ESRS S1-17)
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicator n° 12 and n° 13 Table 3 of Annex 1				Not available
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator n° 9 Table 3 and Indicator n ° 5 Table 1 of Annex 1				2.6.3 Policies related to value chain workers (ESRS S2-1)
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator n° 11 and n° 4 Table 3 of Annex 1				2.6.3 Policies related to value chain workers (ESRS S2-1)
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator n° 10 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		2.6.3 Policies related to value chain workers (ESRS S2-1)
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II)		2.6.3 Policies related to value chain workers (ESRS S2-1)

Disclosure requirement and related data point	SFDR reference[(1)]	Pillar 3 reference[(2)]	Benchmark Regulation reference[(3)]	European Climate Law reference[(4)]	Paragraph
ESRS S2-4 Human rights issues and incidents connected to the upstream and downstream value chain paragraph 36	Indicator n° 14 Table 3 of Annex 1				2.6.6 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (ESRS S2-4)
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator n° 9 Table 3 of Annex 1 and Indicator n° 11 Table 1 of Annex 1				Non-material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator n° 10 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator n° 14 Table 3 of Annex 1				Non-material
ESRS S4-1 Policies concerning consumers and end-users paragraph 16	Indicator n° 9 Table 3 and Indicator n ° 5 Table 1 of Annex 1				Non-material
ESRS S4-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Indicator n° 10 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator n° 14 Table 3 of Annex 1				Non-material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator n° 15 Table 3 of Annex 1				2.7.4 Business conduct policies and corporate culture (ESRS G1-1)
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator n° 6 Table 3 of Annex 1				2.7.4 Business conduct policies and corporate culture (ESRS G1-1)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator n° 17 Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		2.7.7 Incidents of corruption or bribery (G1-4)
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator n° 16 Table 3 of Annex 1				2.7.4 Business conduct policies and corporate culture (ESRS G1-1)

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

(2) Regulation (EU) no 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no 596/2014 (OJ L 171, 29.6.2016, p. 1).

(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) no 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.).

(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

2.10 Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852

(For the year ended 31 December 2024)

This is a translation into English of the Statutory Auditors' report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

To the Shareholders,
18 avenue Pythagore
33700 Mérignac

This report is issued in our capacity as Statutory Auditor of EXOSENS. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the financial year ended December 31, 2024 and included in the group management report and presented in section 2 "*Sustainability Statement*" of the Universal Registration Document (hereafter the "Sustainability Statement").

Pursuant to Article L. 233-28-4 of the French Commercial Code (*Code de commerce*), EXOSENS is required to include the abovementioned information in a separate section of the Group's management report. This information has been prepared in the context of the first-time application of the aforementioned articles, a context characterised by uncertainties regarding the interpretation of the legal texts, the use of significant estimates, the absence of established practices and frameworks, in particular for the double materiality assessment, and an evolving internal control system. It provides an understanding of the impact of the Group's activity on sustainability matters, as well as the way in which these matters influence the development of its business, performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to II of Article L. 822-54 of the aforementioned Code, our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29ter of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by EXOSENS to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code *(Code du travail*);
- compliance of the sustainability information included in the Sustainability Statement with the requirements of Article L. 233-28-4 of the French Commercial Code, including with the ESRS; and
- compliance with the requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including those on independence, and quality control, prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on limited assurance engagements on the certification of sustainability information and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

In the three separate parts of the report that follow, we present, for each of the parts covered by our engagement, the nature of the procedures we carried out, the conclusions we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures we carried out with regards to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken in isolation and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three parts of our engagement.

Finally, where it was deemed necessary to draw your attention to one or more items of sustainability information provided by EXOSENS in the Sustainability Statement, we have included an emphasis of matter paragraph hereafter.

The limits of our engagement

As the purpose of our engagement is to provide limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide a guarantee regarding the viability or the quality of the management of EXOSENS; in particular, it does not provide an assessment of the relevance of the choices made by EXOSENS in terms of action plans, targets, policies, scenario analyses and transition plans, that extends beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Our engagement does not cover any comparative data.

Compliance with the ESRS of the process implemented by EXOSENS to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code

Nature of the procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by EXOSENS has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities that are disclosed in the Sustainability Statement; and
- the information provided on this process also complies with the ESRS.

We also checked compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by EXOSENS with the ESRS.

We also checked compliance with the requirement to consult the social and economic committee.

Elements that received particular attention

The elements to which we paid particular attention concerning the compliance with the ESRS of the process implemented by EXOSENS to determine the information reported are presented below.

Concerning the identification of stakeholders

Information on the identification of stakeholders is provided in section 2.1.9 *"Interests and views of stakeholders" (ESRS 2 SBM-2)"* and information on their involvement in the process is provided in section 2.1.11.1 *"Process to identify material impacts, risks and opportunities"* of the Sustainability Statement.

We reviewed the assessment carried out by EXOSENS to identify:

- stakeholders who may affect or be affected by the entities within the scope of the disclosures, through their activities and direct or indirect business relationships in the value chain;
- the primary users of the Sustainability Statement (including the primary users of the financial statements).

We spoke to the Corporate Social Responsibility (CSR) department and other persons we deemed appropriate and inspected the documentation available.

Our audit procedures mainly consisted in:

- assessing the consistency of the main stakeholders identified by EXOSENS with the nature of its activities and its geographical location, taking into account its business relationships and value chain;
- critically assessing the representative nature of the stakeholders identified by EXOSENS;
- assessing the appropriateness of the description given in sections 2.1.9. *"Interests and views of stakeholders (ESRS 2 SBM-2)"* and 2.1.11.1 *"Process to identify impacts, risks and opportunities"* of the Sustainability Statement, particularly with regard to the methods used by EXOSENS to gather information on the interests and views of stakeholders, and the commitments made by EXOSENS to these stakeholders as part of its CSR strategy.

Concerning the identification of impacts, risks and opportunities (IROs)

Information on the identification of impacts, risks and opportunities can be found in section 2.1.11.1 *"Process to identify material impacts, risks and opportunities"* of the Sustainability Statement.

We reviewed the process used by EXOSENS for identifying actual and potential impacts (positive and negative), risks and opportunities in relation to the sustainability matters set out in paragraph AR 16 of ESRS 1 *"Application requirements"* and those specific to EXOSENS, as presented in section 2.1.10 *"Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)"* of the Sustainability Statement.

In particular, we assessed the approach taken by EXOSENS to determine its impacts and dependencies, which may be a source of risks or opportunities.

We also assessed the completeness of the activities included in the scope used to identify IROs, taking into account entities acquired during the year.

We reviewed the table prepared by EXOSENS of the IROs identified and presented in section 2.1.10 *"Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)"* of the Sustainability Statement, including in particular a description of their distribution in the Group's own operations and value chain, as well as their time horizon, and assessed its consistency with our knowledge of EXOSENS as well as the elements presented to the governance bodies.

In particular, we assessed:

- the approach used by EXOSENS to gather information on subsidiaries;
- the way in which EXOSENS considered the list of sustainability topics listed in ESRS 1 (AR 16) in its assessment;
- the consistency of the actual and potential impacts, risks and opportunities identified by EXOSENS with the available sector analyses;
- the consistency of the actual and potential impacts, risks and opportunities identified by EXOSENS with our knowledge of EXOSENS;
- the way in which EXOSENS has taken different time horizons into consideration, particularly with regard to climate issues;
- whether EXOSENS has taken into account the risks and opportunities that may arise from both past and future events as a result of its own operations or business relationships, including the actions undertaken to manage certain impacts or risks;
- whether EXOSENS has taken account of its dependencies on natural, human and/or social resources in identifying risks and opportunities.

Concerning the assessment of impact materiality and financial materiality

Information on the assessment of materiality of impact and financial materiality is provided in section 2.1.11.2 *"Process to assess material impacts, risks and opportunities"* of the Sustainability Statement.

Through interviews with the CSR department and inspection of the available documentation, we obtained an understanding of the impact materiality and financial materiality assessment process implemented by EXOSENS, and assessed its compliance with the criteria defined by ESRS 1.

In particular, we assessed the way in which EXOSENS has established and applied the materiality criteria defined by ESRS 1, including those relating to the setting of thresholds, in order to determine the material information disclosed:

- in respect of indicators relating to material IROs identified in accordance with the relevant topical ESRS;
- in respect of information that is specific to EXOSENS.

Compliance of the sustainability information included in the Sustainability Statement with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided provide an understanding of the general basis for the preparation and governance of the sustainability information included in the Sustainability Statement, including the general basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by EXOSENS for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, this information does not contain any material errors, omissions or inconsistencies, i.e., that are likely to influence the judgement or decisions of the users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Sustainability Statement with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information contained in section 2.1.2.1 *"Specific contextual features related to the first year of disclosure of the requirements of the CSRD"* of the Sustainability Statement, which describes the limitations inherent to the first year of application of the ESRS, in particular those relating to disclosures covering a partial scope or not published in 2024, as well as those relating to methodological clarifications and uncertainties linked to the estimates made by EXOSENS for the determination of certain quantitative indicators (in particular those concerning Scope 3 greenhouse gas emissions).

Elements that received particular attention

The elements to which we paid particular attention concerning the compliance of the sustainability information included in the Sustainability Statement with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS, are presented below.

Information provided in application of environmental standards (ESRS E1 to E5)

Disclosures related to climate change (ESRS E1), in particular those relating to greenhouse gas emissions, can be found in section 2.2.9 *"Gross Scopes 1, 2, 3 and Total GHG emissions (ESRS E1-6)"* of the Sustainability Statement.

The elements to which we paid particular attention concerning the compliance of this information with the ESRS are presented below.

With regard to the information reported on greenhouse gas emissions, our work consisted in:

- assessing the consistency of the scope used to assess greenhouse gas emissions with the scope of the consolidated financial statements (with the exception of subsidiaries acquired after 1 July 2024 and certain excluded subsidiaries as mentioned under "*Scope*" in section 2.1.2.1 *"Specific contextual features related to the first year of disclosure of the requirements of the CSRD"*), activities under operational control and the upstream and downstream value chain;
- reviewing the greenhouse gas emissions inventory protocol used by EXOSENS to draw up its greenhouse gas emissions statement, and assessing how it was applied to a selection of emissions categories and sites, in particular for Scopes 2, 3.1 *"Purchased goods and services" and 3.11 "* Use of sold products";
- assessing the appropriateness of the emission factors used and the calculation of the relevant conversions, as well as the calculation and extrapolation assumptions, taking into account the inherent uncertainty related to the state of scientific or economic knowledge and the quality of the external data used;
- with regard to the estimates that we considered to be the most important that EXOSENS used to report its greenhouse gas emissions:
  - through discussions with the CSR department, we obtained an understanding of the methodology used to calculate the estimated data and the sources of information on which these estimates are based, particularly with regard to emissions relating to Scope 3.11 "Use of sold products";
  - we assessed whether the methods were applied consistently;
- assessing the process for collecting and processing the underlying data used to draw up the greenhouse gas emissions statement;
- for physical data (such as energy consumption), we reconciled the underlying data used to draw up the greenhouse gas emissions statement, together with the supporting documents, using sampling techniques;
- performing analytical procedures;
- checking the mathematical accuracy of the calculations used to establish this information.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by EXOSENS to determine the eligible and aligned nature of the activities of the entities included in the scope of consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- compliance with the rules governing the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e., information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies in relation to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We established that there were no such elements to address in our report.

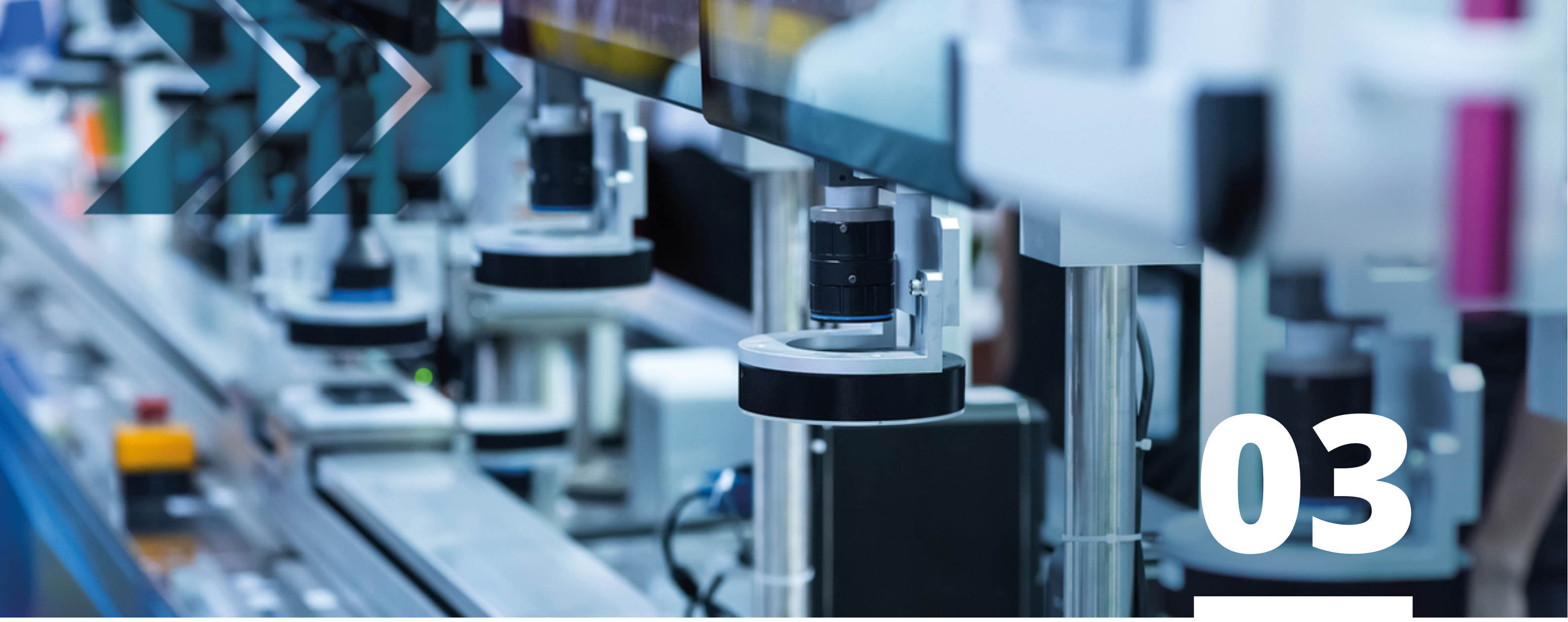
Nantes and Toulouse, 28 April 2025

The Statutory Auditors

PricewaterhouseCoopers Audit

Bertrand Cuq
Partner

Anne Parenty
Partner



Corporate Governance

3.1 Composition and operations of the Board of Directors

3.1.1 Key figures and composition of the Board of Directors

Principal key figures for the Board of Directors

BOARD OF DIRECTORS

8 directors	**53.4** average age
N/A directors representing the employees	**4 years** average term of office
3 Independent Directors	**9** meetings of the Board of Directors
3 women	**98.6%** attendance rate at meetings of the Board of Directors

Table of members of the Board of Directors

The table below contains details of the members of the Board of Directors at the date of this Universal Registration Document and the offices held by the members of the Company's Board of Directors over the last five years:

Last name, First name, Gender	Photo	Nationality	Age	Role at EXOSENS	Independent director *(within the meaning of the AFEP-MEDEF Code)*	Date of appointment	End of term of office	Member of specialist committees
Jean Hubert Vial[(1)] M.			54	Chairman of the Board of Directors	No	Board meeting of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027	Yes
Jérôme Cerisier M.			53	Chief Executive Officer and director	No	AGM of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027	No
Christophe Bernardini[(1)] M.			63	Director	No	AGM of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027	Yes
HLD Europe, represented by Salim Helou[(1)] M.		 	39	Director	No	AGM of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027	Yes
Constance Lanèque[(1)] F.			42	Director	No	AGM of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027	No
Michel Mariton[(2)] M.			65	Director	Yes	AGM of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2025	Yes
Wendy Kool Foulon[(2)] F.		 	51	Director	Yes	AGM of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2026	Yes
Brigitte Geny[(2)] F.			60	Director	Yes	AGM of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2025	Yes
François Calvarin M.			62	Non-voting member	N/A	Board meeting of 31 May 2024	At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027	No

(1) Director appointed by the Board on the proposal of HLD.

(2) Independent director within the meaning of the AFEP-MEDEF Code.

Personal information concerning members of the Board of Directors

PERSONAL INFORMATION CONCERNING MEMBERS OF THE BOARD OF DIRECTORS

>> Jean-Hubert Vial(1)

Chairman of the Board of Directors

Age: 54

Nationality: French

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027

Number of current positions held in listed companies: 1

Independent director (within the meaning of the AFEP-MEDEF Code): No

Number of shares in the Company held in registered form: none

Biography

Jean-Hubert Hubert Vial is a graduate of Mines ParisTech. He began his career as an auditor with Arthur Andersen in 1994 before joining Société Générale's M&A department as a manager in 1998. In 2000, he joined the M&A department of Rothschild & Co before being appointed Director in 2005. In 2006, Jean-Hubert Vial joined Arstog as a Director. In March 2015, he became a Partner in the HLD Group, which specialises in the industrial and corporate services sectors. In this capacity, he oversees the HLD Group's holdings in EXOSENS, Aresia, Kiloutou and Tessi.

Appointments and positions held at the date of this registration document

Within the Group	Outside the Group
• EXOSENS SA: Chairman of the Board of Directors • EXOSENS SA: Member of the Appointments and Remuneration Committee	• HLD Conseils, Chairman • HLD Associés Europe, Director • HLDI, Chief Executive Officer • Tessi, Member of the Supervisory Board • Pixel Holding 2 (Tessi holding company), Chairman and member of the Supervisory Board • Kapla Holding (Kiloutou holding company), Member of the Supervisory Board • Aresia, Member of the Supervisory Board • Arcelle Investissements, Managing Director

Previous appointments and positions held over the past five years

Within the Group	Outside the Group
None	None

(1) Director appointed by the Board on the proposal of HLD.

>> Jérôme Cerisier

Chief Executive Officer and director

Age: 53

Nationality: French

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027

Number of current positions held in listed companies: 2

Independent director (within the meaning of the AFEP-MEDEF Code): No

Number of shares in the Company held in registered form: 888,617

Biography

Jérôme Cerisier is a graduate of the École Polytechnique engineering school, with a master's degree in aeronautics from ISAE-Supaéro and a master's degree in business administration from INSEAD. He began his career at the Directorate General of Armaments in 1997 before joining A.T. Kearney in 2001, first as a consultant and then as team leader. In 2006, Jérôme Cerisier joined Zodiac Aerospace as Director of Purchasing and Performance Improvement for the Elastomer Technologies and Systems business of Aerazur, a subsidiary of the Group, before becoming Managing Director from 2008 to 2011. He then became Managing Director of the Oxygen Systems business from 2011 to 2013 and finally of the Cabins and Cockpits business from 2013 to 2016. In 2016, Jérôme Cerisier joined EXOSENS (formerly Photonis Group) to become its chairman and lead the Group's transformation and expansion.

Appointments and positions held at the date of this registration document

Within the Group

- EXOSENS SA: Chief Executive Officer and director
- EXOSENS International SASU: whose Chairman is EXOSENS SA, represented by its Chief Executive Officer
- Photonis France SAS: whose Chairman is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Photonis Infrared France SAS: whose Chairman is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Imaging Sensors International SAS: whose Chairman is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Telops France SASU: whose Chairman is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Photonis Netherlands B.V., whose director is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- SInfrared Pte Ltd: Director
- Telops Inc., Director
- Telops USA Inc: Chairman
- Xenics USA Inc: Chairman
- EXOSENS UK Ltd: Director
- Photonis Asia Pacific Pte Ltd: Director
- Photonis (Shenzhen) Technologies Co Ltd: Director
- El-Mul Technologies Ltd: whose Chairman is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Photonis Germany GmbH: whose Chairman is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Centronic Group Ltd: whose Director is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Centronic Holding Ltd: whose Director is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Centronic Ltd: one of whose directors is EXOSENS International SASU, itself represented by EXOSENS SA, represented by its Chief Executive Officer
- Xenics NV: Director
- Photonis Defense Inc: Director

Outside the Group

- Kanji Management SASU, Chairman
- SCI Kanji & Co, Managing Director
- SARL Kanji Gestion, Managing Director

Previous appointments and positions held over the past five years

Within the Group

- Photonis Technologies SASU (absorbed by EXOSENS International SAS in January 2023): whose Chairman was EXOSENS SAS, itself represented by its Chairman, Kanji Management SAS, itself represented by its Chairman
- Zeppelin O SAS and Zeppelin A SAS (absorbed by EXOSENS SAS in April and May 2024): Chairman

Outside the Group

None

>> Christophe Bernardini[1]

Director

Age: 63

Nationality: French

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027

Number of current positions held in listed companies: 1

Independent director (within the meaning of the AFEP-MEDEF Code): No

Number of shares in the Company held in registered form: none

Biography

Christophe Bernardini is a graduate of ESTACA (Ecole Supérieure des Techniques Aéronautiques et de Construction Automobile) and has an Executive MBA from HEC Paris. He began his career in 1987 with the French aerospace group, TAT. In 1997, he was appointed Managing Director of TAT Industries, a subsidiary of the TAT Group. In 2006, he became Chairman and CEO of Sabena Technics. Christophe Bernardini joined the Executive Committee of aerospace equipment manufacturer, Zodiac Aerospace, in 2012 as Managing Director of the Services division. In 2016, he became Managing Director of the Cabin division based in California. It was in 2019 that he joined the HLD Group as an Operating Partner specialising in the aerospace, defense and industrial sectors, where he is responsible for the HLD Group's holding in EXOSENS.

Appointments and positions held at the date of this registration document

Within the Group	Outside the Group
• EXOSENS SA: director • EXOSENS SA: member of the CSR Committee	• Pebble Street SAS, Chairman • SCI Berman, Managing Director • SCI Amuredda, Managing Director • ESTACA, Member of the Supervisory Board

Previous appointments and positions held over the past five years

Within the Group	Outside the Group
None	None

(1) *Director appointed by the Board on the proposal of HLD.*

>> HLD Europe, represented by Salim Helou[1]

Director

Age: 39

Nationality: Swiss-Lebanese

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027

Number of current positions held in listed companies: 1

Independent director (within the meaning of the AFEP-MEDEF Code): No

Number of shares in the Company held in registered form: none

Biography

Salim Helou is a graduate of the Ecole Polytechnique engineering school in Paris and Columbia University (USA). He began his career as a consultant with McKinsey & Company in 2011. In 2013, he joined Murex as a senior consultant and project manager. He joined the HLD Group in 2016 as managing director, and in this capacity oversees the HLD Group's holdings in EXOSENS, Aresia, CBG Acciai and MVG.

Appointments and positions held at the date of this registration document

Within the Group	Outside the Group
• EXOSENS SA: permanent representative of HLD Europe, director • EXOSENS SA: representative of HLD Europe, Member of the Audit Committee	• Rainbow holding, Member of the Supervisory Board • Aresia, Member of the Supervisory Board • Murex Group, permanent representative of Indium SARL, Member of the Board of Directors • Société Générale de Presse et d'Editions, Member of the Board of Directors • Sierra Fox Aviation, Chief Executive Officer • Sierra Juliet Advisory, Chairman

Previous appointments and positions held over the past five years

Within the Group	Outside the Group
None	• Echo Sierra Aviation, Chairman

(1) *Director appointed by the Board on the proposal of HLD.*

>> Constance Laneque[(1)]

Director

Age: 42

Nationality: French

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027

Number of current positions held in listed companies: 1

Independent director (within the meaning of the AFEP-MEDEF Code): No

Number of shares in the Company held in registered form: none

Biography

Constance Laneque is a graduate of the ESCP (Ecole Supérieure de Commerce de Paris) business school. She began her career as an auditor at PwC in 2006. She joined CDC Entreprises in 2008 as a Management Controller before joining Dassault Systèmes as a Financial Planning & Analysis Analyst in 2011. Since 2016, she has held the position of Controlling Manager at POST Luxembourg. She joined the HLD Group in 2019 as managing director of HLD Associés Europe.

Appointments and positions held at the date of this registration document

Within the Group

- EXOSENS SA: director

Outside the Group

- Invest Coop, Managing Director
- Participations Coop, Managing Director
- Invest Pixel, Managing Director
- Muse 2, Managing Director
- Ker Holding, Managing Director
- Rainbow holding, Member of the Supervisory Board
- Tessi, representative of HLD Conseils, Member of the Supervisory Board
- Butterfly I SAS, Member of the Supervisory Board
- JMBN, Managing Director

Previous appointments and positions held over the past five years

Within the Group

None

Outside the Group

- Eviola, Member of the Board of Directors
- HLD Italy Uno, Chair
- HLD Italy Due, Chair

(1) Director appointed by the Board on the proposal of HLD.

>> Michel Mariton

Director

Age: 65

Nationality: French

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2025

Number of current positions held in listed companies: 1

Independent director (within the meaning of the AFEP-MEDEF Code): Yes

Number of shares in the Company held in registered form: 100

Biography

Michel Mariton is a former student of the Ecole Normale Supérieure de Paris-Saclay and holds a doctorate in Physics. He is also a graduate of the Centre de Perfectionnement aux Affaires business school and the Institut Français des Administrateurs (French Institute of Administrators). After starting his career at CNRS and the University of California, he joined MATRA Défense Espace in 1989, where he worked on image processing for major weapons programmes, before becoming Vice-President for earth observation systems. In 1999, he became Managing Director and then Chairman of JOBIN YVON and led its development within the Japanese group HORIBA, where he then managed the entire scientific instrumentation segment. Following roles at SURYS (holography) and AMPLITUDE (ultrafast lasers), in 2020 he became Vice-President of Paris-Saclay University, then Economic Development Adviser to its President. He is also Chairman of TRIAMON Conseil, a consultancy firm he founded in 2016.

Appointments and positions held at the date of this registration document

Within the Group

- EXOSENS SA: director
- EXOSENS SA: Chair of the Appointments and Remuneration Committee
- EXOSENS SA: Member of the Audit Committee

Outside the Group

- Triamon Conseil, Chairman
- SATT Paris-Saclay, Director
- European Institute of Innovation and Technology (EIT), Director

Previous appointments and positions held over the past five years

Within the Group

None

Outside the Group

None

>> Wendy Kool-Foulon

Director

Age: 51

Nationality: French-Dutch

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2026

Number of current positions held in listed companies: 1

Independent director (within the meaning of the AFEP-MEDEF Code): Yes

Number of shares in the Company held in registered form: 100

Biography

Wendy Kool-Foulon is a graduate of the Université Paris Dauphine-PSL and the Ecole de Formation des Barreaux de la Cour d'Appel de Paris. She began her career as a lawyer in 1997 with Landwell Partners (formerly PricewaterhouseCoopers Juridique et Fiscal). She then joined the law firm Salans Hertzfeld & Heilbronn in 1999. In 2001, Wendy Kool-Foulon joined IBM France as a tax lawyer, before taking up the position of Corporate and M&A Manager in 2004. In 2009, she became head of legal affairs for the SCO division of GEODIS. She was appointed General Counsel of the EMEA, APAC and LATAM division of the TARKETT group in 2012, before becoming Group General Counsel and Secretary of the Supervisory Board in 2016. In 2020, she joined the Verallia Group as Group Legal and CSR Director and Secretary to the Board of Directors and the Sustainable Development Committee.

Appointments and positions held at the date of this registration document

Within the Group	Outside the Group
• EXOSENS SA: director • EXOSENS SA: Chair of the CSR Committee • EXOSENS SA: Member of the Appointments and Remuneration Committee	• Verallia Deutschland AG, Member of the Supervisory Board • Kavminsteklo, Member of the Executive Committee • Kamyshinsky Steklotarny Zavog, Member of the Board of Directors • Vidrieras de Canarias SA, permanent representative of Verallia Spain, S.A, Director • Verallia Holding UK, Member of the Board of Directors • Verallia Latitude, Chair • Cap Verallia, Chair of the Board of Directors

Previous appointments and positions held over the past five years

Within the Group	Outside the Group
None	• Verallia USA, Member of the Board of Directors

>> Brigitte Geny
Director

Age: 60

Nationality: French

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2025

Number of current positions held in listed companies: 3

Independent director (within the meaning of the AFEP-MEDEF Code): Yes

Number of shares in the Company held in registered form: 100

Biography

Brigitte Geny graduated from ESCP, and is a certified public accountant and statutory auditor, and also obtained the IFA-Sciences Po certificate for company's directors in 2018. She has over 30 years' experience in auditing, acquired at Arthur Andersen and then at EY as a partner. She has worked as an auditor and consultant in numerous sectors, in particular for listed and unlisted ETIs and SMEs. She worked at SYNLAB France, a medical biology group, as Deputy Managing Director Finance, Legal, Compliance and M&A with a roadmap to structure France with a view to the Group's IPO, between 2018 and the end of 2021. She is Vice-Chair of the Ile-de-France office of the Association des Directeurs Financiers et de Contrôle de Gestion (DFCG), an Independent Director, Chair of the CSR Committee and member of the Strategic Committee of Group COGELEC (listed on Euronext Growth), a member of the Collège de la Haute Autorité de l'Audit (H2A), as a qualified person in the certification of sustainability information, Independent Director and Chair of the CSR Committee of Groupe BIOSYNEX (listed on Euronext Growth) and Chair of Financielle Performance. She is an Independent Director, Chair of the Audit Committee and member of the CSR Committee of the EXOSENS group.

Appointments and positions held at the date of this registration document

Within the Group	Outside the Group
• EXOSENS SA: director • EXOSENS SA: Chair of the Audit Committee • EXOSENS SA: member of the CSR Committee	• Groupe Cogelec (Euronext Growth), Independent Director • Haute Autorité de l'Audit (H2A), College member • Groupe Biosynex, (Euronext Growth) Independent Director • Financielle Performance, Chair • Association des Directeurs Financiers et de Contrôle de Gestion, VP Ile-de-France office

Previous appointments and positions held over the past five years

Within the Group	Outside the Group
None	• Association des Directeurs Financiers et de Contrôle de Gestion, Independent Director • Synlab France: Deputy Managing Director Finance, Legal, Compliance and M&A

>> François Calvarin
Non-voting member

On 7 June 2024, François Calvarin was appointed a non-voting member of the Board of Directors for a term of four years. François Calvarin brings to the Company's Board of Directors the benefit of his solid sectoral expertise, as well as his in-depth knowledge of the Group through his long-standing presence on the Company's governance bodies.

Age: 62

Nationality: French

Expiry date of term of office: At the close of the AGM called to approve the financial statements for the financial year ending 31 December 2027

Number of current positions held in listed companies: 0

Independent director (within the meaning of the AFEP-MEDEF Code): N/A

Number of shares in the Company held in registered form: N/A

Biography

François Calvarin is a graduate of the *Ecole Nationale Supérieure des Mines* in Paris (ENSMP). He began his career in 1985 as a mining engineer with Compania Minera Huaron in Peru. In 1987, he joined *L'Equipement Minie*r as Marketing Manager. In 1990, François Calvarin joined Teleflex Lionel Dupont (TLD) as Vice-President and Industrial Manager. Within the TLD group, he initiated and developed the strategy for airport ramp equipment. In 1996, he became executive Vice-President of Gifi Cable/Draka France. In 1999, he joined FCI, a subsidiary of the AREVA group, as executive Vice-President of the military, aerospace and industrial division (MAI). In 2003, together with other investors, he bought the MAI division, which took the name Souriau. In just a few years, the company became the world leader in aeronautical connectors. In 2012, following the sale of Souriau, François Calvarin founded his own company, Khantengri Investments. He has also been a member of a number of organisations, including the GEAD/GIFAS Committee of Aerospace Equipment Manufacturers from 2003 to 2012, a member of the *Conseil des prélèvements obligatoires* of the *Cour des Comptes* from 2004 to 2008, and a member of the General Council of the *Banque de France* from 2009 to 2021.

Appointments and positions held at the date of this registration document

Within the EXOSENS SA Group: Non-voting member	Outside the Group
	• Alvest group: Director • Oplit: Chairman and Director • khantengri investments SC: manager

Previous appointments and positions held over the past five years

Within the Group	Outside the Group

Proposal to appoint Bpifrance Investissement as a new director on EXOSENS' Board of Directors

On 25 April 2025, the Board of Directors proposed to the Combined Annual General Meeting of Shareholders to be held on 23 May 2025 that Bpifrance Investissement be appointed a director.

Bpifrance Investissement, represented by Dorianne Bonfils as its permanent representative, is nominated as a director as a result of Bpifrance Participations increasing its shareholding in EXOSENS.

On 25 April 2025, after exercising the call option over shares in EXOSENS granted by HLD in connection with EXOSENS' initial public offering, Bpifrance Participations acquired an additional 2.7% of the share capital and voting rights and is now the second-largest shareholder in EXOSENS with 7.2% of the share capital and voting rights, behind the HLD Group.

On 25 April 2025, the Board of Directors, on the recommendation of EXOSENS' Appointments and Remuneration Committee and after assessing its independence under the criteria set out in the AFEP-MEDEF Code, confirmed that Bpifrance Investissement would be an independent director if appointed to the role by the shareholders at the General Meeting.

Biography of Dorianne Bonfils

She began her career at Bpifrance in 2013, in bank financing. She joined Bpifrance's equity investment division in 2018, in the Large Cap team, where she currently works as an Investment Director. In this role, she previously oversaw a number of Bpifrance's investments in the aviation, automotive, renewable energies and services sectors. She now oversees Bpifrance's investments in Sandaya, Point Vision, Mediawan and Cerba. She holds a company director certificate from the *Institut français des administrateurs* (IFA).

Age : 35

Nationality: French

Nationality of the members of the Board of Directors

Two members of the Board of Directors are foreign nationals: one has joint French and Dutch nationality, while the other has joint Swiss and Lebanese nationality.

Independent members of the Board of Directors

Under the independence criteria set out in the December 2022 version of the AFEP-MEDEF Code, which the Company has applied since its shares were admitted to trading on the Euronext Paris regulated market, the Board of Directors believes that three members of the Board of Directors, namely Michel Mariton, Brigitte Geny and Wendy Kool-Foulon, are independent members of the Board of Directors.

TABLE ON INDEPENDENCE CRITERIA

Criteria	Jean Hubert Vial (NI)	Jérôme Cerisier (NI)	Christophe Bernardini (NI)	Salim Helou (NI)	Constance Lanèque (NI)	Michel Mariton (I)	Wendy Kool Foulon (I)	Brigitte Geny (I)
Criterion 1: employee/corporate officer within the past five years		x						
Criterion 2: cross-directorships								
Criterion 3: significant business relationships								
Criterion 4: family ties								
Criterion 5: auditor								
Criterion 6: period of office exceeding 12 years								
Criterion 7: status of non-executive officer								
Criterion 8: status of the major shareholder	x		x	x	x			

I: Independent / **NI:** Non Independent / X: independence criterion not met

Criterion 1: employee/corporate officer within the past five years

Not to be and not to have been within the previous five years:

- an employee or executive officer of the Company;
- an employee, executive officer or director of a company consolidated with the Company;
- an employee, executive officer or director of the Company's parent company or a company consolidated with this parent company.

Criterion 2: cross-directorships

Not to be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: significant business relationships

Not to be a customer, supplier, commercial banker, investment banker or consultant:

- that is significant to the Company or the Group;
- or for which the Company or the Group represents a significant portion of its activity.

Criterion 4: family ties

Not to be related by close family ties to a company officer.

Criterion 5: auditor

Not to have been an auditor of the Company within the previous five years.

Criterion 6: period of office exceeding 12 years

Not to have been a director of the Company for more than 12 years. Loss of the status of independent director occurs on the date of the 12th anniversary.

Criterion 7: status of non-executive officer

A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the Company or the Group.

Criterion 8: status of the major shareholder

Directors representing major shareholders of the Company may be considered independent, provided these shareholders do not take part in the control of the Company. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the nominations committee, should systematically review the qualification as independent in the light of the make-up of the Company's capital and the existence of a potential conflict of interest.

Gender balance

Since the Company’s initial public offering on Euronext Paris on 7 June 2024, the Company’s Board of Directors has had three female members out of a total of eight directors. The composition of the Board of Directors accordingly complies with the provisions of Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code, which require a balanced representation of women and men on the Board of Directors of companies whose shares are admitted to trading on a regulated market.

Declaration on corporate governance

The Company refers to the recommendations of the December 2022 version of the Code of Corporate Governance for Listed Companies of the French Association of Private Companies (AFEP) and the National Confederation of French Companies (MEDEF) (the “AFEP-MEDEF Code”), particularly in relation to the preparation of the Board of Directors’ report on corporate governance provided for in Article L. 225-37 of the French Commercial Code.

The Company applies all the recommendations of the AFEP-MEDEF Code other than, for 2025, the first financial year following the Company’s initial public offering in June 2024, the recommendations listed in the table below.

The AFEP-MEDEF Code is available online at: http://www.medef.com. The Company keeps copies of this code at the permanent disposal of the members of its corporate bodies.

Recommendation of the AFEP-MEDEF Code	Company comments
Recommendation 4.6 – internal procedures put in place to identify and monitor off-balance-sheet commitments, as well as to evaluate the company's material risks	An update on the review of the revised Group risk assessment was provided on 23 October 2024 with the introduction of risk mapping, a self-assessment risk questionnaire and an audit plan covering 2025-2027.
Recommendation 11 – Evaluation of the Board of Directors Recommendation 12.3 – Meeting of the Board of Directors not attended by the executive officer	The Board evaluation session will be scheduled to be held in 2025. As a result of the Company being listed in June 2024, discussions need to take place on how this recommendation will be implemented. This will happen in 2025.
Recommendation 14 – Directors’ training	As a result of the Company being listed in June 2024, the training policy for directors needs to be formally documented. This will happen in 2025. Information on the policy will therefore be included in the 2025 URD.
Recommendation 18.2.2 – Succession plan for executive officers	As a result of the Company being listed in June 2024, the succession plan for executive officers will need to be approved at a meeting of the Appointments and Remuneration Committee, scheduled for 16 May 2025.

3.1.2 Declarations relating to the members of the Board of Directors and executive officers

Declaration relating to the administrative bodies

To the best of the Company’s knowledge, over the last five years: (i) no member of the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer of the Company has been convicted of fraud, (ii) no member of the Board of Directors, nor the Chairman of the Board of Directors, nor the Chief Executive Officer of the Company has been involved in a bankruptcy, receivership, liquidation or court-supervised administration, (iii) no official public charge and/or sanction has been brought against a member of the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer of the Company by judicial or administrative authorities (including designated professional bodies) and (iv) no member of the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer of the Company has been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from managing or conducting the affairs of an issuer.

3.1.3 Conflicts of interest

To the best of the Company’s knowledge, as of the date of this registration document, there are no potential conflicts of interest between the duties to the Company of the members of the Board of Directors, the Chairman of the Board of Directors and the Chief Executive Officer of the Company and their private interests.

3.1.4 Operations of the Board of Directors

The operations of the Board of Directors are governed by laws and regulations and by internal provisions, namely the Articles of Association and the Board of Directors' internal rules.

The Board of Directors' internal rules:

- determine the roles of the Board and its Committees;
- describe the roles of the Chairman, the Chief Executive Officer and the directors;
- set out the Board's operational rules and procedures and the rights and duties of the directors.

The internal rules are available on the Company's website at www.exosens.com, in the regulated information/legal documents section.

Number and length of meetings

The Chairman calls meetings of the Board of Directors and sends members the agenda.

The internal rules provide that the Board of Directors must meet at least four times a year, in the conditions set by the Articles of Association, to discuss the questions listed on the agenda by its Chairman. The Board of Directors also meets at least once a year without the Chief Executive Officer to assess his performance and discuss any governance-related matters.

As a result of the Company being listed in June 2024, the procedure for evaluating the Chief Executive Officer's performance needs to be formally documented. This will happen either at the end of 2025 or by the start of 2026 at the very latest.

Each meeting of the Board of Directors must be of a sufficient length to enable the agenda to be discussed in a useful and detailed manner.

Provision of information

The Chairman, assisted by the Secretary of the Board of Directors, is responsible for sending directors, in a timely manner, the information and documents they need before attending Board meetings. Between Board meetings, the Chairman may, at any time, send the directors any information relevant to the Company or the Group if the importance or urgency of the information so requires. The directors are sent the press releases issued by the Company.

Any additional information or document sent to a director at their request will be systematically sent to the other directors.

Where necessary for reasons of confidentiality or expediency, this information and these documents may be provided at meetings.

Representation

The directors may, in accordance with the law, be represented at meetings of the Board of Directors by another director appointed for that purpose.

The internal rules allow directors who are unable to physically attend a meeting of the Board of Directors to effectively attend that meeting using video conferencing or telecommunication methods. Any directors who use such a method are deemed to be present for the purposes of calculating the quorum and majority.

Quorum and majority

The Board of Directors may validly transact business if at least half of its members are present (either physically or using video conferencing or telecommunication methods) or represented at the meeting.

Resolutions are passed by a simple majority of the members present (or deemed to be present in the event that video conferencing or telecommunication methods or used) or represented. In the event of a tied vote, the Chairman of the meeting shall have a casting vote, unless the vote relates to the appointment or removal of the Chairman of the Board of Directors.

Directors' obligations

The internal rules impose certain obligations on the directors aimed at ensuring that they are familiar with the laws applicable to them, avoiding conflicts of interest, ensuring that they devote the necessary time and attention to their duties and that they comply with applicable rules on holding multiple offices and on related-party agreements.

In order to ensure that conflicts of interest are appropriately managed, all directors must notify the Board of Directors of any one-off conflict of interest, even if it may only potentially arise, and must not vote on the corresponding resolution or attend meetings of the Board of Directors during the period in which they are subject to the conflict of interest, or otherwise resign as a director. In the event that a director fails to comply with the rules set out above, proceedings may be brought against them. In the event of a conflict of interest, the director will not be sent the documentation for the Board meeting(s). Under Article 2.10 of the internal rules, each member of the Board of Directors must hold at least 100 shares throughout their term of office and, in all circumstances, within six (6) months of being appointed. This obligation does not apply to any directors representing the Group's employees or, subject to a resolution being passed by the Board of Directors (which may apply generally and for the directors' entire term of office and any subsequent renewed terms of office) to the directors representing the shareholders. The Company may not lend shares to members of the Board of Directors.

Report on activity

Its main activities in 2024 are described below:

- recording of the completion of various capital increases;
- decision to carry out the Company's initial public offering;
- review and pre-authorisation of Loans to be taken out in 2024;
- recording of the completion of the mergers by absorption of Zeppelin O and Zeppelin A (absorbed entities) by the Company (absorbing entity);
- recording of the new composition of the Board of Directors following settlement-delivery of the Company's shares in connection with their admission to trading on the Euronext Paris regulated market;
- recording of the completion of the capital increase by way of a public offering approved as part of the Initial Public Offering, and the associated issue of ordinary shares in the Company - Approval of the terms of the supplementary report;
- recording of the completion of the capital increase, disapplying shareholders' preferential subscription rights in favour of Bpifrance Participations, and the associated issue of ordinary shares in the Company - Entry into force of the Company's new articles of association;
- establishment of an Audit Committee, an Appointments and Remuneration Committee and a CSR Committee;
- appointment of the members and chair of the Audit Committee;
- appointment of the members and chair of the Appointments and Remuneration Committee;
- appointment of the members and chair of the CSR Committee;
- approval and authorisation to introduce a share buyback programme - entry into a liquidity agreement;
- review of the press release on the revenue for the first six months of 2024;
- approval of the interim financial statements;
- approval of the 2024 interim financial report (including the limited review report of the statutory auditors);
- presentation of the proposed budget for 2025.

3.1.5 Committees of the Board of Directors

The Company has established the following committees within its Board of Directors: an Audit Committee, an Appointments and Remuneration Committee and a CSR Committee. Each of these committees has its own internal rules.

Audit Committee

4 meetings	**100% attendance**	**66.7% independent members**

		Attendance rate	Independent member
Chair	Brigitte Geny	100%	yes
Member	Michel Mariton	100%	yes
Member	HLD Europe represented by Salim Helou	100%	no

Composition

The Audit Committee has three members, at least two of whom will be appointed from among the independent members of the Board of Directors, on the recommendation of the Appointments and Remuneration Committee. The members of the Audit Committee may not be executive officers.

The members of the Audit Committee must have specific expertise in financial and/or accounting matters.

At the time they are appointed, all members of the Audit Committee must receive information on the specific accounting, financial and operational aspects of the Company.

The terms of office of members of the Audit Committee coincide with their terms of office as members of the Board of Directors. They may be reappointed as members of the Audit Committee at the same time as they are reappointed as members of the Board of Directors.

The Chair of the Audit Committee is appointed by the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, from among the independent members of the Board of Directors. The members of the Audit Committee may not be executive officers.

Role

The role of the Audit Committee is to monitor issues relating to the preparation and control of accounting, financial and non-financial information and to ensure that the risk monitoring and operational internal control system is effective, in order to facilitate the performance by the Board of Directors of its control and verification duties in this area.

In this context, the Audit Committee has the following main roles:

- monitoring the process for preparing financial and non-financial information;
- monitoring the effectiveness of internal control, internal audit and risk management systems relating to accounting, financial and non-financial information;
- overseeing the audit of the parent company and consolidated financial statements by the Company's statutory auditors;
- monitoring the independence of the statutory auditors; and
- monitoring the systems and procedures in place on the dissemination and application of best practice policies and rules, particularly in terms of compliance;
- reviewing the sustainability statement provided for in Article L. 232-6-3 of the French Commercial Code, as well as the reporting policy for non-financial information under the CSRD (Corporate Sustainability Reporting Directive).

The Audit Committee reports regularly to the Board of Directors on the performance of its duties and informs it immediately of any difficulties it encounters.

Report on activity

Its main activities in 2024 are described below:

- review of the internal rules of the Audit Committee;
- organisation and scheduling of the Audit Committee meetings for 2024, 2025 and 2026;
- programme for the Audit Committee meetings and organisational procedures for ad hoc Audit Committee meetings for urgent or non-scheduled topics; Internal Control/Audit Plan: review of the 2024 audit timetable;
- review of ongoing and pre-IPO non-audit services provided by the statutory auditors, decision to be made on prohibited services;
- approval of the fees of the statutory auditors for authorised non-audit services;
- review of the timetable and procedures for PWC's work on auditing the 2024 sustainability statement;
- update on training requirements for members of the Audit Committee;
- review of 2024 interim (consolidated) financial statements;
- review of the draft 2024 interim financial report;
- review of the draft press release announcing the 2024 interim results;
- independence of the statutory auditors;
- review of the results for the third quarter (Q3 2024);
- review of the 2024 audit timetable;
- updates on recent developments;
- review of the updated Group risk assessment (with a reminder of the corruption risk matrix);
- review of the 2025-2026 Group Internal Audit Plan;

- approval of the statutory auditors' audit fees;
- review of the findings of the hard close exercise for reviewed subsidiaries, and review of the findings of the interim internal control review;
- review of the 2025 Budget;
- review of the compliance programme.

Meetings

The Audit Committee meets as often as necessary and, in any event, at least twice a year to prepare the annual financial statements and the interim and, where applicable, quarterly financial statements.

Appointments and Remuneration Committee

		2 meetings	**100% attendance**	**66.7% independent members**
			Attendance rate	Independent member
Chair	Michel Mariton		100%	yes
Member	Jean-Hubert Vial		100%	no
Member	Wendy Kool-Foulon		100%	yes

Composition

The Appointments and Remuneration Committee has three members, two of whom are independent members of the Board of Directors, including, if appointed, the lead director. The members of the Appointments and Remuneration Committee may not be executive officers.

They are appointed by the Board of Directors from among its members on the basis of their independence and expertise in the area of the remuneration of executive officers of listed companies.

The terms of office of members of the Appointments and Remuneration Committee coincide with their terms of office as members of the Board of Directors. They may be reappointed as members of the Appointments and Remuneration Committee at the same time as they are reappointed as members of the Board of Directors.

The Appointments and Remuneration Committee is chaired by an independent member of the Board of Directors.

Role

The Appointments and Remuneration Committee is a specialist committee of the Board of Directors, whose main tasks are to assist the Board in (i) the composition of the management bodies of the Company and its Group and (ii) the determination and regular assessment of all remuneration and benefits for the Company's executive directors, including any deferred benefits and/or voluntary or forced redundancy payments. The Appointments and Remuneration Committee is also involved in drawing up the profit-sharing policy for employees of the Company and its subsidiaries.

As part of its role with regard to appointments, the Committee carries out the following tasks:

- proposals for potential new members of the Board of Directors, executive officers, and members of the Board's committees; and
- annual assessment of the independence of the members of the Board of Directors.

As part of its remuneration remit, it is responsible for the followingttasks:

- reviewing and making recommendations to the Board of Directors on the remuneration package for the Company's senior executives;
- reviewing and making recommendations to the Board of Directors on the method for distributing the total annual sum allocated to the Board of Directors; and
- consulting and making recommendations to the Board of Directors on any remuneration for exceptional duties that may be awarded by the Board of Directors to certain of its members;
- The Appointments and Remuneration Committee proposes to include a succession plan for the executive officer on the agenda of its meeting to be held on 16 May 2025.

Report on activity

Its main activities in 2024 are described below:

Governance structure:

- review of the remuneration of the members of the Board of Directors;
- review of the remuneration of the members of the Executive Committee;
- review of the Group's remuneration policy;
- review of the Long-term Incentive Scheme;
- review of the list of persons awarded free shares and the number awarded.

Meetings

The Appointments and Remuneration Committee meets as often as necessary and, in any event, at least twice a year, prior to any Board meeting called to vote on the situation of members of the Board of Directors under the independence criteria adopted by the Company and, in any event, prior to any Board meeting called to vote on the remuneration of members of the Executive Management team or on the distribution of the total annual sum allocated to the remuneration of members of the Board of Directors.

CSR Committee

1 meeting	100% attendance	66.7% independent members

		Attendance rate	Independent member
Chair	Wendy Kool-Foulon	100%	yes
Member	Christophe Bernardini	100%	no
Member	Brigitte Geny	100%	yes

Composition

The CSR Committee has three members, at least two of whom are appointed from among the independent members of the Board of Directors, on the recommendation of the Appointments and Remuneration Committee.

The terms of office of members of the CSR Committee coincide with their terms of office as members of the Board of Directors. They may be reappointed as members of the CSR Committee at the same time as they are reappointed as members of the Board of Directors.

The Chair of the CSR Committee is appointed from among the independent members of the Board of Directors.

Role

The role of the CSR Committee is to oversee corporate social responsibility issues and ensure that they are incorporated into the definition and implementation of the Group's strategy.

Accordingly, the CSR Committee's role includes:

- ensuring that issues relating to social and environmental responsibility (such as diversity and non-discrimination policies and compliance and ethics policies) and climate change are taken into account in the Group's strategy and the implementation thereof;
- reviewing the sustainability statement provided for in Article L. 232-6-3 of the French Commercial Code, as well as the reporting policy for non-financial information, particularly under the CSRD (Corporate Sustainability Reporting Directive);
- reviewing the opinions expressed by investors, analysts and other third parties and any potential action plan drawn up by the Company to improve social, environmental and climate matters; and
- reviewing and assessing the appropriateness of the Group's social, environmental and climate commitments and strategic orientations in light of the challenges specific to its business and objectives and monitoring the implementation thereof.

The CSR Committee reports regularly to the Board of Directors on the performance of its duties and informs it immediately of any difficulties encountered.

Report on activity

Its main activities in 2024 are described below:

Corporate social responsibility:

- presentation of the structure for the sustainability statement;
- update on the progress of the sustainability statement and next steps (backward planning);
- presentation of the 2023 carbon assessment;
- update on the progress made in attaining the targets of the Company's CSR strategy;
- The CSR Committee reports regularly to the Board of Directors on the performance of its duties and informs it immediately of any difficulties encountered.

Meetings

The CSR Committee meets as often as necessary and, in any event, at least twice a year.

3.2 Executive Management procedures and operations

The roles of Chairman of the Board of Directors and Chief Executive Officer are separate. Jean-Hubert Vial is Chairman of the Board of Directors and Jérôme Cerisier is Chief Executive Officer.

The Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in all circumstances. He exercises these powers within the limits of the Company's objects and subject to those powers expressly conferred by law on shareholders' meetings and the Board of Directors.

He represents the Company in its dealings with third parties. The Company is bound even by actions of the Chief Executive Officer that do not fall within the Company's objects, unless it can prove that the third party knew that the action exceeded those objects or that the third party must have been aware of that fact, in view of the circumstances. The mere publication of the Articles of Association shall not, however, constitute sufficient proof.

The internal rules of the Board of Directors impose limits on the powers of the Chief Executive Officer. The decisions listed below require the prior authorisation of the Board of Directors in a vote passed by a two-thirds majority of its members who are present or represented:

- the approval or amendment of the Group's annual budget;
- the annual update or amendment of the Group's business plan;
- any commitment or investment in excess of two million five hundred thousand euros (€2,500,000) made by the Company or any of its subsidiaries, not included in the annual budget;
- any new loan or borrowing in any form whatsoever (including bonds, credit facilities and financial leases), and any guarantee or security, in each case by the Company or any of its subsidiaries, which is not provided for in the annual budget and (i) the unit amount of which exceeds ten million euros (€10,000,000) or (ii) which increases the Group's total indebtedness, guarantees and securities outstanding by more than ten million euros (€10,000,000);
- any decision resulting in the breach of a covenant, an event of default or the accelerated or early repayment of any existing indebtedness by the Company or any of its subsidiaries for an amount in excess of ten million euros (€10,000,000);
- the acquisition by the Company or any of its subsidiaries of an interest in a company or of any asset for more than twenty-five million euros (€25,000,000), or the disposal by the Company or any of its subsidiaries of an interest in a company or of any asset for more than ten million euros (€10,000,000), unless such transaction is carried out between members of the Group;
- any issue or allotment, or any buyback, including pursuant to a delegation of authority, of shares or marketable securities giving access to the share capital or voting rights of the Company or any of its subsidiaries (including the introduction of free share plans or share subscription and/or purchase option plans and allocations thereunder), as well as the introduction of any other employee profit-sharing or incentive scheme (going beyond the legal regime) at the Company and/or any of its subsidiaries and any amendment of these plans;
- any distribution of dividends, interim dividends, share premiums or reserves by the Company;
- any merger, demerger, reorganisation, dissolution, liquidation, partial contribution of assets, business lease, business sale or transfer of key assets of the Company or any subsidiary whose revenue represented, during the last financial year, more than 5% of the Company's consolidated annual revenue, unless such transaction is carried out between members of the Group;
- any significant transaction outside the strategy announced by the Group or the most recent business plan approved by the Board of Directors;
- any decision relating to (i) the appointment, remuneration or dismissal of an executive officer of the Company or any of its subsidiaries, (ii) the recruitment, dismissal or remuneration of a member of the Company's Executive Committee or (iii) the combination of the functions of Chairman of the Board of Directors and Chief Executive Officer (and vice versa);
- any transaction for an amount in excess of two million five hundred thousand euros (€2,500,000) aimed at ending a dispute involving the Company or any of its subsidiaries, or the initiation of any dispute where the economic stakes for the Group exceed two million five hundred thousand euros (€2,500,000);
- any decision that would call into question, or be incompatible with, HLD Europe's commitments under the commitment letter entered into with the French State on 10 June 2021 and any decision the implementation of which would require the agreement of the French State or a safety committee under that letter;
- the entry into, amendment or termination of any agreement governed by Article L. 225-38 of the French Commercial Code, including agreements entered into in the ordinary course of business and on arm's length terms;
- any amendment of the internal rules of the Company's Board of Directors, with the exception of any amendment relating to compliance with applicable regulations (it being specified that any amendment to the internal rules also requires the agreement of at least one independent director); and
- any undertaking or promise to carry out any of the actions referred to above.

3.3 Remuneration of corporate officers

3.3.1 Remuneration policy for corporate officers (*ex ante* vote)

The information set out below constitutes the remuneration and appointment policy for the Company's corporate officers. It describes the components of their fixed and variable remuneration and explains the decision-making process followed in the determination, review and implementation of the policy. Under the AFEP-MEDEF Code, to which the Company refers, the executive officers of a French *société anonyme* (public limited company) with a Board of Directors are the Chairman and Chief Executive Officer, the Chief Executive Officer, the Deputy Chief Executive Officer(s) and the Chairman of the Board of Directors, if that role is separate from the role of Chief Executive Officer.

The remuneration and appointment policy for corporate officers described below is drawn up by the Board of Directors, on the recommendation of the Appointments and Remuneration Committee. It defines the components of the fixed and variable remuneration of the Chairman of the Board of Directors and Chief Executive Officer, and the Company's directors.

Pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration and appointment policy set out below is conditional on it being approved at the general meeting.

3.3.1.1 Principles and decision-making process followed in the determination, review and implementation of the Group's remuneration policy

The Group's remuneration policy is reviewed each year. It is defined by Executive Management, based on a proposal made by the Group's Human Resources Department. The Board of Directors approves this policy, based on an opinion issued by the Remuneration and Appointments Committee.

The remuneration policy for executive officers is drawn up by the Board of Directors on the recommendation of the Appointments and Remuneration Committee. The members of the Appointments and Remuneration Committee include independent directors within the meaning of the AFEP-MEDEF Code and the Committee relies on benchmark studies carried out on companies of a similar size and in a similar sector. At the beginning of the year, the Appointments and Remuneration Committee reviews the fulfilment of the performance criteria for the past year, on which the payment of the variable remuneration is conditional. The Board of Directors and the Appointments and Remuneration Committee pay continuous attention to ensuring that the remuneration awarded to the corporate officers is in line with the recommendations of the AFEP-MEDEF Code.

3.3.1.2 Remuneration policy for the Chairman of the Board of Directors (ex ante vote)

Pursuant to the resolutions approved by the Board of Directors on 28 February 2025, the Chairman of the Board of Directors does not receive any remuneration for carrying out his duties.

3.3.1.3 Remuneration policy for the members of the Board of Directors other than the Chairman of the Board of Directors (ex ante vote)

At the Company's general meeting held on 31 May 2024, the shareholders resolved to set the total amount of the remuneration awarded to the Board of Directors at €500,000 for the 2024 and subsequent financial years, until a new resolution was passed by the shareholders at a general meeting.

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors has complete discretion over the way in which this amount allocated by the shareholders at the General Meeting is distributed between its members, predominantly taking account, in accordance with the recommendations of the AFEP-MEDEF Code, of directors' attendance rates at Board and Committee meetings. It may also award exceptional remuneration to some of its members for assignments or mandates entrusted to them. The Board of Directors reviews the appropriateness of the level of remuneration awarded to the directors based on their duties and responsibilities.

Directors will receive remuneration comprising a fixed component and a variable component, the amount of which will depend on their actual attendance of Board meetings and the scope of the Board's work.

Directors who are members of Board committees will also receive remuneration of this nature, comprising a fixed component and a variable component, based on their actual attendance of meetings of the committees of which they are members.

The Board of Directors has decided that only independent directors should receive remuneration for carrying out their duties as directors.

For independent directors, the proposed remuneration policy is as follows:

For each independent director:

- a fixed component of €20,000; and
- a variable component of €3,500 per Board meeting.

For the Chair of the Audit Committee:

- a fixed component of €5,000;
- a variable component of €2,500 per Committee meeting.

For the Chair of the CSR Committee and the Chair of the Appointments and Remuneration Committee:

- a fixed component of €3,500;
- a variable component of €2,500 per Committee meeting.

For the committees' other members:

- a fixed component of €2,500;
- a variable component of €2,500 per meeting of the relevant Committee.

It is specified that:

- since the directors representing HLD or appointed on the proposal of HLD are not independent, they do not receive any remuneration for acting as directors;
- the non-voting member does not receive any remuneration of this nature.

This remuneration policy for directors may be reviewed annually subject to being approved by the Company's General Meeting of Shareholders in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code.

The Board of Directors will also have the power to award additional remuneration for exceptional work.

The Board of Directors will determine the conditions under which this additional remuneration will be awarded.

The Board of Directors may also allocate remuneration to any non-voting members of the Board for services rendered to the Company.

Proposed resolution drawn up by the Board of Directors pursuant to Article L. 225-100 and L. 22-10-8 of the French Commercial Code submitted to the Combined General Meeting of Shareholders to be held on 23 May 2025

Approval of the remuneration policy for directors in respect of the 2025 financial year

The shareholders at the General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report on corporate governance, which includes the policy on the remuneration of directors drawn up pursuant to Article L. 22-10-8 of the French Commercial Code, approve the remuneration policy for the directors (including the Chairman of the Board of Directors) in respect of the 2025 financial year, as described in Section 3.3.1.3 of the Company's 2024 Universal Registration Document (incorporating the Board of Directors' report).

3.3.1.4 Remuneration policy for the Chief Executive Officer (ex ante vote)

The remuneration policy for the Chief Executive Officer, approved by the Board of Directors on 28 February 2025, on the recommendation of the Appointments and Remuneration Committee, is described below.

(a) Fixed remuneration

The Board of Directors, on the recommendation of the Appointments and Remuneration Committee, determines the annual fixed remuneration of the Chief Executive Officer based on a detailed review, carried out by an external firm, of the fixed and variable remuneration received by managers of comparable listed companies.

On that basis, the gross annual fixed component of the Chief Executive Officer's remuneration for 2025 was set by the Board of Directors at €450,000, the same amount paid in 2024.

(b) Variable remuneration

The Board of Directors, on the recommendation of the Appointments and Remuneration Committee, determines the annual variable remuneration of the Chief Executive Officer based on quantitative and qualitative criteria.

For the 2025 financial year, the Board of Directors, at its meeting held on 28 February 2025, set the annual variable component at an amount equal to 70% of the annual fixed remuneration, i.e. €315,000, if 100% of his targets are met, and at a maximum amount equal to 100% of the annual fixed remuneration, i.e. €450,000, in the event that the targets are exceeded.

70% of the variable component of remuneration is calculated by reference to quantitative criteria, with the remaining 30% calculated based on qualitative criteria.

Pursuant to Article L. 22-10-34 of the French Commercial Code, the payment of this variable remuneration is conditional on it being approved by the shareholders at the ordinary general meeting called in 2026 to vote on the financial statements for the financial year ending 31 December 2025.

- Quantitative criteria:

These are based on indicators that the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, has considered to be the most relevant in assessing, in particular, the Group's financial performance. For 2025, 70% of the variable remuneration is based on quantitative criteria.

- Qualitative criteria:

They correspond to 30% of variable remuneration and are based on indicators that the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, has considered to be the most relevant in assessing the Group's social and environmental performance, and on strategic projects. For 2025, the qualitative criteria are linked, as to 15%, to CSR and HR projects, with the other 15% linked to commercial projects, M&A transactions, PMI projects and operational projects).

Ex ante variable remuneration for the corporate officer (2025)	% of the total target variable component
QUANTITATIVE COMPONENT (70%)	
1. **Financial**: growth in EBITDA 2. **Financial**: achievement of EBITDA target per quarter	35%
3. Achievement of target EBITDA on acquisitions currently being carried out 4. FCF of Transactions	35%
QUALITATIVE COMPONENT (30%)	
1. CSR and RH: increase employee engagement in line with the eNPS methodology: up 4 points from 2024 (target: 10) // Receive a Gold medal from EcoVadis // Evaluate 90% of suppliers and customers within the scope of the applicable Group procedure, and 100% of the Group's agents and distributors	15%
2. Individual projects: Operational target for specific markets // Technical and commercial target (new products) // Effectiveness of the integration process in terms of maximising synergies and the growth of the Group's technologies .	15%
TARGET VARIABLE REMUNERATION: €315,000	100%

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(c) Award of performance shares

Acting pursuant to the authorisation conferred by the 24th resolution of the Company's shareholders at the Extraordinary General Meeting held on 31 May 2024, the Board of Directors resolved, at its meeting held on 28 February 2025, on the recommendation of the Appointments and Remuneration Committee, to introduce a performance share plan spread over 2025 and 2026 (the "2025-2026 Plan").

Under the 2025-2026 Plan, a total of 234,500 shares (i.e. approximately 0.46% of the Company's share capital) were awarded to the officers and employees of the Company and its subsidiaries, 39,000 of which (i.e. 16.6% of the total number of shares awarded) were awarded to the Company's Chief Executive Officer.

The shares awarded under the 2025-2026 Plan are subject, for all beneficiaries, to a two-year vesting period and a one-year lock-up period under which the Chief Executive Officer, the members of the Executive Committee and the other beneficiaries are required to hold 30%, 15% and 10%, respectively, of the shares they are awarded until they cease working for the Company.

The definitive award, at the end of the vesting period, of all the free shares awarded to all the beneficiaries under the 2025-2026 Plan, shall be conditional on the fulfilment of the performance criteria measured over the two years preceding the definitive award (half of which relate to each year in question) linked (i) as to 50%, to a target based on growth in the Company's revenue, (ii) as to 25%, to adjusted EBITDA growth in absolute terms and (iii) as to 25%, to CSR criteria (percentage of female executives, reduction of the carbon footprint and employee engagement).

(d) Benefits in kind

In 2025, the Chief Executive Officer will receive a company car and health and personal protection insurance.

(f) Severance and non-compete payments.

In the event that he is removed from office, Jérôme Cerisier will also receive gross compensation equal to 18 months' fixed and variable remuneration for the last 12 months prior to the effective termination of his term of office. This compensation is payable in the event that he is removed from his position as Chief Executive Officer, except if he is dismissed for gross misconduct and provided that the variable remuneration payable to Jérôme Cerisier in respect of the two most recent completed financial years is, on average, equal to 60% or more of the target amount.

Jérôme Cerisier would also be subject to a non-compete undertaking for a period of 12 months from the termination of his duties and would receive in this respect (if the Company does not waive the application of this undertaking on the termination of his duties) fixed monthly compensation equal to 1/12th of 70% of the sum of his fixed remuneration for the last 12 months prior to the effective termination of his term of office. This compensation is not payable in the event that he retires before the legal retirement age.

In the event that both the severance payment and the non-compete payment described above apply, the aggregate amount of these two compensation payments may not exceed an amount equal to the total fixed and variable remuneration received by Jérôme Cerisier over the two years preceding the effective termination of his term of office.

SUMMARY TABLE OF THE FIXED AND VARIABLE COMPONENTS OF THE REMUNERATION OF THE CHIEF EXECUTIVE OFFICER FOR 2025

Components of remuneration	Principle	Calculation criteria
Fixed remuneration	The Chief Executive Officer receives a fixed salary in twelve monthly instalments.	For the 2025 financial year, the gross annual amount is set at €450,000.
Annual variable remuneration	The Chief Executive Officer receives variable remuneration based on quantitative and qualitative criteria. Pursuant to Article L. 225-37-2 of the French Commercial Code, the payment of the variable remuneration is conditional on the shareholders at an ordinary general meeting approving the components of the Chief Executive Officer's remuneration under the conditions set out in Article L.225-100 of the French Commercial Code.	The annual variable component of the Chief Executive Officer's remuneration is set at an amount equal to 70% of the annual fixed remuneration, i.e. €315,000, if 100% of his targets are met, and at a maximum amount equal to 100% of the annual fixed remuneration, i.e. €450,000, in the event that the targets are exceeded. 70% of the variable component of remuneration is calculated by reference to quantitative criteria, with the remaining 30% calculated based on qualitative criteria.
Long-term remuneration (performance shares)	39,000	Revenue-based performance criteria (50%), EBITDA (25%) and CSR (25%)
Long-term remuneration (options to subscribe for or purchase shares)	N/A	N/A

Proposed resolution drawn up by the Board of Directors pursuant to Article L. 225-100 and L. 22-10-8 of the French Commercial Code submitted to the Combined General Meeting of Shareholders to be held on 23 May 2025

Approval of the remuneration policy for Jérôme Cerisier, Chief Executive Officer, in respect of the 2025 financial year

The shareholders at the General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report on corporate governance, which includes the policy on the remuneration of executive officers drawn up pursuant to Article L. 22-10-8 of the French Commercial Code, approve the remuneration policy for Jérôme Cerisier, Chief Executive Officer, in respect of the 2025 financial year, as described in Section 3.3.1.4 of the Company's 2024 Universal Registration Document (incorporating the Board of Directors' report).

3.3.2 Remuneration of corporate officers in the financial year ended on 31 December 2024 (*ex post* vote)

The shareholders at the annual general meeting vote on a proposed resolution relating to the information, referred to in section I of Article L. 22-10-9 of the French Commercial Code, required to be included in the report on corporate governance and including the components of remuneration paid to the corporate officers for carrying out their duties during the past financial year or awarded to the corporate officers for carrying out their duties in respect of that same financial year, i.e. the financial year ended on 31 December 2024.

The shareholders at the general meeting vote on the fixed, variable and exceptional components of total remuneration and any benefits in kind paid during the past financial year or awarded in respect of that financial year, in a separate resolution for each officer.

The components of the Chairman of the Company's Board of Directors' remuneration are set out in paragraph [3.3.2.2].

The components of the Company's Chief Executive Officer's remuneration are set out in paragraph [3.3.2.3].

Accordingly, the shareholders at the combined general meeting to be held on 23 May 2025 will be asked to vote, in separate resolutions, on the information referred to in section I of Article L. 22-10-9 of the French Commercial Code, containing the figures set out in paragraphs [3.3.2.1] and [3.3.2.3] below on the components of remuneration paid or awarded in respect of the financial year ended on 31 December 2024.

3.3.2.1 Directors

The remuneration paid to the directors is in line with the remuneration policy adopted, and the different areas of expertise of each director contribute to the Company's long-term performance.

In terms of the diversity policy applicable to the members of the Board of Directors, other than gender equality, the requirements relating to the number of independent directors and the diversity of nationalities have been met since the Company's initial public offering.

The table below shows the remuneration received by non-executive members of the Board of Directors between the date of the Company's initial public offering and 31 December 2024:

NON-EXECUTIVE CORPORATE OFFICERS

	Corporate officers who were paid for carrying out their role in the 2024 financial year			
Non-executive corporate officers	Total remuneration budget allocated	Fixed remuneration payable[1]	Variable remuneration payable	Total remuneration payable[1]
Wendy Kool-Foulon		€14,100.00	€28,500.00	€42,600.00
Michel Mariton		€15,200.00	€46,500.00	€61,700.00
Brigitte Geny		€14,900.00	€37,000.00	€51,900.00
TOTAL	**€500,000.00**	**€44,200.00**	**€112,000.00**	**€156,200.00**

(1) Gross remuneration.

The non-independent directors did not receive any remuneration for carrying out their duties as directors.

3.3.2.2 Components of the remuneration of Jean-Hubert Vial, Chairman of the Board of Directors

The Board of Directors resolved that the Chairman of the Board of Directors would not receive any remuneration for carrying out his duties.

3.3.2.3 Components of the remuneration of Jérôme Cerisier, Chief Executive Officer in respect of the financial year ended on 31 December 2024 [1]

(a) Fixed remuneration

The Chief Executive Officer received fixed remuneration of €459,666 in the financial year ended on 31 December 2024.

(b) Annual variable remuneration

At its meeting held on 26 March 2025, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee made at its meeting held on 12 March 2025, after reviewing the Company's results and the individual results of the Chief Executive Officer for the financial year ended on 31 December 2024, confirmed the quantitative component of the variable remuneration payable to the Chief Executive Officer in respect of the financial year ended on 31 December 2024 at 70% of the target, and the component linked to qualitative targets at 30% of the target. In overall terms, the target achievement rate was confirmed to be 99.7%, giving total variable remuneration of €289,300 in respect of 2024.

Ex post variable remuneration for the corporate officer (2024)	% of the total target variable component	Actual achievement
QUANTITATIVE COMPONENT (70%)		
1. Financial: growth in EBITDA	17 %	132 %
2. Financial: achievement of EBITDA target per quarter	18 %	132 %
3. Achievement of target EBITDA on acquisitions currently being carried out	17 %	90 %
4. FCF of Transactions	18 %	90 %
QUALITATIVE COMPONENT (30%)		
1. CSR objectives: increasing employee engagement: action plan for each site in line with the internal survey	3 %	100 %
2. CSR objectives: introducing an action plan on reducing the sites' carbon footprints	3 %	100 %
3. CSR objectives: training the relevant employees on anti-corruption issues	4 %	100 %
4. Individual projects Individual projects - operational Individual projects - technical-commercial Individual projects - new acquisitions	20 %	By reference to the progress made on each project
TOTAL BONUS EXPRESSED AS A %	**100%**	**Result after weighting: 99.7%**
Target variable remuneration	€290,208	255,500 (target set for January-May 2024) then 70% of the fixed salary (€450,000) in June-December 2024
Actual variable remuneration	€289,300	

The payment of the variable remuneration shall be conditional on the components of the Chief Executive Officer's remuneration being approved by the Company's shareholders at the general meeting to be held on 23 May 2025, under the conditions set out in Articles L. 225-100 and L. 22-10-9 of the French Commercial Code.

(c) Exceptional remuneration

None.

(d) Remuneration for acting as director

None.

(e) Award of performance shares

None.

(f) Severance and non-compete payments.

In the event that he is removed from office, Jérôme Cerisier will receive gross compensation equal to 18 months' fixed and variable remuneration for the last 12 months prior to the effective termination of his term of office. This compensation is payable in the event that he is removed from his position as Chief Executive Officer, except if he is dismissed for gross misconduct and provided that the variable remuneration payable to Jérôme Cerisier in respect of the two most recent completed financial years is, on average, equal to 60% or more of the target amount.

Jérôme Cerisier would also be subject to a non-compete undertaking for a period of 12 months from the termination of his duties and would receive in this respect (if the Company does not waive the application of this undertaking on the termination of his duties) fixed monthly compensation equal to 1/12th of 70% of the sum of his fixed remuneration for the last 12 months prior to the effective termination of his term of office. This compensation is not payable in the event that he retires before the legal retirement age.

In the event that both the severance payment and the non-compete payment described above apply, the aggregate amount of these two compensation payments may not exceed an amount equal to the total fixed and variable remuneration received by Jérôme Cerisier over the two years preceding the effective termination of his term of office.

(g) Profit-sharing and matching contributions

Jérôme Cerisier received a profit share of €15,516 in the 2024 financial year.

(h) Benefits in kind

In the 2024 financial year, the Chief Executive Officer received a company car.

[1] The amounts paid to Mr Cerisier in the financial year ended on 31 December 2023 and in the 2024 financial year up to the Company's initial public offering on 11 June 2024 comprise the remuneration paid under Mr Cerisier's employment contract with the Company (which was terminated on the completion of the Company's initial public offering) and the corporate mandate contract with Kanji Management, Chairman of the Company until its initial public offering, of which Jérôme Cerisier was Chairman.

(i) Summary table of the fixed, variable and exceptional components of total remuneration and benefits in kind awarded in respect of the 2024 financial year to the Chief Executive Officer

Components of remuneration	Principle
Fixed remuneration	€459,666
Variable remuneration	€289,300
Exceptional remuneration	None
Remuneration for acting as director	None
Free shares	None
Pension scheme	General mandatory scheme
Severance payments	Gross compensation in the event that he is removed from office equal to 18 months' fixed and variable remuneration for the last 12 months prior to the effective termination of his term of office. This compensation is payable in the event that he is removed from his position as Chief Executive Officer, except if he is dismissed for gross misconduct and provided that the variable remuneration payable to Jérôme Cerisier in respect of the two most recent completed financial years is, on average, equal to 60% or more of the target amount.
Non-compete compensation	Non-compete undertaking for a period of 12 months from the termination of his duties and he would receive in this respect (if the Company does not waive the application of this undertaking on the termination of his duties) fixed monthly compensation equal to 1/12th of 70% of the sum of his fixed remuneration for the last twelve months prior to the effective termination of his term of office. This compensation is not payable in the event that he retires before the legal retirement age.
Profit-sharing	€15,516 gross
Benefits in kind	Company car

Proposed resolution drawn up by the Board of Directors pursuant to Article L. 225-100 and L. 22-10-8 of the French Commercial Code submitted to the Combined General Meeting of Shareholders to be held on 23 May 2025

Approval of the fixed, variable and exceptional components of total remuneration and benefits in kind paid in the financial year ended on 31 December 2024 or awarded in respect of that same financial year to Jérôme Cerisier, the Company's Chief Executive Officer

The shareholders at the General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings and pursuant to Article L. 22-10-34 of the French Commercial Code, having reviewed the Board of Directors' report on corporate governance, which covers the items referred to in Article L. 22-10-9 of the French Commercial Code, approve the fixed, variable and exceptional components of the total remuneration and benefits in kind paid in the financial year ended on 31 December 2024, or awarded in respect of that financial year, to Jérôme Cerisier, Chief Executive Officer, as described in Section 3.3.2.3 of the Company's 2024 Universal Registration Document (incorporating the Board of Directors' report).

3.3.3 Remuneration of corporate officers

Tables using the AMF nomenclature

The tables below detail the remuneration and benefits in kind paid to Jérôme Cerisier by the Company and by any Group company during the financial years ended 31 December 2023 and 2024[(1)]:

TABLE 1 (AMF NOMENCLATURE): SUMMARY TABLE OF REMUNERATION, OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE OFFICER

(amounts paid in euros)	2023 financial year	**2024 financial year**
Jérôme Cerisier, *Chief Executive Officer of the Company*		
Remuneration payable in respect of the financial year *(detailed in Table 2)*	633,200	750,662
Valuation of multi-year variable remuneration awarded during the financial year	N/A	N/A
Valuation of options awarded during the financial year *(detailed in Table 4)*	N/A	N/A
Valuation of free shares *(detailed in Table 6)*	None	None
TOTAL	**633,200**	**750,662**

TABLE 2 (AMF NOMENCLATURE): SUMMARY TABLE OF THE REMUNERATION OF EACH EXECUTIVE OFFICER

	2023 financial year		**2024 financial year**	
(amounts paid in euros)	Amounts payable	Amounts paid	**Amounts payable**	**Amounts paid**
Jérôme Cerisier, *Chief Executive Officer of the Company*				
Fixed remuneration	400,200	400,200	459,666	459,666
Annual variable remuneration[(1)]	219,000	285,207[(3)]	290,208	289,300[(4)]
Multi-year variable remuneration	None		None	
Exceptional remuneration	None		None	
Benefits in kind[(2)]	2,455	1,651	2,455	1 696
TOTAL	**633,200**	**687,058**	**752,329**	**750,662**

(1) The annual variable remuneration is subject to performance conditions linked to growth in revenue, adjusted EBITDA and the Group's cash flows.

(2) The benefits in kind comprise a company car.

(3) The amount of the variable remuneration paid in the 2023 financial year includes the balance of the variable remuneration of €109,457 payable in respect of the 2022 financial year.

(4) The amount of the variable remuneration payable in respect of the 2024 financial year will be paid once the resolution is approved at the Combined General Meeting of Shareholders to be held on 23 May 2025

TABLE 10 (AMF NOMENCLATURE): SUMMARY TABLE OF THE MULTI-YEAR VARIABLE REMUNERATION OF EACH EXECUTIVE OFFICER

Name and position of executive officer	2023 financial year	**2024 financial year**
Jérôme Cerisier, *Chief Executive Officer of the Company*	Not applicable	Not applicable

TABLE 11 (AMF NOMENCLATURE)

The following table provides details of the remuneration and other benefits granted to executive officers:

	Employment contract		Supplementary pension scheme		Compensation or benefits payable or that may be payable as a result of the termination or change of position		Compensation under a non-compete clause	
Executive officers	Yes	No	Yes	No	Yes	No	Yes	No
Jérôme Cerisier, *Chief Executive Officer of the Company*	X		X		X		X	

(1) The conditions governing the payment of compensation in the event of the departure of Mr Jérôme Cerisier and the compensation due in respect of his non-compete undertaking are described in Section 3.3.3 of this Universal Registration Document.

(1) The amounts paid to Mr Cerisier in the financial year ended on 31 December 2023 and in the 2024 financial year up to the Company's initial public offering on 11 June 2024 comprise the remuneration paid under Mr Cerisier's employment contract with the Company (which was terminated on the completion of the Company's initial public offering) and the corporate mandate contract with Kanji Management, Chairman of the Company until its initial public offering, of which Jérôme Cerisier was Chairman.

3.3.4 Award of options to subscribe for or purchase shares

Award of options to subscribe for shares

TABLE 4 (AMF NOMENCLATURE): OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES AWARDED DURING THE 2024 FINANCIAL YEAR TO EACH EXECUTIVE OFFICER BY THE COMPANY OR ANY GROUP COMPANY

Name of executive officer	Plan no. and date	Type of options (purchase or subscription)	Valuation of options in accordance with the method used for the consolidated financial statements	Number of options awarded during the financial year	Exercise price	Exercise period
Jérôme Cerisier, *Chief Executive Officer of the Company*	None	None	None	None	None	None

TABLE 5 (AMF NOMENCLATURE): OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES EXERCISED IN THE 2024 FINANCIAL YEAR BY EACH EXECUTIVE OFFICER

Name of executive officer	Plan no. and date	Number of options exercised during the year	Exercise price
Jérôme Cerisier, *Chief Executive Officer of the Company*	Not applicable	Not applicable	Not applicable

TABLE 8 (AMF NOMENCLATURE): HISTORY OF AWARDS OF OPTIONS TO SUBSCRIBE FOR SHARES

	Information on options to subscribe for or purchase shares			
	Plan No. 1	Plan No. 2	Plan No. 3	Plan No. 4
Date of General Meeting				
Date of Board of Directors meeting				
Total number of shares that may be subscribed for or purchased, including the number that may be subscribed for or purchased by Jérôme Cerisier, the Company's Chief Executive Officer				
Start date for exercising options				
Expiry date	None			
Subscription or purchase price				
Procedure for exercising the options (where the plan comprises multiple tranches)				
Number of shares subscribed for at the date of this registration document				
Cumulative number of options to subscribe for or purchase shares that have been cancelled or that have lapsed				
Options to subscribe for or purchase shares remaining at year-end				

TABLE 9 (AMF NOMENCLATURE): OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES GRANTED TO THE TOP TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND OPTIONS EXERCISED BY THEM

Options to subscribe for or purchase shares granted to the top ten employees who are not corporate officers and options exercised by them	Total number of options awarded/shares subscribed for or purchased	Weighted average price	Plan No. 1	Plan No. 2
Options granted during the financial year by the issuer and any company authorised to grant options to the ten employees of the issuer and of any company authorised to grant options in receipt of the highest number of options (aggregate information)	None			
Options held over the shares of the issuer and the companies referred to above, exercised during the financial year by the ten employees of the issuer and of such companies with the highest number of options purchased or subscribed for (aggregate information)				

Award of performance shares

TABLE 6 (AMF NOMENCLATURE): FREE SHARES AWARDED TO EACH OFFICER

Free shares awarded by the general meeting of shareholders during the financial year to each officer by the issuer and by any Group company (list of names)	Plan no. and date	Number of shares awarded during the financial year	Valuation of shares under the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Jérôme Cerisier	not applicable					

TABLE 7 (AMF NOMENCLATURE): FREE SHARES AWARDED AND AVAILABLE TO EACH OFFICER

Free shares awarded and available to each officer	Plan no. and date	Number of shares that became available during the financial year
N/A	N/A	N/A

TABLE 10 (AMF NOMENCLATURE): HISTORY OF FREE SHARE AWARDS[1]

Information on free shares	
Free share plan	2025-2026 Plan
Date of general meeting (date of corporate authorisation)	31 May 2024
Date of award decision	28 February 2025
Total number of free shares awarded	234,500
including the number awarded to Jérôme Cerisier	39,000
Date of acquisition of the shares	2 years
End date of lock-up period	1 year
Number of shares subscribed for	N/A
Cumulative number of shares cancelled or lapsed	N/A
Free shares awarded remaining at year-end	N/A

(1) Post-IPO information.

3.3.5 Ratio between the remuneration of the Chief Executive Officer and the mean and median remuneration of the Group's employees

Ratio between remuneration multiples and annual change in remuneration

Under Article L. 22-10-9 of the French Commercial Code, introduced by the ordinance on the remuneration on corporate officers, companies whose shares are admitted to trading on a regulated market are required to include the following information in their report on corporate governance:

- the ratio between the remuneration of the company's executive officers; and
- firstly, the mean remuneration on a full-time equivalent basis of the Company's non-officer employees;
- secondly, the median remuneration on a full-time equivalent basis of the Company's non-officer employees;
- the Chairman of the Board of Directors does not receive any remuneration for carrying out his duties.

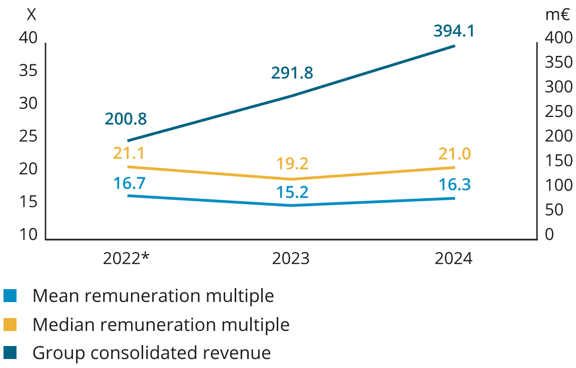
In particular for EXOSENS:

The ratios below have been calculated based on the fixed and variable remuneration paid in the 2022, 2023 and 2024 financial years, respectively. The Company was established in 2021 and produced annual financial statements for the first time for the financial year ended on 31 December 2022. Benefits in kind and exceptional bonuses (including the value-sharing bonus (PPV)), and payments under profit-sharing and incentive schemes have been excluded from the calculation base. For employees, the remuneration used for the purposes of the calculation is the full-time equivalent (FTE) remuneration. To ensure that the appropriate methodology is applied, the employees of EXOSENS and Photonis France have been included in the calculation of the fairness ratios. These entities are located in France and account for 97% of the national headcount (and more than 40% of the Group's global headcount) at the end of 2024.

For the Chief Executive Officer, the remuneration taken into account for 2022 and 2023 is the remuneration described in the registration document approved on 22 May 2024 by the French Financial Markets Authority (Autorité des Marchés Financiers), and for 2024 is the fixed remuneration received between January and December 2024 and the variable remuneration that will be paid in 2025 in respect of 2024.

Change in and comparability of the remuneration of the Chief Executive Officer against the Company's trajectory and mean and median remuneration of employees

The change in the ratios reveals a stable trend, with a gradual increase in the remuneration of employees in France thanks to the processes in place for revising the salary policy. It should be noted that the salary policy for the aforementioned entities is structured to reflect the new agreements applicable to the Metallurgy branch (the relevant collective bargaining agreement (National Collective Bargaining Agreement for the Metal Industry) and the negotiations with the trade union representatives. Salaries at Photonis France (96% of the aforementioned employees) are increased as part of mandatory annual negotiations with trade unions and reflect the level of inflation, performance and willingness to attract and retain talent and technical experts and to improve well-being in the workplace. The outcomes of the negotiations, which include benefits, are also applied to the employees of EXOSENS SA (fewer than 30 employees) whose collective bargaining agreements are negotiated directly with the Social and Economic Committee.



*12-month period from 1 January to 31 December 2022.

Remuneration in euros		2022 at 31/12		2023 at 31/12		**2024**
Fixed remuneration for corporate officers	€	400,200.00	€	400,200.00	€	459,666.00
Variable remuneration for corporate officers	€	306,145.00	€	285,207.00	€	289,300.00
TOTAL FOR CORPORATE OFFICERS	**€**	**706,345.00**	**€**	**685,407.00**	**€**	**748,966.00**
Mean remuneration at EXOSENS and Photonis France (fixed+bonuses+variable)	€	42,413.31	€	45,242.00	€	46,808.04
Median remuneration at EXOSENS and Photonis France (fixed+bonuses+variable)	€	35,555.14	€	35,703.00	€	36,424.78
fairness ratio based on the mean		16.65		15.15		16
fairness ratio based on the median		21.05		19.2		20.56

The fairness ratios reveal a constant improvement in the mean and median remuneration of employees and are, in overall terms, appropriate when viewed against the benchmark for comparable industrial businesses.

Proposed resolution drawn up by the Board of Directors pursuant to Article L. 225-100 II. of the French Commercial Code submitted to the Combined General Meeting of Shareholders to be held on 23 May 2025

Approval of the information referred to in Article L. 22-10-9, I of the French Commercial Code, pursuant to Article L. 22-10-34, I of the French Commercial Code.

The shareholders at the General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having reviewed the Board of Directors' report on corporate governance (incorporated in the Company's 2024 Universal Registration Document), which covers the information referred to in Article L. 22-10-9 I of the French Commercial Code, approve the information described in Section 3.3.5 of the Company's 2024 Universal Registration Document.

3.3.6 Amounts provisioned or otherwise recognised

The Company has made no provision for the payment of pensions, retirement or similar benefits to its executive officer.

3.3.7 Diversity policy and gender balance

The Company values diversity, fairness and inclusion. Its human resources policy focuses in particular on eliminating discrimination and all forms of abuse in the workplace.

The Company is committed to maintaining a harmonious and inclusive workplace guided by the implementation of policies and practices that uphold the ideals of equal opportunity, fairness and inclusion.

These values are the key to a dynamic, innovative and successful workforce. The Company is a member of the United Nations Global Compact and is committed to promoting principles related to human rights, environmental protection, international labour standards and the fight against corruption.

3.4 Related-party agreements and commitments and transactions with connected parties

3.4.1 Procedure for identifying related-party agreements

Under Article L. 22-10-10 6° of the French Commercial Code, this section describes the procedure applied by the Company in order to regularly assess whether agreements entered into in the ordinary course of business and on arm's length terms meet these conditions. This procedure is documented in an internal charter that was approved by the Board of Directors on 25 April 2025 pursuant to Article L. 22-10-12 of the French Commercial Code, available on the Company's website (www.exosens.com).

The Group has extended the scope of its assessment to all agreements entered into by related parties, whether they are freely negotiable or are regulated. The parties related to the Group comprise the Company's shareholders, the companies that control the Group and the principal members of the Group's management and supervisory bodies.

The Group has introduced a procedure aimed at categorising agreements as being "freely negotiable", regularly making internal assessments on whether these freely negotiated agreements continue to meet these conditions, reiterating the regulatory framework governing related-party agreements and clarifying the method used to categorise such agreements.

The procedure for categorising and assessing agreements is based on the relevant person notifying the Legal Department and the Chairman of the Board of Directors before the agreements are entered into and are categorised. The Legal Department, with any necessary support from the Finance Department and/or the Internal Audit Department, is responsible for reviewing each agreement and suggesting how it should be categorised. These conclusions are presented as soon as practicable to the Chairman of the Board of Directors who, in light of such conclusions, decides to send any draft agreements identified as being related-party agreements to the Board of Directors so that the procedure may be followed. These conclusions and these draft agreements are also presented to the Audit Committee, which is required to issue an opinion on the implementation of the procedure and the results thereof, and provide any comments thereon. Any persons with a direct or indirect interest in any of these agreements must not participate in this assessment.

The Board of Directors, based on the information provided to it, relying on the annual re-assessment carried out by the Legal Department with any necessary support from the Finance Department and/or the Internal Audit Department, and based on the recommendations of the Audit Committee, annually reviews related-party agreements that were previously authorised and entered into, and that remain in effect, to determine whether these agreements still meet the criteria that resulted in them being categorised as related-party agreements, and reviews the grounds on which agreements that were entered into in previous financial years but that remain in effect were authorised, in order to ensure that these grounds continue to apply. All new related-party agreements must be submitted to the shareholders for their approval at the ordinary general meeting called to approve the financial statements for the financial year in which the agreement was entered into.

3.4.2 Related-party agreements and agreements entered into by (i) a corporate officer or shareholder and (ii) a controlled company within the meaning of Article L. 233-3 of the French Commercial Code

(i) Agreements approved in previous years and that remained in effect during the past financial year

By way of reminder, pursuant to Article R. 225-30 of the French Commercial Code, the agreements listed below and authorised by the Company's Board of Directors in previous financial years remained in effect in the financial year ended on 31 December 2024.

None. No agreements or commitments were approved in previous years and remained in effect during the past financial year.

(ii) Agreements approved during the financial year

On 6 June 2024, the Board of Directors authorised the Company to enter into an Underwriting Agreement with HLD Europe, Invest Prince Henri, Invest Gamma, BNP Paribas and the members of the underwriting syndicate associated with the Company's initial public offering.

This related-party agreement was entered into on 7 June 2024 and will be submitted for approval at the Annual General Meeting of Shareholders to be held on 23 May 2025. The principal terms of the agreement are described in the Statutory Auditors' special report on related-party agreements.

Agreement entered into by (i) a corporate officer or shareholder and (ii) a controlled company within the meaning of Article L. 233-3 of the French Commercial Code

Pursuant to Article L. 225-37-4, 2° of the French Commercial Code, this report states that the Underwriting Agreement between the Company, HLD Europe, Invest Prince Henri, Invest Gamma, BNP Paribas and the members of the underwriting syndicate associated with the Company's initial public offering was entered into by (i) a corporate officer or a shareholder holding a percentage of voting rights that exceeds 10% of the Company's share capital and (ii) another company controlled by the first company within the meaning of Article L. 233-3 of the French Commercial Code.

3.4.3 Statutory Auditors' special report on related-party agreements

(Annual General Meeting for the approval of the financial statements for the year ended 31 December 2024)

This is a free translation into English of the Statutory Auditors' special report on related party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,
EXOSENS
18 avenue Pythagore
33700 Mérignac

In our capacity as Statutory Auditors of your Company, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements to be submitted for the approval of the annual general meeting

Agreements authorized and entered into during the year

In accordance with article L. 225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorized in advance by the Board of Directors.

Between EXOSENS, HLD Europe, Invest Prince Henri, Invest Gamma, BNP Paribas and the IPO syndicate members

Nature and purpose: Underwriting agreement

Conditions:

Under the terms of the underwriting agreement with a group of financial institutions comprising the Global Coordinators, Joint Lead Managers and Bookrunners, EXOSENS will pay a base fee in consideration for the underwriting of all the shares offered under the private placement equal to 1.75% of the gross proceeds of the new share issues to which a discretionary commission of 1.25% may be added, at the Company's discretion.

Recognized expenses amounted to €5.4 million in this respect for the year ended 31 December 2024.

Reasons given as to why the agreement is beneficial for the Company:

The conclusion of the underwriting agreement is in line with market practice in the context of the IPO and the distribution of the Company's shares via a private placement, and in the Company's interest, as the underwriting agreement provides the Company with a guarantee of the successful completion of the IPO.

Agreements already approved by the annual general meeting

We were not informed of any agreement already approved by the Annual General Meeting which remained in force during the year.

Toulouse and Nantes, 28 April 2025

PricewaterhouseCoopers Audit
Bertrand Cuq, Partner
Anne Parenty, Partner

Baker Tilly Strego
Jean-Marc Binson, Partner
François Pignon-Hériard, Partner

Risk factors and risk management system

4.1 Presentation of risk factors

As at the date of this Universal Registration Document, the risks presented in this Chapter 4 are those which the Company believes could have a material adverse effect on the Group, its business, financial condition, results or prospects, and which are important when making an investment decision. Investors should note, however, that the list of risks presented below is not exhaustive and that other risks, which are unknown or which, at the date of this Universal Registration Document, are not considered likely to have a material adverse effect on the Group, its business, financial condition, results or prospects, may exist or arise.

Pursuant to Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the main risks presented in this Chapter are those that may, at the date of this Universal Registration Document, affect the Group's business, financial condition, reputation, results or prospects; those identified in the Group's major risk mapping process, which assesses their criticality, i.e., their severity and likelihood of occurrence, after taking into account the preventive and risk management measures put in place by the Group in place.

Risk category	Description of risk	Criticality level
Risks related to the Group's business sector	Risks related to changes in the economic and geopolitical situation	Medium
	Risks related to sales and export restrictions and control of goods	Medium
	Risks of dependence on public orders	Medium
	Risks related to technological developments and innovation	Low
	Risks related to the competitive environment	Low
Risks related to the Group's activities	Risks related to industrial espionage and data leakage	High
	Risks related to cybercrime and to a possible failure of the Group's IT systems	High
	Risks related to customer relations	Medium
	Risks related to supply chain	Medium
	Risks related to the Group's reputation	Medium
	Risks related to the implementation of the Group's strategy, in particular acquisitions and their integration	Medium
	Risks related to distribution	Medium
	Risks related to the cost and supply of raw materials and components	Medium
	Risks related to the operation of industrial sites	Medium
	Risks related to corporate social responsibility (CSR) issues	Medium
Risks related to the Company	Risks related to the recruitment and retention of experienced employees and management teams	High
Financial risks	Risks related to exchange rates	Medium
	Risks related to interest rates	Medium
	Risks related to goodwill	Medium
	Risks related to the Group's indebtedness and restrictive clauses in financing agreements	Low
	Liquidity risk	Low
	Credit risk	Low
Legal and regulatory risks	Risks related to regulations and regulatory changes	Medium
	Risks related to ethics and corruption	Medium
	Risks related to the control of foreign investments	Medium
	Risks related to ongoing litigation and investigations	Medium
	Risks related to intellectual property rights	Medium
	Risks related to taxation and changes in the tax system	Medium

High / *Medium* / *Low*

4.1.1 Risks related to the Group's business sector

Risks related to changes in the economic and geopolitical situation

Description of risk

The Group operates in two business sectors: (i) Amplification, which accounted for 71.1 % of the Group's revenue for the year ended 31 December 2024, the majority of which is derived from the sale of components and modules for integration into instruments and systems equipping end-users in the defense sector (principally armed forces and homeland security services); and (ii) Detection & Imaging, which accounted for 29.8 % of the Group's revenue for the year ended 31 December 2024, the significant majority of which is derived from the sale of components and modules for integration into instruments and systems for end-users in commercial markets such as nuclear power generation, research laboratories, oil and gas, the food industry, life sciences, semiconductors, electronics and recycling.

The Group's activities may be affected by changes in the global economic situation and macroeconomic trends, both in terms of the production costs borne by the Group (including procurement and increases in the cost of raw materials and energy) and in terms of the markets for its products, insofar as these changes affect government budgets and the budgets of end customers more generally. These macroeconomic conditions may be affected by a variety of factors, including political, monetary, financial, health and social factors.

The Group's Amplification activities are mainly linked to the defense sector. As such, they are particularly dependent on the level of defense spending by governments and public authorities and, consequently, on their financial stability and budgetary constraints, which may be impacted by unfavourable political or macroeconomic developments leading to cuts or stagnation in their allotted budgets (see paragraph on "Risks of dependence on public orders" in this section). The Group's Detection & Imaging activities are for the most part linked to the commercial sector (as opposed to the defense sector) and are thus exposed to general macroeconomic fluctuations that affect capital expenditure in the various industrial sectors on which the Group depends.

The Group's activities have been affected by a number of exceptional events since 2020. The COVID-19 pandemic affected its supply chain, resulting in periodic disruptions to the supply of certain electronic components (notably semiconductors) as well as to supplies of raw materials and other specific components and derivatives that are critical to the Group, such as glass, certain exotic metals (gallium, for example) and optical materials. This crisis in the supply of components and raw materials continued in 2022 and 2023, and was compounded by an energy crisis linked to the war between Russia and Ukraine, which led to an increase in the cost of energy and, given the inflationary environment, certain other production costs for the Group (see paragraph on "Risks related to supply chain" in Section 4.1.2 of this chapter). These events have also had an impact on financing conditions in general, particularly through the rise in central bank interest rates (see paragraph on "Risks related to interest rates" in Section 4.1.4 of this Chapter).

Monetary tightening by central banks in response to rising inflation and various geopolitical factors, including the war between Russia and Ukraine, have thus weighed on the global economy. As a result, global growth is expected to come in at 3.2% in 2024, following 3.5% in 2022 and 3.3% in 2023. Growth of 3.3% is expected in both 2025 and 2026, below the historical average of 3.7% over the 2000-2019 period. This reflects the disparity of trajectories by country, amid considerable uncertainty about governments' economic policies. Global inflation is expected to continue slowing down, falling to 4.2% in 2025 and 3.5% in 2026 (source: International Monetary Fund, *World Economic Outlook Update*, January 2025).

These factors contribute to the fragility of the global economy. These disruptions could continue, or even worsen, as a result of various geopolitical developments, such as a deterioration in relations or expansion of the war between Russia and Ukraine or an increase in tensions between the United States and China or in the South China Sea region. In this respect, strategic competition between the United States and China has intensified in recent years and is likely to continue over the long term. A worsening of these tensions could lead to the reinforcement of existing protectionist measures or the introduction of new ones.

A deterioration in macroeconomic or geopolitical conditions could therefore have a material adverse effect on the Group's business, financial condition, results and prospects.

Mitigation policies and measures

To limit the impact of unfavourable economic conditions on its activities, the Group can rely on the global nature of its operations and the sale of its products in more than 50 countries (97% of revenue was earned outside France in the year ended 31 December 2024). The Group also offers a broad portfolio of products for the needs of end-users in a wide range of both defense and commercial sectors benefiting from favourable structural growth trends. This enables it to limit the dependency of its business on a single country or economic sector.

The Group also pursues an active external growth strategy aimed at further expanding its product portfolio and generating additional revenue growth. It thus makes targeted corporate acquisitions, with seven transactions carried out since the end of 2022. This diversification strategy is focused primarily on the Detection & Imaging market, with the aim of achieving a balanced distribution of revenue between the Amplification and Detection & Imaging businesses in the medium term.

In addition, the context of increased geopolitical tensions is more likely to have a positive impact on some of the Group's activities, in particular its Amplification activities. This activity is mainly linked to the defense sector, which in recent years has been positively impacted by the increase in defense budgets, linked in particular to the war between Russia and Ukraine and the tensions between China and Taiwan and, more generally, in the Asia-Pacific region.

Risks related to sales and export restrictions and control of goods

Description of risk	Mitigation policies and measures
Sales and export restrictions include export controls and export licence requirements that require permits to be obtained from governmental authorities for the export of certain products (depending on their categorisation) to third countries. In addition, moratoriums and embargoes have been imposed by the United States, as well as by supranational and international organisations such as the European Union and the United Nations, imposing sanctions or other restrictive measures on exports to certain states or territories, organisations, groups, non-state entities and individuals, including a total ban on exports to certain countries (such as Cuba, Iran, North Korea, Syria and Sudan). These sales and export restrictions stem from various regulations applicable in the countries where the Group operates. In the European Union and in the individual Member States, external trade in products of strategic importance, mainly arms, armaments, and dual-use goods, is subject to restrictive control regimes and authorisation requirements. In the United States, the International Traffic in Arms Regulations (ITAR) control the temporary import and export of defense items and related technical data, as well as the provision of defense-related services, notably by imposing licence requirements. The Export Administration Regulations (EAR) govern export controls on commercial and dual-use products (see Section 1.7 "Regulatory environment" in Chapter 1 of this Universal Registration Document). Electronic amplification products (which account for a very small proportion of the Group's Amplification revenue) and certain cooled imaging products sold under the Telops brand are subject to ITAR. The Group applies enhanced control measures in respect of these products. In most of the countries in which the Group operates (notably the Member States of the European Union and the United States), the regulations on sales and export restrictions and the control of goods prescribe different sets of rules depending on the classification of the products concerned (dual-use – military and commercial – goods or war materiel), with the rules applicable to dual-use goods generally being less restrictive than those applicable to war materiel. Dual-use goods are products, software and technologies which can be used for both civil and military applications. Under the applicable European regime (see also Section 1.7 "Regulatory environment" in Chapter 1 of this Universal Registration Document), which provides for control rules and a list of common dual-use items, the export of dual-use items is subject to control, restricting their export from the European Union without the requisite authorisations. The Group estimates that approximately 85% of its revenue is related to the sale of dual-use goods, including in particular light intensifier tubes, infrared cameras, neutron and gamma radiation detectors, cooled cameras and UV detectors, and that less than 5% of its revenue is related to the sale of non-lethal war materiel (produced and exported from Group sites located, at the date of this registration document, solely in the United States and Germany), including power tubes and travelling wave tubes. The remainder of the Group's revenue (around 10%) relates to products that are not subject to sales or export restrictions, such as certain nuclear instrument products (e.g. gamma and xenon ionisation chambers) and certain sensors and cameras (e.g. Lynx CMOS and Nocturn cameras) (see Section 1.3.2 "Detection & Imaging components and modules" in Chapter 1 of this Universal Registration Document). Within the European Union (in the case of the Group, goods produced at and exported from its sites in France, the Netherlands, Belgium and Germany), dual-use goods can generally circulate freely between Member States but require permits for exportation to non-EU countries. Products considered to be war materiel require a licence whether exported within or outside the European Union. In the United States, the export of dual-use goods to third countries is generally subject to an EAR licence administered by the US Department of Commerce restricting the export, re-export and domestic transfer of EAR-controlled goods, software and technology. Products considered to be war materiel fall under ITAR. Subject to certain limited exemptions, exports therefore require authorisation from the US Department of State, regardless of destination. Although only a very minor proportion of the products sold by the Group are directly affected by ITAR, the Group is nevertheless subject to the risk that the notion of "export" under ITAR will be interpreted broadly to include not only physical transfers from the United States but also transfers of technical information or technical assistance to non-US persons.	In order to comply strictly with applicable regulations, the Group has adopted an Internal Export Control Compliance Programme based on exacting standards, which applies to all Group employees. This programme is managed by local Export Control Officers (ECOs), who report both to the production site directors or managers responsible for managing export restriction violation risks and to the Group's Chief Legal Officer, thus ensuring the independence of stakeholders in the event of conflicts of interest. As part of this compliance programme, each product manufactured and marketed by the Group must be classified according to the export control regulations of the country in which it was manufactured. Each order placed by a customer is then reviewed by the ECO, who identifies the licence required, if any, for the order concerned. For orders identified as being subject to export controls, the Group requires an end-user certificate designating the end-user and the final use to which the product will be put, as well as a non-re-export certificate for war materiel. All new employees are required to undergo export control training, and regular training sessions are planned for the most sensitive functions, such as sales, procurement and research and development. Due diligence is also carried out on the Group's supply sources. The Group Purchasing Department is systematically required to request information from Group suppliers on the export classification of purchased products or services, by means of an export classification certificate which must be completed by the supplier. With the support of specialist legal advisers, the Group also keeps track of changes in applicable regulations, notably to prevent risks of inadvertent breaches.

Description of risk	Mitigation policies and measures
In addition, Group products could fall within the scope of ITAR if they incorporate one or more components subject to ITAR control, even if the products themselves are produced and exported from countries other than the United States. The broad and potentially extraterritorial scope of ITAR means that the Group must closely monitor and adapt to developments in ITAR and its interpretation. Restrictions on sales and exports can pose difficulties (such as additional costs and risks of non-compliance with applicable regulations) and, in some cases, limit or prevent access to certain geographical markets. In addition, some of the Group's suppliers may become subject to sales or export restrictions, which could have a negative impact on the Group's supply chain and production capacity. The Group's suppliers could, for example, have their export licences withdrawn if the applicable laws and regulations in their country of origin (such as the United States, the Middle East, China or the European Union) were to be tightened. In addition, export controls in the Group's markets may affect the decision-making of potential customers, and any delay in obtaining the necessary export licences may cause customers to seek alternative suppliers if authorisations are not granted in a timely manner. The introduction of new or stricter restrictions or controls, or a more rigorous interpretation or management of existing restrictions or controls, whether as a result of changes in governments, changes in media coverage of certain events, geopolitical events and developments or changes in public policy (particularly in the current context of increased geopolitical tensions; see paragraph on "Risks relating to changes in the economic and geopolitical situation" in this section), could lead to additional challenges or even prevent access to certain key markets or suppliers in the future, especially if it resulted in the introduction of new licence requirements, new restrictions and/or the revocation of export licences previously granted. In particular, Chinese export regulations are evolving and the Group is closely monitoring related regulatory developments, which could have a significant impact on its sourcing capacity in this region. For example, on 1 August 2023, China introduced controls on gallium exports, requiring producers of this metal to apply to the central government for permission to sell gallium abroad and to specify the final buyer. Gallium is used in the manufacture of certain semiconductors used by the Group and, to a marginal extent, is used directly by the Group in the manufacture of some of its products. The occurrence of such events could affect the Group's ability to sell its products or source components, which could have a material adverse effect on its business, financial condition, results and prospects. The rapid development of restrictions and controls in various countries also requires the Group to regularly monitor applicable regulations, necessitating significant human and financial resources, and these rapid developments, if not anticipated or taken into account, could lead to a risk of inadvertent violation of the export control laws and regulations in some countries. If the Group is unable to identify these changes, it may be restricted from accessing certain markets or sources of supply, and may not be able to implement solutions or alternatives in a timely manner. Despite the Group's compliance and monitoring efforts, it cannot guarantee compliance with applicable export control regulations by its employees and representatives. Generally speaking, failure by the Group to comply with these regulations could expose it to potential sanctions (including criminal sanctions), leading to the payment of fines or temporary or permanent exclusion from certain countries or markets, as well as an increased risk of reputational damage. The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition, results and prospects.	

Risks of dependence on public orders

Description of risk	Mitigation policies and measures
The Group's Amplification activities, which accounted for 71.1 % of the Group's revenue for the year ended 31 December 2024, are predominantly linked to the defense sector, where the Group's customers are either government entities (mainly armed forces or homeland security services) or, in the majority of cases, original equipment manufacturers (OEMs) incorporating amplification components sold by the Group into their products, which they then sell to government entities. The Amplification business is by nature dependent on public purchasing, military spending programmes, and government budgets and spending more generally. Similarly, certain Detection & Imaging products, such as certain cameras (in particular for detecting chemical products, radiation or specific gas threats), are intended for end-users in the defense sector, and thus also depend on public purchasing (but to a lesser extent than Amplification activities). Products for which the Group's customers are government bodies (as end-users of equipment incorporating its components) account for a limited proportion of its revenue. Such products are mainly detection and imaging products supplied to public aerospace research bodies (e.g., NASA or the European Space Agency), electronic amplification products and certain light amplification products supplied directly to the Directorate General of Armaments in France. In these defense-related markets, public spending is subject to trade-offs, depending in particular on the geopolitical environment and budget rationalisation considerations, and tends to fluctuate from one year to the next. Such constraints directly or indirectly impact the Group's customers (whether government entities or the OEMs that supply them) and can result in delays in the award of contracts, reductions or cancellations of orders, or even a reduction in the size of the market in which the Group operates. A reduction in overall budgetary spending could also lead to a reduction in public research and development funding programmes, from which the Group benefits for some of its research and development activities (in the form of subsidies or research tax credits, both in France and abroad), which could have an impact on the Group's ability to develop new products. In addition, government spending programmes, although approved in advance, are generally subject to anti-deficit rules and annual reviews and adjustments, and may therefore be cancelled at any time (for example, defense spending in the United States fell at the beginning of the 2010s). The occurrence of such events, such as a reduction or stagnation in government defense spending, could lead to a reduction in demand for the Group's products, which could have a material adverse effect on its business, financial condition, results and prospects. In addition, governmental budgetary decision-making processes can be lengthy, and a certain amount of time may elapse between a budgetary decision with respect to a certain defense programme or project and the conclusion or award of the related contracts (due in particular to competitive tendering procedures and sometimes complex negotiations). Although the current global context, marked in particular by the war between Russia and Ukraine and a rise in global geopolitical tensions, is favourable to growth in governmental demand for military equipment and an increase in defense budgets (for example, France's armed forces budget has risen from €37.9 billion in 2020 to €47.2 billion in 2024, with the government's stated objective of increasing this budget to 2% of GDP in 2025), there is no assurance that these levels will be maintained or continue to rise in the future, or that the stated objectives will be met. Furthermore, although one of the Group's strategic priorities is to continue to broaden its portfolio of products dedicated to commercial activities, the majority of the Group's revenue is still linked to the defense sector, accentuating the risks associated with the Group's direct and indirect dependence on government purchases. In addition, the financing of government defense and security projects is subject to public procurement legislation, which is determined by applicable international, European, and national laws and regulations, as well as by the World Trade Organisation. Public procurement legislation generally requires public entities, sectoral contracting entities and grantors to award contracts and concessions through a transparent and non-discriminatory tendering procedure, based on certain thresholds, either at the national or European level.	In developing its activities, the Group relies on the global nature of its operations and sells its products in more than 70 countries (97% of revenue was earned outside France in the year ended 31 December 2024). The Group has a broad portfolio of products for the needs of end-users in a wide range of both defense and commercial sectors, notably in defense and surveillance, life sciences, nuclear and industrial control. This enables it to limit the dependency of its business on a single country, type of end customer or economic sector. The Group also pursues a dynamic external growth strategy, aimed at enabling the further expansion of its product portfolio through corporate acquisitions (seven transactions carried out since the end of 2022). This diversification strategy is focused primarily on the Detection & Imaging market and mainly covers commercial sectors, rather than defense. The aim is to achieve a balanced distribution of revenue between the Amplification and Detection & Imaging businesses in the medium term.

Description of risk	Mitigation policies and measures
In addition, the financing of government defense and security projects is subject to public procurement legislation, which is determined by applicable international, European, and national laws and regulations, as well as by the World Trade Organisation. Public procurement legislation generally requires public entities, sectoral contracting entities and grantors to award contracts and concessions through a transparent and non-discriminatory tendering procedure, based on certain thresholds, either at the national or European level. Any change in these applicable laws and regulations could affect orders placed with the Group by governments or OEMs and could have a material adverse effect on the Group's business, financial condition, results and prospects. In addition, any disruption or significant deterioration in the Group's relations with government entities resulting in a reduction in orders or in the Group's ability to participate in tenders would significantly reduce the Group's revenue and have a negative impact on its business, financial condition and prospects. The Group operates in competitive markets, and government entities may choose to use suppliers other than the Group, in competitive tenders or otherwise, due to the ongoing efforts of the Group's competitors to develop their relationships with these customers.	

Risks related to technological developments and innovation

Description of risk	Mitigation policies and measures
The Group operates in markets where competition is characterised by constant technological developments. The Group's success therefore depends on its capacity to design, develop, and market new products in a timely and cost-effective manner, and to improve existing products so that they are adapted to customer needs. Many of the Group's products already contain highly sophisticated technologies, which makes further innovations and improvements difficult to achieve, thus forcing the Group to develop more sophisticated and/or technologically advanced products which may carry an increased risk of defects, failures, or malfunctions. Furthermore, the Group's products or a significant part of the underlying technology could become obsolete if the Group were unable to develop the necessary improvements in a timely manner. In some cases, the obsolescence of certain products in stock could force the Group to write down the value of the inventories concerned, which would have an adverse effect on its operating expenses. Due to changes in technology, industrial standards or the competitive environment, the Group must be able to make accurate forecasts of market trends and customer demand, set up partnerships and co-development agreements, and make sufficient investments in research and development if it is to maintain its market position, all the more so given its strategy to expand its product portfolio. This gives rise to significant financing requirements. New or existing competitors may also develop new technologies that could reduce demand for the Group's products or cause the Group to lose its technological advantage over its competitors if its products are not developed within the time frame initially expected. These forecasts and investment decisions are subject to factors beyond the Group's control, which may be exacerbated by the long development cycles of products and their improvements. The development and manufacturing processes for the Group's products can be long and costly, and there is no guarantee that the Group will have sufficient resources to make the investments in research and development necessary to maintain its current technological capabilities. New products developed by the Group may not be accepted by the market or meet customer expectations, and products or technologies developed by the Group's competitors may render its new products obsolete or uncompetitive. Due to the complex and advanced nature of its technology and products, the Group could face technological challenges at various stages of the development and manufacture of new products, or encounter difficulties in funding the investments needed to develop or improve new products, which could lead, for example, to cost increases, quality problems or delivery delays. The occurrence of such events could have a material adverse effect on the Group's business, financial condition, results and prospects.	The Group has set up a technical innovation governance structure headed by the CTO (Chief Technology Officer), the mission of which is to invent, develop, internalise and take ownership of distinctive technologies that are key to the future of the Group's activities. To succeed in this mission, the structure below has been put into place within the Group: • strategic and operational review meetings, to ensure that current objectives and investigations (for the next 12 months) are on track, review key performance indicators, stay abreast of project advancement, share recent updates, escalate problems requiring senior management or executive committee intervention, take a deep dive into a small set of preselected strategy issues or topics, and refine plans where necessary; • strategy workshops, to enhance or revise long-term global strategy (more than 3 years ahead), specify how different functions (such as sales, marketing, operations, finance and R&D) will support that strategy, and align the Group's innovation strategy with it; and • R&D advisory sessions, aimed at managing the advancement of the Group's technology innovation pipeline, managing relevant skills and competencies, defining and revising the technology roadmap and the partnership strategy, implementing the integration route for technological elements of products, identifying and pursuing external financing opportunities, and continuously improving the Group's overall innovation capacity (in terms of quality, costs, timescale/time to market of technology deliverables). At R&D advisory sessions, the Group manages its technological innovation pipeline as a process founded on five pillars: • find and define opportunities: this pillar consists of sharing current technological trends and examining how new technologies could make a difference to the Group's product offering and provide value for its customers; • select and define acquisition pathways for interesting technologies (e.g., make, buy or co-develop): this pillar consists of finding the most effective way in cost/time/performance terms to acquire the target technology (e.g. via a joint venture, licensing agreement, purchase, consortium, merger, joint R&D project, partnership with external research centres etc.); • bring to maturity: this pillar is about tracking the early-stage progress of the highest-risk technologies – to do this, the Group uses a TRL (technology readiness level) maturity scale, which can be applied to all types of technology (optics, electronics, mechanical, software, algorithms, etc.) and runs from observation of basic principles / theoretical models to validation of a proof of concept in a relevant environment; • implement: this pillar mainly concerns monitoring the integration and adoption of the technology into the Group's products; and • protect intellectual property: this pillar is about securing patents and managing (either alone or jointly) the resulting intellectual property. The Group obtains funding for its innovation through various forms of external support from public-sector finance bodies at the regional, national (Ministries of Research, Industry and Defense) and European (EDA, ECSEL) levels, but relies primarily on investing its own funds in the form of substantial R&D expenditure. Since 2023, to enhance technological initiatives, the Group has also put in place an additional internal budget named "Innov Booster", which takes the form of calls for high-risk, high-economic-reward exploratory projects.

Risks related to the competitive environment

Description of risk	Mitigation policies and measures
The Group operates in a competitive market where its ability to develop new products and improve existing ones to meet customer needs is essential to the success of its business. The expansion of existing competitors, their consolidation, and the arrival of new players in one or more of the Group's markets could make it difficult for the Group to grow its market share, maintain its existing competitive positions or gain access to new markets. The Group faces competition from established international players that can develop innovative, cutting-edge products, drawing on their own R&D and manufacturing capabilities and the recognition they enjoy in the market. These include listed companies, notably L3Harris and Elbit Systems in the Amplification business, and Teledyne, Hamamatsu and Mirion Technologies in Detection & Imaging. These competitors could succeed in improving the quality and technology of their products or in developing new technologies that better anticipate the needs of the Group's customers, which would increase competitive pressure on the Group and could have a material adverse effect on the Group's business, financial condition, results and prospects. In addition, the Detection & Imaging markets in which the Group operates, and in which it intends to expand as part of its strategy to broaden its portfolio, are witnessing the gradual emergence of Asian players who may over time be able to develop sufficiently advanced technological solutions to compete with the Group and other established players, particularly in infrared and/or ultraviolet cameras. The emergence and growing competitiveness of these actors, which generally benefit from lower cost structures, could lead to downward pressure on product prices or even accelerate the pace of technological development in these markets, thus increasing the pressure on the Group to maintain its profitability and remain competitive. This competition forces the Group to continuously pursue improvements in its competitiveness in order to convince its customers of the quality and added value of its products and services. The Group is also required to regularly develop new products and constantly improve its existing products in order to maintain or improve its competitive position. Despite these efforts, if the Group's customers failed to discern the quality and added value of its offerings, particularly in comparison with those of its competitors, or if these offerings did not meet or ceased to meet their expectations, the Group's business and financial results could be significantly affected. In addition, some of the Group's competitors in the defense and security sector, in particular OEMs based in the United States, benefit from national development programmes that may in some cases give them a competitive advantage over Group entities located outside the United States. In particular, the US Department of Defense's (DoD) Foreign Military Sales (FMS) programme is designed to facilitate the sale of US arms and defense equipment to foreign governments by allowing them to purchase through the DoD rather than directly from manufacturers. DoD procurement allows buyers to benefit from lower unit costs through the pooling of DoD purchases from manufacturers, high service standards and long-term relationships with the US Army. In some cases, the United States also provides financing to manufacturers to support specific projects. Buyers benefiting from these programmes can also take advantage of special financing provided by the United States to support the purchase of US arms and defense equipment by foreign countries. By facilitating foreign purchases in US weapons programmes, FMS and related financing options generate sales and support research and development and local production, which benefits some of the Group's competitors. These competitive pressures could lead to a reduction in demand for the Group's products and services compared with those of its competitors and force it to make significant investments to increase the quality of the products and services offered to meet customer expectations, or lead to pressure on prices, which could have a material adverse effect on its business, financial condition, results and prospects.	The end-users of equipment incorporating components sold by the Group operate in sectors where safety and reliability requirements for products are particularly high, due in particular to strict regulations. In this regard, the components that the Group sells are essential to the performance and effectiveness of the final equipment sold by its customers, making it a critical supplier in the value chain not only for the customers themselves but also for end-users. This criticality requires the Group to acquire in-depth knowledge of both their technical and their operational constraints so that it can design and develop the most suitable and best-performing products. As a result, close relationships need to be forged with the end-user right from the design phase of the product. Having built this close relationship with the OEM and/or end-user, the Group can use it to enjoy a protected position: once the Group's product has been accepted by the end-user and/or the OEM, the OEM would be exposed to additional costs and/or high potential supply risks if it switched supplier. This translates into a close to zero attrition rate. Moreover, once the product has been approved (qualifié) by the customer and/or end-user, the Group benefits from short sales cycles, with recurring sales throughout the system's lifecycle. By way of illustration, each of the Group's ten largest customers has ordered products from it every year since 2016. This can also be seen in the length of its customer relationships, which date back an average of around 20 years for the top ten customers in revenue terms.

4.1.2 Risks related to the Group's activities

Risks related to industrial espionage and data leakage

Description of risk	Mitigation policies and measures
The Group offers its customers products with high technological added value, based mainly on the use of know-how and advanced technologies that it has developed. The Group is therefore exposed to a high risk of espionage and theft of confidential information, by third parties or by its employees, relating to its technologies and expertise, requiring it to maintain a high level of vigilance, in particular by making its employees more aware of security and cybersecurity issues and by implementing enhanced information protection measures, particularly with regard to digital data. In addition, to the extent that certain products sold by the Group are intended for the defense and security sector, the Group may be required to store highly confidential data provided to it in connection with the development of these products, some of which may be classified by the governments to which these products are supplied. Although the competitive advantage of the Group's products lies in its expertise, the theft of strategic or technological data could enable established competitors to acquire knowledge of technologies and may jeopardise the Group's positioning and competitive advantage or the sovereignty of its direct or indirect customers. This could result in sanctions (including criminal sanctions), damage to the Group's reputation, loss of market share or interruption of contractual relations by some of the Group's customers, which could in turn have a material adverse effect on its business, financial condition, results and prospects.	Group employees are made aware of the risk of espionage. As an example, regular phishing tests are and will continue to be performed in response to attempts at piracy. The Group has also put security software in place to fend off attacks. In addition, Group sites where particularly sensitive information is held have implemented a special IT and logistics organisation to ensure the security and protection of this data. Furthermore, a request for a restricted area classification[1] has been submitted to the Minister of Defense for the Brive-la-Gaillarde site.

(1) A restricted area is an area with regulated access that is part of the protection of the nation's scientific and technical potential.

Risks related to cybercrime and to a possible failure of the Group's IT systems

Description of risk	Mitigation policies and measures
The Group relies on its IT systems to conduct its business (in particular, for production and development processes, product monitoring and invoicing, communication with customers, personnel management and the communication of information to operational managers for decision-making purposes). These IT systems and networks, as well as related systems, are essential to the Group's business and its capacity to carry out its operations, and the management of its business is thus increasingly dependent on IT systems. Despite a policy of striving to continuously strengthen the resilience and security of the Group's information systems and IT infrastructures, any event affecting these systems, such as a breakdown or interruption resulting from an incident, computer virus, computer attack or any other cause, could have a negative impact on the conduct of its business and its reputation. Such events could disrupt the continuity of the Group's operations by causing, for example, the loss of connections between internal and external network exchange platforms, prolonged unavailability of the operational information systems needed for production, or damage to the confidentiality and integrity of data hosted or in transit on the Group's IT systems (including loss, destruction, theft or corruption; see also the paragraph on "Risks related to industrial espionage and data leakage" in this section). Any incident affecting the Group's IT systems or any malfunction of security measures presents a risk of unauthorised access, theft, destruction or misuse of the data and sensitive commercial or personal information hosted on them, including information on the Group's intellectual property or commercial strategy or that of its customers. The Group cannot guarantee that such a failure of its IT systems or its inability to prevent a compromise of its IT systems will not occur in the future. Any cyberattack, breach or other disruption that interrupts the Group's activities or those of its customers and partners, impacts its production, or leads to the theft or destruction of intellectual property and trade secrets could have a significant negative impact on the Group's business and results, as well as on its reputation and customer relationships, and could lead to legal claims, particularly in the event of a breach of privacy laws. Furthermore, even if the Group outsources some of its IT systems in order to optimise the management of its resources and improve the efficiency of its IT infrastructure, it cannot guarantee that this infrastructure will be adequate or sufficiently sophisticated to ensure future service continuity. The Group therefore relies on the quality of the work of its service providers and, despite the care taken in selecting these partners, it is exposed to the risk that they may fail to fulfil their obligations. The Group must also rely on preventive measures put in place by its customers, suppliers, vendors and other third parties to minimise the impact of threats to IT security. These third parties may have different levels of cybersecurity expertise and protection, and their relationships with government contractors may increase their likelihood of being subject to cyberattacks. Such events could have a material adverse effect on the Group's business and reputation.	The Group has set up a business continuity plan (BCP) aimed at limiting the risks associated with a cyberattack. The Group's IT department also has its own IT continuity plan (ITCP). In addition, an audit of the networks and IT infrastructures of new acquisitions is always carried out before connecting acquired IT infrastructures to the Group's existing infrastructures. Lastly, a data recovery and backup plan is in place to limit the risks associated with having only one data centre per site. A central database is also being consolidated, and all the Group's data will thus be backed up in a private cloud. Training programmes on cybersecurity risks (e.g., phishing) are also regularly provided for Group employees. For employees working at certain Group sites (in particular those dedicated to the production of components used in the manufacture of defense equipment), the Group imposes restrictions on the wearing of connected equipment. Lastly, the Group has taken out cybersecurity insurance, which covers not only direct remediation costs but also indirect costs linked to operating losses in the event of a cyberattack.

Risks related to customer relations

Description of risk	Mitigation policies and measures
In the year ended 31 December 2024, the Group's ten biggest customers in revenue terms accounted for 59% of its revenue. Its largest customer, Theon International, a customer of the Amplification business, accounted for 38% of 2024 revenue and has represented 34% on average for the last three financial years. In the Detection & Imaging business, which has a more fragmented customer base, the largest customer accounted for 1% of Group revenue in the year ended 31 December 2024. Although the Group generally maintains long-term commercial relationships with its main customers (for example, 18 years with its largest customer and an average of 20 years with its ten largest customers), it cannot guarantee that these relationships, or those with its other existing or future customers, will be maintained. Moreover, the Group cannot guarantee that such relationships will be renewed on favourable terms, under the existing contracts or under new ones. In addition, some of these contracts or commercial relationships could be terminated under certain conditions, in particular if the Group fails to meet its commitments. As a result, the loss of one or more of the Group's main customers or contracts (in the event of non-renewal or early termination, for example), a significant reduction in orders from these customers, a substantial change in the commercial relations with them, a consolidation of actors in the relevant sector that reduces the number of end customers, or the default of one or more of its customers could have a material adverse effect on the Group's business, financial condition, results and prospects. In addition, a limited portion of the Group's current and future revenue may be linked to large, multi-year contracts, the structure and duration of which may add constraints and complexity. When these contracts are based on a fixed, lump-sum sales price, their development and fulfilment may take longer and cost significantly more than was estimated in the bid phase, which could affect the Group's margins and profits and have a negative impact on its results and financial condition. In addition, if the Group is unable to meet its obligations or respect the agreed delivery or development schedule, customers may call for the payment of penalties, or even terminate the contract. These major contracts could also lead to fluctuations in the Group's activity, resulting in a significant increase in revenue in one financial year that would not be repeated in subsequent years. As a result, the Group's results could show significant variations upwards or downwards between financial years, and comparisons of the Group's results from one period to another are not necessarily representative of the trend in the Group's future results. In addition, these major projects could be postponed or, in some cases, not completed at all, which could have a material adverse effect on the Group's business, results, financial condition and prospects.	The sectors in which the end-users of the Group's products operate require high standards of safety and reliability, and the Group's customers thus take great care to maintain a stable and reliable source of supply for their components. The duration of the Group's relationship with its largest customer is 18 years and the average duration of the Group's relationships with its 10 largest customers is approximately 20 years, indicating a 0% attrition rate. Moreover, the Group's relationships with its largest customers are also characterised by recurring revenues; for example, the Group's 10 largest customers have placed orders with it every year since 2016. Lastly, some of the Group's largest customers (such as Theon International) are manufacturers of night vision equipment, for which the light intensifier tubes such as those sold by the Group are a critical component. Due to their specific technical characteristics, these products are only offered by a relatively limited number of suppliers, which in practice limits the risk of such customers changing suppliers.

Risks related to supply chain

Description of risk	Mitigation policies and measures
The Group relies on an uninterrupted and competitive supply chain, which is essential to maintaining production capacity to meet customer demand and expectations. The Group may experience disruptions or delays in its supply chain as a result of individual or global events, such as the closure of suppliers' facilities due to strikes or social unrest, financial default or macroeconomic events, breakdowns, natural disasters or extreme weather events and health crises such as the COVID-19 pandemic, which may disrupt the Group's receipt of certain components and raw materials required for its business. The Group uses a large number of suppliers of raw materials and components. In the year ended 31 December 2024, 31% of procurement was supplied by the Group's top ten suppliers. Disruptions in supply from these suppliers could significantly impact or delay the Group's production capacity or force it to maintain inventories at levels higher than the anticipated optimal level. For a certain number of components and raw materials that are essential to its manufacturing processes (in particular fibre blocks, CMOS sensors, micro-bolometer sensors, glass, exotic metals and optical scintillators), the Group has limited flexibility to change suppliers, because there are a limited number of them and their solutions, due to efforts to optimise development costs, are specifically tailored to the Group's needs. In such cases, the Group may not always be able to identify economically viable supply and delivery alternatives in a timely manner, or at all. The risk of disruption could increase for certain suppliers or subcontractors given the geopolitical risks affecting the countries or regions in which they operate. As a result, the failure of one or more significant suppliers or an exclusive supplier, including as a result of strikes or social unrest, unforeseen stock shortages, quality defects, export restrictions or sanctions, or any disruption in supply more generally, could affect the Group's production capacity or result in additional costs, which could have an adverse effect on its business, results, financial condition, assets and liabilities and prospects. In particular, the Group's products require large volumes of semiconductors or components incorporating semiconductors. The Group's business could be affected by shortages or delays in the supply of semiconductors, which could have a significant impact on the Group or its suppliers. Such shortages or delays could slow down or halt the Group's production capacity or impact its ability to deliver its products on time or require the Group or its suppliers to pay more expensive prices to maintain its supply of semiconductors. From 2021 to early 2023, a global shortage of semiconductors had a significant impact on a number of industrial sectors, including the one in which the Group operates. As a result, the Group temporarily had to resort to alternative, more expensive sources for electronic components, which had an impact on its production costs. In order to secure its supplies from these alternative sources, the Group also agreed to pay up front for the purchases concerned. The use of alternative components also forced the Group to redesign some of its products to adapt them to the characteristics of these components. In addition, for a limited number of services and products supplied to its customers, the Group may use subcontractors acting in the name and on behalf of the Group, which remains responsible for the services provided by these subcontractors. The Group is exposed to risks associated with the management of these subcontractors and the risk that such subcontractors fail to carry out their mission satisfactorily, in accordance with the applicable regulations, or within the allotted time. Such a situation could jeopardise the Group's ability to meet its commitments, comply with applicable regulations or satisfy its customers' expectations, or result in liability for the actions of its subcontractors, which could damage the Group's reputation and have a material adverse effect on its business, results, financial condition and prospects.	The Group systematically implements checks of its counterparties (new customers, suppliers, distributors and agents) before entering into any contract. The due diligence process begins with a questionnaire detailing the relationship with the third party. The manager in charge of the relationship with the relevant counterparty then prepares a report and sends it to the Group's compliance department. On the basis of this report, a more in-depth control procedure is carried out using a specific digital compliance and KYC tool (Altares indueD), which makes it possible to identify and examine the beneficial owners and shareholders of the counterparties concerned. In addition, in order to limit the risks associated with the failure of a supplier or the temporary or permanent interruption of supplies from a supplier, the Group has implemented a process for duplicating its supply sources, which is standardised and aligned with the Group's criteria for dual sourcing.

Risks related to the Group's reputation

Description of risk	Mitigation policies and measures
The Group's reputation is essential to the presentation of its product offering to the market, enabling it to retain existing customers and win new ones. The Group's reputation is all the more critical because it operates in niche markets where there are few customers and where the supplier brand plays an important role in purchasing decisions. In addition, the Group operates in areas where there is a risk of high media exposure (particularly in the defense, space, and nuclear sectors). The Group's success in recent years has largely been due to its reputation as a market leader, able to provide a wide range of reliable products requiring a high degree of expertise. This reputation has consolidated the Group's position with its customers and contributed significantly to its growth. Although the Group closely monitors the quality of its products, it cannot guarantee that it will not encounter difficulties in some business sectors and/or geographical areas related to the quality or reliability of its products or, more generally, to its ability to provide the level of quality expected by its customers. In addition, products sold by the Group to the defense sector could be used in military operations, exposing it to increased media and reputational risks. Furthermore, the Group produces essential components (such as neutron and gamma detectors) for the safety and control of reactors in the nuclear sector, and any failure of these products could have major consequences for its customers and generate unfavourable media coverage for the Group. The occurrence of such events, particularly in the event of widespread media coverage, could have a significant impact on the Group's reputation, particularly among its customers, and could therefore have a material adverse effect on its business, financial condition, results and prospects.	The Group's business continuity plan (BCP) includes procedures for managing the consequences of reputational risk, in particular by setting up a crisis communication system to enable a public response to be made upon very short notice following any major event. The Group also takes care to limit the risk of reputational crisis by devoting significant resources to monitoring its legal and regulatory obligations and their evolution in highly regulated sectors of activity, and ensures, as far as possible, that it has the most reliable and accurate information on the end use of its products, particularly those intended for the defense sector, which may be used in military operations.

Risks related to the implementation of the Group's strategy, in particular acquisitions and their integration

Description of risk	Mitigation policies and measures
In addition to its organic growth, the Group has expanded through a number of acquisitions since its acquisition by HLD in 2021, which have allowed it to further diversify its product portfolio and increase its market share. Since December 2022, the Group has taken over seven companies, namely Xenics (a specialist in infrared imaging), ProxiVision (UV sensors and cameras), El-Mul (ion and electron detectors), Telops (hyperspectral and infrared imaging), Centronic (radiation detectors), LR Tech (FTIR spectroradiometers), and Noxant (cooled infrared cameras). The Group intends to continue its development and expand its product portfolio and markets through the acquisition of companies that meet its strategic and financial criteria. In the context of its growth strategy, the Group may encounter the following difficulties: • identifying suitable targets in line with the Group's external growth strategy could prove difficult; • given the Group's business sector, the acquisition of foreign targets could be delayed or even prevented by the application of local rules controlling foreign investment, or the application of these rules could make the acquisition of the target conditional on the Group making commitments to the relevant authorities that could restrict the implementation of the Group's intended development strategy; • the integration of new companies could give rise to substantial costs, as well as delays or other financial and operational difficulties; • expected financial and operating synergies may take longer than expected to materialise, materialise only in part or not materialise at all; acquisitions may demand increased attention from the Group's managers to the detriment of the management of its other activities; • acquisitions may trigger change of control clauses in contracts to which the target company is a party; • the Group could be forced to incur debt to finance these acquisitions, which would increase interest expense and impact the Group's liquidity (see paragraph on "Risks related to the Group's indebtedness and restrictive clauses in financing agreements" in Section 4.1.4 of this Chapter); • the assumptions made in the business plans of the acquired companies may prove to be incorrect, particularly in terms of synergies and performance; • acquisitions could result in the Group incurring liabilities greater than those assessed during the due diligence phase of the acquisition; • the Group could be forced to sell or limit the external growth of certain businesses in order to obtain the regulatory approvals necessary for these acquisitions, particularly related to competition law; • the acquisition of a new company could be accompanied by the loss of some of the target's key employees and contracts; • the acquisition of new companies, particularly foreign ones, could give rise to unforeseen legal or regulatory restrictions; and • the Group may ultimately have to write down or write off its goodwill (see paragraph on "Risks related to goodwill" in Section 4.1.4 of this Chapter). Generally speaking, the expected benefits of future or completed acquisitions may not materialise within the timeframe or at the levels expected, which could have a material adverse effect on the Group's business, financial condition, results and prospects.	The Group follows an external growth policy that sets strict criteria in terms of the strategic relevance and valuation of potential targets (see Section 1.4.2.5 "Accelerating the Group's growth with selective acquisitions, generating synergies and creating value, strengthening its growth potential" in Chapter 1 of this Universal Registration Document). The Group's external growth strategy provides visibility over a constant flow of high-quality acquirable targets. The Group regularly reviews and updates this pipeline. This involves in particular holding regular discussions with managers within the company to identify potential targets. It also relies on maintaining a network of external advisers in order to improve the chances of participating in competitive sales processes. In all cases, the Group also conducts detailed legal and financial due diligence on targets with the support of external advisers. The Group also ensures that the managers of acquired companies are aligned with its corporate culture, in particular through an assessment carried out by an external consultancy. Moreover, it generally sets up incentive schemes for key managers to ensure that they remain with the Group after the acquisition. Lastly, the Group has a post-merger integration (PMI) process aimed at defining the detailed integration policy for the target. This applies both to the various operational aspects (R&D, purchasing, manufacturing, sales) and to support functions (human resources, IT, legal, finance, etc.). It is run by in-house teams, very often with the support of specialist PMI consultants.

Risks related to distribution

Description of risk	Mitigation policies and measures
As part of its activities, the Group uses the services of distributors and representatives, who are key players in promoting and distributing its products to customers. Distributors and representatives are subject to compliance with national agreements, national regulations, the risk of corruption and influence peddling, or a tightening of export regimes (see paragraph on "Risks related to sales and export restrictions and control of goods" in Section 4.1.1 of this Chapter), any of which could result in the suspension or disruption of their activities and thereby negatively affect the Group. Any interruption in the Group's distribution network could affect its ability to market its products or damage its reputation, which could have a material adverse effect on its business, results, financial condition and prospects. In addition, the Group could be held liable for the actions of its distributors and representatives, particularly with regard to the risk of corruption and influence peddling.	To mitigate the risks related to third-party distribution of its products, the Group has instituted due diligence procedures for its distributors and representatives, which are coordinated by the Compliance Department. The Group has also implemented a Code of Conduct that applies to all its partners, including agents and distributors. The Code aims to promote a culture of ethics and integrity among partners, notably requiring them to follow ethical sales practices and maintain compliance.

Risks related to the cost and supply of raw materials and components

Description of risk	Mitigation policies and measures
The Group's industrial activities use raw materials and components, in particular certain exotic metals (gallium, for example), glass and optical materials (fibre blocks[1] in particular) and sensors (such as CMOS[2] or microbolometers). In total, the Group's purchases of raw materials and components represented 26% of its consolidated revenue for the year ended 31 December 2024. The Group enters into supply contracts with its suppliers for periods generally ranging from 12 to 36 months, for which the purchase prices are fixed upon entry into the contract and for the duration of the contract. Entry into potential commercial contracts with customers begins with an initial call for tenders, at the end of which a technical and financial proposal is sent to the potential customer. After the call for tenders phase, qualification and selection phases are carried out by the customer to test the quality of the Group's products and its ability to deliver the required volumes. If these various phases (which can take a minimum of two years from the call for tenders to the signing of the contract) are successful, the supply contract is signed with the customer. Insofar as the final price of the product indicated by the Group at the time of the call for tenders commits it under the supply contract, the Group is thus exposed to the risk of an increase in the cost of raw materials and components required to manufacture the product between tendering phase and the execution of the supply contract, which could not be reflected in the agreed sales price. If the Group is unable to correctly predict changes in the cost of raw materials and components between the tendering phase and the contract signing, its margins could be reduced and its profitability could be significantly impacted as a result. Although the Group includes price review clauses in certain commercial contracts that take into account, directly or indirectly, changes in the cost of raw materials and components, most of these commercial contracts (generally framework contracts concluded for a period of 2 to 5 years, with orders lasting from 3 to 12 months for the Amplification business, and orders lasting from 6 to 24 months, with the application of the Group's general terms of sale, for the Detection & Imaging business) do not include such clauses. Passing on cost increases incurred by the Group is therefore subject to commercial negotiation with customers at the time of subsequent orders or contract renewals and may, as a result, occur later in time and permit increases to be only partially passed on, if at all. Any significant rise in the price of the raw materials and components used by the Group could have a material adverse effect on its business, results, financial condition and prospects.	The Group's purchasing and procurement are handled by the Purchasing Department, comprising a director who coordinates the function at Group level with the assistance of buyers responsible for the various procurement families. The Purchasing Department is generally responsible for carrying out or coordinating the purchasing of the most strategically important products for the Group. Purchasing and supplies are also handled within subsidiaries by local buyers, who coordinate with the Purchasing Department. Given the highly regulated nature of the sectors in which the end-users of the Group's products operate, the Group applies a strict policy when monitoring its supply chain. It has a procedure for systematically vetting contractual counterparties before entering into any contracts. Moreover, the Group operates a dual sourcing process in order to limit the risks associated with the failure of a supplier or the temporary or permanent interruption of supplies from a supplier. The Group's supply chain thus encompasses a multitude of suppliers, mainly in Europe, Asia and North America (see Section 1.6.3.2 "The Group's suppliers" in Chapter 1 of this Universal Registration Document).

(1) A fibre block is a glass object used in a camera to shift an image from plane A to plane B.

(2) A CMOS (complementary metal-oxide-semiconductor) is used to convert electromagnetic radiation into an electrical signal, from which a digital image can be obtained.

Risks related to the operation of industrial sites

Description of risk	Mitigation policies and measures
The Group has eleven production and R&D sites, including two in France, two in the United States, and one each in Canada, Belgium, the Netherlands, Germany, the United Kingdom, Israel and Singapore. The Group's production processes are characterised by high fixed production costs. Prolonged interruptions in the supply of energy or materials needed to power machines and equipment, or machine breakdowns, could lead to production stoppages. The Group also uses heavy and potentially dangerous machinery and equipment in its industrial production processes, which presents risks such as industrial accidents, explosions, fires and potential environmental damage such as accidental releases of polluting or dangerous products. If such incidents were to occur, they could lead to unforeseen interruptions to the Group's business and could also result in damage to or the total or partial destruction of facilities, cause environmental pollution and, in the most serious cases, cause the injury or even the death of Group employees or local residents. Such events could also result in the Group being involved in legal proceedings brought against it by potential victims to recover damages and/or the imposition of penalties or sanctions by regulatory authorities, which could have a material adverse effect on the Group's business, financial condition, results and prospects. In addition, the Group may experience unforeseen interruptions to operations at its production sites, for example as a result of human error, equipment failure, industrial action, malicious acts or terrorism (particularly in relation to some of the Group's defense-related activities) or other events causing damage. In addition, some of the Group's sites may be subject to natural disasters such as floods or fires. Any interruption in the production process may prevent the Group from fulfilling orders or deliveries, thereby impacting its revenue, even though it will continue to bear the fixed operating costs of its facilities. It could also face contractual penalties in the event of non-delivery and/or unplanned capital or operating expenditure due to repair costs, the purchase of new machinery or equipment, liability claims or a significant increase in the cost of its insurance policies. In addition, certain components produced by the Group, which are essential to the manufacture of certain products sold by the Group (for example, most products in the Amplification business cannot be manufactured without the use of microchannel plates manufactured by the Group at its Brive-la-Gaillarde site), could, in the event of a production interruption, be difficult or impossible for the Group to replace or substitute within a short time frame. Such interruptions or accidents are likely to result in a loss of revenue and could therefore have a material adverse effect on the Group's business, financial condition, results and prospects. Lastly, the Group's industrial sites may not be sufficiently productive to meet the Group's expectations and objectives, which could result in a reduction in the Group's competitiveness and an inability to manufacture the quantity and quality of products required by its customers. The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition, results and prospects.	The Group has set up a business continuity plan (BCP) aimed at limiting the risks associated with the operation of the industrial sites. For each one, the Group's approach is made up of four successive phases: • scoping (understanding the general environment, data gathering and analysis, setting up a steering committee, etc.); • drafting the plan (risk analysis, identifying needs, defining and approving action plans, etc.); • implementation of the plan (description of procedures, etc.); and • crisis management (simulations, training, etc.).

Risks related to corporate social responsibility (CSR) issues

Description of risk	Mitigation policies and measures
The global trend towards a more sustainable and responsible economy, and the increased legislation and regulation associated with it, could impose significant costs on the Group (particularly in its production processes) and its customers, including costs associated with the transition to alternative energy sources, environmental monitoring, compliance with permit requirements and expert reports, defending against litigation and paying financial penalties related to climate change, as well as social issues. Customers, investors, employees, and other stakeholders, as well as governmental and non-governmental organisations, are placing increasing emphasis on environmental, social and governance (ESG) issues. Indeed, a growing number of the Group's customers and commercial or financial partners are taking sustainability factors, particularly environmental factors, into account when awarding a contract or order or through financing conditions linked to sustainability. Furthermore, certain sectors (in particular defense and nuclear) to which some of the Group's activities are linked are likely to be perceived less favourably on ESG issues than other sectors, and in order to meet the ESG expectations of its stakeholders the Group may have to make greater efforts and incur higher costs than companies in other industries. Against this backdrop, the Group aims to align its practices with the CSR framework established by Ecovadis and, by following this methodology, which complies with international standards, to be awarded a gold medal by the end of 2025. However, the Group cannot guarantee that it will obtain or be able to keep this rating. The costs of complying with current and future legislation, particularly in the fight against global warming, may have a negative impact on the Group's financial condition and that of its customers, reducing their capacity to purchase the Group's products. In addition, if the Group fails to comply with applicable laws and regulations on climate change, or if the Group's offering and its climate and social commitments do not meet stakeholders' expectations, its reputation could be damaged, especially as companies are increasingly subject to pressure from stakeholders on ESG matters.	The Group kicked off a CSR strategy project in 2023 in order to consolidate its existing practices and incorporate sustainability into its strategy. The governance structure in place includes a Group-level CSR department and a CSR steering committee made up of several members of the Executive Committee. This structure serves to ensure that sustainability issues are integrated into corporate strategy and to respond appropriately to sustainability issues. A regulatory watch system is also in place to anticipate legal regulations and enable the Group to comply with them, notably in connection with the CSRD. Moreover, the Group has drawn up a double materiality matrix, which serves to identify material impacts, risks and opportunities (IROs). This strategic tool guides the implementation and updating of policies, actions, targets and indicators in line with these IROs. Lastly, the rollout of CSRD-compliant non-financial reporting enables the Group to enhance transparency and align with the expectations of its stakeholders. The sustainability statement provides details of the measures the Group has put in place to mitigate its CSR-related risks.

4.1.3 Risks related to the Company

Risks related to the recruitment and retention of experienced employees and management teams

Description of risk	Mitigation policies and measures
The Group's success depends to a large extent on the retention of its executives and key managers and technicians, as well as on its capacity to continue to attract, retain and develop the loyalty of qualified staff. The lack of human capital due to highly competitive labour market conditions in some regions could have an impact on the Group's ability to deliver high value-added products and services. The market for skilled labour in the specialist industry in which the Group operates is currently highly competitive, and therefore the development of its business and the maintenance of its competitive position depend on the availability of a highly qualified technical workforce. In addition, the shortage of skilled labour has required, and may require, the Group to make greater use of temporary staff. The Group also has experienced employees who are specialists in their fields (including in night vision and ion, electron, and photon detection) and are drawn from a limited pool of specialist technical engineers. In addition, some of the Group's activities require it to employ staff with a certain security clearance level, for whom there is increased competition among employers in the labour market. If these highly specialised employees were to leave the Group, it would be difficult to find adequate replacements, potentially causing the Group to suffer both the loss of the knowledge and know-how of these key employees as well as the consequences of their employment by competitors. In addition, the development of the Group's activities requires the acquisition, maintenance and renewal of skills in line with technological developments and market expectations. The Group may not be able to find qualified candidates, train its staff in its technological solutions or recruit and train the managers needed to develop its business. In addition, during periods of strong market competition, the Group may encounter difficulties in retaining qualified staff due to strong demand in the specialist engineering market, presenting a potential risk of higher payroll costs, a reduction in the quality of the products the Group develops and a loss of know-how. The loss of the services of one or more of the Group's key employees or its inability to attract, retain and secure qualified personnel could have an adverse effect on its business, financial condition and results. Furthermore, the Group's success depends to a large extent on the continuity and skills of its current management team. In the event of an accident, illness or departure of one or more of these managers or other key personnel, the Group may not be able to replace them quickly, which could affect its operating performance. More generally, competition for skilled management staff is strong and the number of qualified candidates is limited. The Group may not be able to retain the services of its current executives or key personnel or attract and retain experienced managers and key personnel in the future. In addition, if its managers or other key employees were to join a competitor or set up a competing business, the Group could lose customers, know-how and any key employees that may decide to follow them (although this risk is mitigated by non-compete obligations in certain sensitive roles). These events could have a material adverse effect on the Group's business, financial condition, results, prospects and reputation.	In order to limit the risk of losing experienced employees, the Group pays bonuses, based on fair and objective criteria, with a view to aligning remuneration with personal performance. The Group has also decided to implement a long-term incentive plan. Aimed at the retention of key personnel, this is a performance share plan which will run for the period from 2025 to 2026 (see section 3.3.1.4 "Remuneration policy for the Chief Executive Officer (ex ante vote)" in Chapter 3 of this Universal Registration Document). The Group also carries out regular reviews of remuneration and benefits to ensure that they are in line with the local market and to guarantee a competitive level of remuneration. As part of its employment policy, the Group is also committed to supporting the development of its employees throughout their careers, in particular by providing regular development training and coaching pathways where required, in order to offer them the best possible working experience and career path within the business. An employee engagement and satisfaction survey is also carried out each year. More recently, a Group-level people review process has been started, with the aim of identifying technical experts, key operating staff members, key positions and the associated action plans.

4.1.4 Financial risks

Risks related to exchange rates

Description of risk	Mitigation policies and measures
The Group operates internationally and is thus exposed to foreign exchange risk arising from exposure to various currencies, mainly the US dollar (USD). Foreign exchange risk for the Group arises from future commercial transactions and from the fact that a proportion of its assets, liabilities, income and expenses are denominated and recognised in currencies other than the euro. In 2024, 23% of Group sales were in currencies other than the euro (2023: 24%), including 22% in US dollars (2023: 15%). All financial liabilities were denominated in euros in 2024, as was also the case in 2023. On the basis of the Group's actual scope of consolidation, the foreign exchange risk associated with sales transactions is limited: the sales of European subsidiaries are mainly denominated in euros. In 2024, the Group was exposed to the euro (EUR)/US dollar (USD) on its European subsidiaries for a net amount of €13.7 million equivalent on the buy side and to the Canadian dollar (CAD)/USD on its Canadian subsidiary for a net amount of €10.9 million on the sell side. All sales by US entities were denominated in US dollars in both 2024 and 2023. The main currencies in respect of which the Group is exposed to translational exchange rate risk are the Canadian dollar, the US dollar, the Singapore dollar (SGD), the Israeli shekel (ISL) and the Chinese renminbi (CNY). On 31 December 2024, if the US dollar had weakened/strengthened by 10% against the euro, all other things being equal, the impact on profit before tax and on the other components of equity for the year would have been as follows:	A material part of the Group's business is naturally protected against exchange rate movements, as 66 % of its revenue is earned in the euro zone, which is also the location of the bulk of its manufacturing sites. Where transactions outside the dollar zone are made in USD, a specific exchange rate hedging policy is applied by way of market transactions (forward currency contracts and options). A similar approach is applied if a customer wishes to contract in a different currency to the functional currency of the entity concerned. Foreign exchange risk for the whole of the Group is generally handled by the finance department, which enters into derivative financial instruments with banks to protect the Group against unfavourable movements in exchange rates. These instruments include spot and forward currency purchases/sales, swaps, and plain vanilla forex options (calls and puts). The Group does not use financial instruments for speculative purposes. In addition, to protect against counterparty risk on derivatives, the Group enters into contracts with several banks.

	At 31 December 2024			
	Impact on net profit before tax for the year		Impact on other components of equity	
(in € thousand)	10% increase	10% decrease	10% increase	10% decrease
Exchange rate (EUR/USD)	(1,242)	1,242	13,759	(13,759)
Exchange rate (EUR/CAD)	(61)	61	2,246	(2,246)
Exchange rate (EUR/ISL)	ns	ns	824	(824)
Exchange rate (EUR/SGD)	ns	ns	258	(258)
Exchange rate (EUR/CNY)	ns	ns	44	(44)
Exchange rate (CAD/USD)	1,056	(1,056)	ns	ns

Risks related to interest rates

Description of risk	Mitigation policies and measures
The Group's interest rate risk arises from long-term borrowings, which include the Senior Credit Agreement put in place as part of the debt refinancing carried out at the time of the IPO. The agreement provides variable-rate loans bearing interest at Euribor plus an agreed margin (see Note 25 in Section 6.1.2"Notes to the consolidated financial statements" of this Universal Registration Document). Borrowings issued at variable rates expose the Group to the effect of interest rates on cash flows, which are partly offset by cash earning interest at variable rates. In 2024, the Group's variable-rate borrowings were denominated in euros. During the year ended 31 December 2024, if average interest rates had been 100 basis points higher/lower, all other things being equal, the impact on profit before tax for the year would have been as follows:	As all debt is held centrally, interest rate risk is at Group level and is managed by the Group finance department. The Group enters into derivative financial instruments with banks in order to protect the Group against an increase in the interest rates on its borrowings. The Group thus manages its financial liabilities by hedging the market risks on the underlying debts. The only hedging instruments permitted by the Group are swaps and options (caps/floors). The Group does not use financial instruments for speculative purposes. In addition, to protect against counterparty risk on derivatives, the Group enters into contracts with several banks.

	At 31 December 2024	
	Impact on net profit before tax for the year	
(in € thousand)	100bp higher	100bp lower
Additional interest expense (income)	1,211	(1,211)

Risks related to goodwill

Description of risk	Mitigation policies and measures
As at 31 December 2024, goodwill of €189.5 million was recorded on the Group's balance sheet (see Note 14 in Section 6.1.2 "Notes to the consolidated financial statements" of this Universal Registration Document). It cannot be ruled out that future events may lead to an impairment of the Group's goodwill. Given the substantial amounts of goodwill on its balance sheet, any significant impairment could have a material adverse effect on the Group's financial position and results for the year in which such charges are recorded. Moreover, the amounts concerned may vary according to the assumptions, judgements and estimates on which the impairment tests are based, including the discount rate (WACC: weighted average cost of capital), the perpetual growth rate and expected cash flows, which depend on an assessment of the economic and financial environment).	The recoverable amount of assets (goodwill, intangible assets or property, plant and equipment) is tested as soon as there is any indication of impairment. Whether there is an indication of impairment or not, an annual impairment test is performed by comparing the net carrying amount with the recoverable amount. Impairment tests are performed at cash-generating unit (CGU) level. The value in use of a CGU is determined by reference to the present value of future cash flows expected to be derived from these assets, in accordance with economic assumptions and operating conditions expected by executive management. An impairment is recognised when this value is less than the carrying amount. Pursuant to IAS 36 "Impairment of Assets", an entity must assess at each reporting date the existence of any indication that an asset has suffered an impairment. The recoverable amount is determined based on the value in use. In this context, the Group verified that the business plans prepared at the 2024 annual closing based on management assumptions in line with macro-economic forecasts, had not been materially called into question.

Risks related to the Group's indebtedness and restrictive clauses in financing agreements

Description of risk	Mitigation policies and measures
As at 31 December 2024, the Group's total gross debt amounted to €261.1 million (see Note 25 in Section 6.1.2 "Notes to the consolidated financial statements" of this Universal Registration Document). The Group's indebtedness may have negative consequences, such as: • requiring the Group to devote a significant proportion of cash flow from operating activities to debt service and repayment, thereby reducing the Group's capacity to allocate free cash flow to financing organic growth, capital expenditure and other general corporate purposes; • increasing the Group's vulnerability to a slowdown in business or economic conditions; • placing the Group in a less favourable position compared to competitors that have less debt in relation to their free cash flow; • limiting the Group's flexibility in planning or reacting to changes in its activities and the sectors in which it operates; • limiting the Group's capacity to invest in growth (including through acquisitions as part of its growth strategy); • limiting the Group's capacity to carry out its external growth policy; and • limiting the capacity of the Group and its subsidiaries to borrow additional funds or raise capital in the future and increasing the costs of such financing. In addition, the Group's capacity to meet its obligations, to pay interest on its borrowings or to refinance or repay its borrowings in accordance with the terms and conditions thereof will depend on its future operating performance and may be affected by a number of factors (including economic conditions, debt market conditions and regulatory developments), some of which are beyond the Group's control. In the event of insufficient liquidity to service its debt, the Group could be forced to reduce or defer acquisitions or investments, dispose of assets, refinance its debt, or seek additional financing. The Group may not be able to refinance its debt or obtain additional financing on satisfactory terms. These risks could have a material adverse effect on the Group's business, results and financial condition. The Group's various financing instruments, such as the Senior Credit Agreement, require it to comply with various financial and other covenants and specified ratios. These covenants limit the Group's ability to take certain actions (subject to the usual exceptions for this type of financing), including: • providing sureties; • incurring additional financial debt; • disposing of assets; • carrying out certain mergers; and • changing the nature of the Group's activities. The restrictions contained in the Group's debt instruments could affect its ability to carry on its business and limit its ability to react to market conditions or seize commercial opportunities as they arise. For example, these restrictions could affect the Group's ability to finance investments in its businesses, make strategic acquisitions, investments or partnerships, restructure its organisation or finance its capital requirements. In addition, the Group's ability to comply with these covenants may be affected by events beyond its control, such as economic, financial and industrial conditions. Failure by the Group to comply with its covenants or restrictions could result in a default under the terms of its debt instruments. This could permit the Group's creditors to accelerate the repayment of the relevant financing, which could have a material adverse effect on the Group's business, financial condition, results and prospects.	As part of its IPO on 7 June 2024, the Group refinanced the whole of its debt and strengthened its financial structure by way of a €180 million capital increase and the signing of a Senior Credit Agreement, with a maximum total amount of €350 million split between two credit lines: • a five-year term loan of a maximum amount of €250 million, paying interest ranging from 1.50% to 2.50% + 3-month Euribor, repayable on maturity; and • a five-year revolving credit facility (RCF) of a maximum amount of €100 million, paying interest ranging from 1.50% to 2.50% +3-month Euribor, not drawn at 31 December 2024. As at 31 December 2024, the Group had a net debt/adjusted EBITDA ratio of 1.2x, well below the 3.0x covenant in the new Senior Credit Agreement. The Group also had available cash of €116.8 million as at 31 December 2024.

Liquidity risk

Description of risk	Mitigation policies and measures
Liquidity risk arises from the Company's inability to meet its obligations as they fall due. The Company relies mainly on long-term debt to finance its acquisitions. Liquidity risk includes, on the one hand, the risk that assets cannot be sold quickly on satisfactory terms if necessary, and on the other hand, the risk of liabilities falling due early or of the Company not having access to credit on satisfactory terms. The Group forecasts its cash flows and monitors its liquidity requirements to ensure that it has enough liquidity to meet operating requirements while maintaining sufficient headroom on its available and undrawn borrowing facilities (see Notes 24 and 26 in Section 6.1.2 "Notes to the consolidated financial statements" of this Universal Registration Document). Surplus cash held by operating entities in excess of the balance required to manage working capital is transferred to the Group treasury. The Group's treasury department invests cash surpluses in interest-bearing current accounts so that it can rapidly mobilise cash to finance potential acquisitions. Contractual maturities of financial liabilities, including contractual interest:	During 2024, the Group established a central treasury department at EXOSENS International for all subsidiaries. Almost all financing for all Group entities is thus held centrally at EXOSENS International. It is monitored via a Kyriba TMS (treasury management system), which is in the course of being rolled out across the Group. The Group's French entities have been integrated into this system since late 2024 and the aim is to integrate the foreign subsidiaries by June 2025. Automatic euro and US dollar cash pooling will also be introduced during the course of 2025. The Group generally manages this risk by striving to anticipate liquidity needs and ensure that they are covered by the following short- and long-term financial resources: • shareholders' equity, which stood at €412.6 million as at 31 December 2024 (see Section 6.1.1 "Consolidated financial statements of the Company for the year ended 31 December 2024" of this Universal Registration Document); • net debt, which stood at €261.1 million as at 31 December 2024 (see Note 25 in Section 6.1.2 "Notes to the consolidated financial statements" of this Universal Registration Document); and • available cash, which stood at €116.8 million as at 31 December 2024 (see Note 23 in Section 6.1.2 "Notes to the consolidated financial statements" of this Universal Registration Document).

Contractual maturities of financial debt (in € thousand)	At 31 December 2024			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Term loan	12,632	296,118	0	308,750
Other financial liabilities	2,139	895	0	3,034
TOTAL EXCLUDING DERIVATIVES	**14,771**	**297,012**	**0**	**311,784**

Credit risk

Description of risk	Mitigation policies and measures
Credit and/or counterparty risk is the risk that a party to a contract with the Group will default on its contractual obligations, resulting in a financial loss to the Group. The Group's credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as from credit exposure to customers where there is a risk of non-recovery. The risk of insolvency or customer default may result in non-payment of the amounts owed and consequently have a negative impact on the Group's income statement and cash flows.	The Group has set up procedures to manage and limit customer credit risk. The credit department of each entity determines the maximum permitted payment periods and sets credit limits for customers to be applied by the operating entities. The credit department manages and controls credit activity, risks and results and is also responsible for managing trade receivables and their recovery.

4.1.5 Legal and regulatory risks

Risks related to regulations and regulatory changes

Description of risk	Mitigation policies and measures
The Group's activities are subject to a variety of increasingly numerous, complex and evolving laws and regulations (particularly due to the international nature of its activities), especially in the fields of defense, the environment, employment law, new technologies, cybersecurity and nuclear safety (see Section 1.7 "Regulatory environment" in Chapter 1 of this Universal Registration Document. The Group is therefore exposed to changes in law or regulation that were not properly anticipated or taken into account by the Group's internal management system. In addition, changes in the application or interpretation of existing laws and regulations by government agencies and courts may occur at any time and may not be anticipated by the Group. In particular, the Group is subject to the RoHS[1] regulations provided for by Decree no. 2013-988 of 6 November 2013, transposing the RoHS Directive 2011/65/EU of 8 June 2011, as amended by Directive (EU) 2015/863 of 31 March 2015. This directive aims to limit the use of ten hazardous substances in electrical and electronic equipment (including lead, mercury and cadmium). To date, the only substance used in the products marketed by the Group to be identified as subject to the RoHS restrictions is lead. These products benefit from several exemptions (see Section 1.7.4 "Environmental regulations" in Chapter 1 of this Universal Registration Document). In addition, the Group must comply with the European REACH[2] regulation, which may generate significant costs, particularly in relation to sharing the data required to register certain substances. The Group is a "downstream user" under these regulations, which requires it to ensure that its suppliers have registered their substances if they are not exempt. The Group is also an importer of articles under these regulations, which requires it to provide information to its customers. Such obligations and restrictions may have a significant impact on the Group's activities and must be carefully monitored and anticipated as soon as possible in order to identify suitable alternative substances. The Group may also be subject to similar legislation outside the European Union (such as the Toxic Substances Control Act of 1976 in the United States or the Canadian Environmental Protection Act of 1999 in Canada). These regulations and any changes to them could have a negative impact on the profitability of programmes developed by the Group, on meeting production deadlines and on the Group's reputation. In addition, any failure to comply with these regulations could (i) prevent the Group from distributing its products outside the defense sector, (ii) impose financial penalties on the Group or (iii) impact the Group's reputation. Moreover, the Group could be adversely affected by any changes in export regulations (see paragraph on "Risks relating to sales and export restrictions and control of goods" in Section 4.1.1 of this Chapter). Given the current geopolitical context, it is difficult for the Group to anticipate changes in such regulations, making it particularly difficult to monitor compliance with them. For example, Chinese export regulations are evolving, and the Group is closely monitoring developments in this area. The occurrence of one or more of the above events could have a material adverse effect on the Group's business, results, financial condition and prospects.	To ensure that its activities comply with local regulations, the Group's Legal Department, in conjunction with its operational departments and subsidiaries, regularly monitors changes in these rules, in cooperation with local legal advisers. In 2023, EXOSENS commissioned Bureau Veritas to perform an audit of its REACH and RoHS obligations. Furthermore, the Group is implementing internal research and development programmes to find or develop substitutes for the products and substances covered by these regulations.

(1) RoHS: Restriction of Hazardous Substances in electrical and electronic equipment – Directive 2011/65/EU of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

(2) REACH – Registration, Evaluation and Authorisation of Chemicals.

Risks related to ethics and corruption

Description of risk	Mitigation policies and measures
In conducting its business, the Group may face risks related to corruption, in particular through its activities linked to governmental entities or public officials. These include contracts with partners linked to governmental entities or bids for public contracts, where actors generally face increased scrutiny related to corruption and ethics violations. The Group has put in place policies, procedures and training for its employees on ethics and anti-corruption regulations. However, it cannot guarantee that its employees, suppliers, subcontractors or other business partners will comply with the requirements of its Code of Good Conduct, its ethics guidelines and the regulations and legal requirements in force. If it were unable to enforce its anti-corruption policies and procedures, the Group could be subject to civil and criminal penalties, including fines which could be substantial or exclusion from certain contracts. The occurrence of such events could have a material adverse effect on its reputation, business, financial condition, results and prospects.	The Group pays strict attention to ensuring that its procedures and employee practices comply with applicable regulations. In particular, the Group has implemented compliance procedures pursuant to Law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life, known as "Sapin II". The Group has also adopted a set of policies aimed at all its employees and designed to guarantee the integrity of the Group's business practices, the management of its information and the protection of its employees. These policies, which are regularly reviewed and strengthened, include a Code of Ethics, a third-party evaluation procedure and a whistleblowing policy.

Risks related to the control of foreign investments

Description of risk	Mitigation policies and measures
The Group is involved in activities that are covered by regulations applicable to foreign investments in France, in particular those relating to national defense. As a result of these activities, the Company and the Group fall within the scope of the legal and regulatory provisions applicable to foreign investments in France set out in articles L.151-3 and articles R.151-1 et seq. of the Monetary and Financial Code. Under these provisions, the prior approval of the Minister of the Economy is required with respect to the Group's French entities if (i) a non-European investor directly or indirectly exceeds a threshold of 25% of the voting rights of an unlisted entity or 10% of the voting rights of a listed entity or (ii) a non-French investor who is a national of a Member State of the European Union or of a State party to the Agreement on the European Economic Area (EEA) acquires direct or indirect control of such an entity. As part of the approval process, the Minister of the Economy is responsible for verifying that the terms of the contemplated transaction protect France's national interests. In this respect, the Minister may attach one or more conditions to the approval to protect the long-term viability of the activities concerned, industrial capacities, research and development capacities or associated know-how, or refuse such authorisation by issuing a reasoned decision, particularly if national interests cannot be protected. Any transaction carried out in breach of these provisions is null and void and is subject to a fine. Consequently, these restrictions on acquiring a substantial interest in the Company's share capital or exceeding a certain shareholding threshold may restrict certain investments and therefore limit the demand for and liquidity of the Company's ordinary shares. In addition, changes in the Group's shareholding structure may require the approval of the relevant national authorities on foreign direct investment in the foreign jurisdictions in which the Group operates (notably Germany, Canada, the United States and the United Kingdom). These various laws and changes in them could have a significant negative impact on the Group's financial and capital situation and reputation.	The Company rigorously monitors the shareholding thresholds. This includes the immediate declaration of all significant threshold crossings, in accordance with the provisions of the Monetary and Financial Code. This monitoring enables us to remain legally compliant and to anticipate needs for prior authorisation in the event of major changes in the shareholder base.

Risks related to ongoing litigation and investigations

Description of risk	Mitigation policies and measures
In the ordinary course of its business, the Group may become involved in a number of legal, administrative, criminal or arbitration proceedings, particularly in relation to civil liability, intellectual property, competition, tax, or discrimination. In some of these proceedings, substantial monetary claims could be made against one or more Group entities. Any corresponding provisions that the Group may record in its accounts could prove insufficient, which could have a material adverse effect on its business, financial condition, prospects and results. The Group cannot rule out the possibility that in the future legal proceedings could be initiated against it relating to unidentified or unanticipated risks. If these proceedings were to have an unfavourable outcome, they could have a material adverse effect on the Group's business, financial condition, results and prospects.	The procedures that operate within the Group enable the Legal Department and/or Compliance Departments, as the case may be, to stay informed of all claims and disputes between one or more Group entities and one or more third parties (whether public or private organisations) that may give rise to litigation. All disputes must also be notified to the local and/or Group finance director so that the appropriate accounting provisions may be recorded. All dispute resolution steps taken prior to the start of legal proceedings, and all court or arbitration proceedings, are coordinated by the Legal Department.

Risks related to intellectual property rights

Description of risk	Mitigation policies and measures
If the Group fails to maintain, protect or obtain appropriate recognition for its intellectual property rights, its market position could be weakened and the Group could lose strategic assets, achieve lower revenue and growth rates and face costly litigation to protect its rights. The Group's success depends in part on the protection, maintenance, defense and enforcement of its intellectual property rights, including those relating to its know-how, proprietary technology and key products, for which the Group relies on a combination of copyrights, design rights, patents, trademarks and trade secret protection rights. The Group also relies on other intellectual property laws, as well as the use of contractual restrictions, to recognise and protect its intellectual property rights (see Section 1.5 "The Group's research, development and innovation policy" in Chapter 1 of this Universal Registration Document). The Group regularly files protection applications and obtains intellectual property rights for innovations resulting from its research and development activities. In particular, the Group seeks to protect the technologies and know-how that it owns and that it considers to be commercially strategic, and to protect its core brand (including the key brands that form part of its product portfolio), by filing patent and trademark applications in the main jurisdictions where it operates. This process is lengthy and expensive, and the Group may not be able to file and complete all necessary or appropriate patent and trademark applications in all jurisdictions at a reasonable cost or in a timely manner. In addition, intellectual property rights may not be obtained for current or future applications or may not be valid or of sufficient scope or value to provide the Group with effective protection or commercial advantage. Moreover, although there is a presumption that patents are valid, the grant of a patent does not necessarily imply that it is effective or that any claims against the patent can be validly enforced to the extent expected or desired. Furthermore, the Group's registered intellectual property rights may have expired, and patents, trademarks, and other intellectual property rights may be contested, invalidated, misappropriated or circumvented by third parties. Although the Group seeks to protect its intellectual property rights (particularly unregistered rights) by entering into confidentiality agreements with its employees, consultants, collaborators and third parties at the outset of their relationship with the Group, these parties may not comply with their confidentiality obligations under these agreements. In addition, the Group may not be able to obtain these agreements whenever necessary. These agreements may also not guarantee effective recognition of all rights to inventions developed by employees or any consultant party to these agreements and may not be sufficient to control access to and distribution of the Group's technology and confidential information or provide an adequate solution in the event of unauthorised use of these resources or technologies or unauthorised access, use or disclosure of confidential information. Thus, despite the precautions taken by the Group, knowledge relating to unregistered intellectual property or other confidential information of the Group may be made available to third parties. In addition, in certain jurisdictions, the Group may be required to pay compensation to owners of intellectual property rights in accordance with applicable law. In some cases, the Group collaborates and partners with third parties for research and development activities or product manufacturing. These collaborations and partnerships may give rise to joint ownership or co-ownership of the resulting inventions and the associated intellectual property rights. Where the Group holds intellectual property rights jointly or in co-ownership, it may be prevented from using, licensing, enforcing or marketing these rights. The Group may be required to devote significant resources to monitoring and protecting its intellectual property rights and may or may not be able to detect infringement, misappropriation or other violations of its intellectual property rights by third parties. The Group believes its technology and know-how are key differentiating factors compared to its competitors. Accordingly, the Group considers that infringement by third parties of intellectual property rights relating to its products, industrial processes, brands, designs and models represents a significant risk. Legal action may be necessary in the future to enforce the Group's intellectual property rights, and such litigation could be costly and protracted, be resolved in a manner unfavourable to the Group and/or result in the impairment or loss of part of its intellectual property rights. In addition, any efforts by the Group to enforce its intellectual property rights may be met with defenses, counter-claims and legal actions that call into question the validity and enforceability of such intellectual property rights. Third parties have in the past declared, and may in the future declare, that the Group has directly or indirectly infringed upon their intellectual property rights, and the Group could be found to have done so.	Protection of the Group's inventions is overseen by a Patent Committee made up of manufacturing, R&D and intellectual property law specialists. The Committee decides whether each proposed invention should be steered towards patent protection, business secrecy (for which proofs of prior possession are drawn up), or disclosure (to ensure freedom to operate). The Group's inventions are protected in more than 30 jurisdictions, chief among them the United States, France and Germany. In connection with obtaining intellectual property (IP) rights, these jurisdictions are chosen in order to defend the manufacturing and sale of the Group's products and enable it to contest the manufacturing and sale of potential counterfeit products in other countries. The Group works together with more than six industrial property firms around the world, as well as with a law firm for patent-related matters. Internally, a rigorous quality control policy is applied to protected inventions in order to obtain patents that would be difficult to contest. This policy consists of a detailed, multi-party examination as well as patentability studies that are carried out before a patent application is filed and during the process of obtaining rights. This serves to minimise the risk of legal action seeking to invalidate a patent. Special attention is paid to renewal of IP rights upon expiry. The Group also takes action to identify counterfeiting. The patent department works together with the marketing and purchasing departments to report information and confront products on the market that encroach upon the Group's IP claims. Furthermore, the Group also has a policy of monitoring third-party IP rights and conducting freedom-to-operate analyses in relation to its products. An internal process has been set up to monitor publications of new IP rights in the Group's various technological fields. Moreover, when a new product is developed, freedom-to-operate studies are carried out either in-house or by industrial property consultancies. Lastly, employee invention rights are honoured, not only to comply with the various laws applicable to the Group's subsidiaries but also to stimulate innovation. Employment contracts include clauses on the confidentiality of the Group's industrial property. The Group has also established a policy of paying bonuses on the presentation of an invention, the filing of a patent or the granting of a patent application. Protection of the Group's trademarks and domain names is coordinated by the Marketing and Communication Department, with the assistance of the Legal Department which also monitors the Group's main brands on a worldwide basis.

Description of risk	Mitigation policies and measures
The Group's competitors, suppliers and customers also file a large number of applications to protect their intellectual property. Because of the large number of intellectual property rights that the Group's competitors may hold, it is not always possible to monitor and identify infringements, misappropriations or other violations of third parties' intellectual property rights by the Group. The Group could be required to pay consequential damages or comply with injunctions prohibiting the development and sale of certain of its products and services. In addition, the Group could be forced to stop manufacturing, using or marketing the technologies, brands or products concerned in certain countries or be forced to modify a product under development (which would increase the project's research and development costs). The occurrence of any of these risks could have a material adverse effect on the Group's business, financial condition and results.	

Risks related to taxation and changes in the tax system

Description of risk	Mitigation policies and measures
The Group is subject to various tax laws and regulations in the countries in which it operates, which apply to its activities and to intra-group reorganisations (past or future) involving Group companies, shareholders, employees and/or managers. French and foreign laws and regulations are subject to interpretation, and the Group cannot guarantee that the relevant tax authorities will agree with its interpretation of the applicable laws in the various countries in which it operates. In addition, tax laws, regulations and compulsory levies may be amended and their interpretation and application by the jurisdictions or authorities concerned may change, particularly in the context of joint initiatives taken at international or Community level (the OECD and European Union in particular). In particular, certain Group companies received subsidies totalling €6.1 million, including €1.3 million under the French research tax credit (CIR), for the year ended 31 December 2024. Tax authorities may decide to challenge the eligibility of certain projects or all or part of the research and development expenditure for which certain Group companies have claimed a credit, which could have an impact on the corporate tax liability of the relevant company and, consequently, on the net profits of the company and of the Group. In addition, the relevance of the current CIR system has recently been criticised, notably by an advisory body (Conseil des Prélèvements Obligatoires) under the authority of the French Court of Auditors and by certain members of the French Parliament. In addition, the Group benefits from similar subsidies in other countries that have similar regulations governing support for research and development. This is the case, for example, with tax deductions and credits under the Scientific Research and Experimental Development (SR&ED) scheme in Canada, the tax allowance under the *Wet Bevordering Speur en Ontwikkelingswerk* (WBSO) in the Netherlands and the Credit for Increasing Research Activities (CIRA) in the United States. As a result, any significant change in these public policies to support research and development could have a negative impact on the Group, which may no longer be able to benefit from these financial resources. Finally, a challenge to the Group's tax position by the relevant authorities could result in the Group paying additional tax, potentially incurring significant reassessments and penalties or increasing the cost of its products or services in order to pass on this tax to customers. One or more of the risks mentioned above could have a material adverse effect on the Group's business, results, financial condition and prospects.	The Group is committed under its tax policy to complying with the laws, regulations and tax treaties applicable in all the countries in which it operates, as well as with the international standards in force. In this regard, the Group's finance and legal teams rely on external tax consultancies to ensure compliance with local tax legislation on an ongoing basis. In view of its values and ethical principles, as well as its corporate social responsibility requirements, the Group: • prepares and files tax returns accurately and on time, in accordance with the applicable regulations; • carries out transactions in conformity with the underlying economic reality; • rejects all abusive tax planning as well as the use of artificial structures located in "tax havens"; and • cooperates with local tax authorities in the event of tax audits.

4.2 Internal control and risk management system

4.2.1 Objectives, organisation, system

Objectives

Risk management is closely followed by the Group Executive Committee, with the support of the Risk Management, Internal Control and Internal Audit teams.

The main objective of risk management is to identify, assess and prioritise risks (based on potential impact and probability of occurrence), so as to help Group management to choose the most appropriate risk management strategy and to set up and monitor action plans aimed at limiting significant residual risks.

Internal Control defines and implements appropriate controls to manage risks and enable the Group to meet its objectives.

Internal Audit serves to ensure that internal control systems are effective and, where necessary, provide recommendations for their improvement.

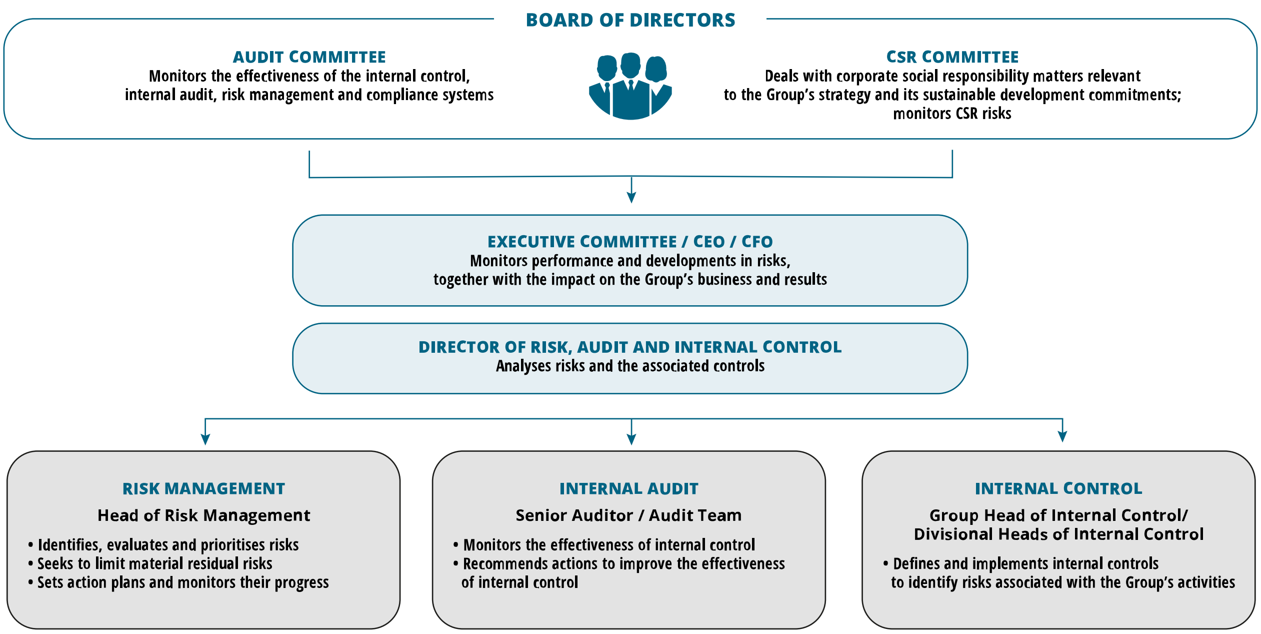
Organisation

At Group level, major risks are identified and addressed by the Risk, Audit and Internal Control Department, which reports directly to the Finance Department, under the supervision of the Group Executive Committee. This arrangement enables the Group to identify and prevent the risks it may face. The Risk, Audit and Internal Control Department regularly updates the Audit Committee on the risk management system in place.

The Risk, Audit and Internal Control Department is tasked with drawing up an audit programme that follows and takes account of the major risk mapping, and provides regular updates on that programme to the Audit Committee. It also lays down a set of internal control standards at Group and subsidiary level and thus plays a central role in defining which controls should be implemented in order to respond to the identified risks and in coordinating the internal control systems at the subsidiaries.

At subsidiary level, responsibility for operational risk management and internal control lies with the operating divisions of each Group entity, under the functional control of the Risk, Audit and Internal Control Department. Within each entity, the person responsible for risk management (generally senior management or a person reporting directly to senior management) is in charge of ensuring that prevention procedures are properly applied and determining whether new procedures need to be put in place.

RISK MANAGEMENT, AUDIT AND INTERNAL CONTROL ORGANISATION



Systems

Risk management and internal control systems

The Group's overall risk management and internal control system applies at various levels (sites, functional departments, subsidiaries, divisions) and is based on various elements, notably including:

- industrial and cyber risk control;
- operating risk control;
- the Group's major risk mapping procedure;
- the Group's corruption risk mapping procedure;
- oversight of the internal control system: internal control runs an annual self-assessment campaign in relation to internal control systems, which is carried out by all Group operating companies, and follows up on the associated action plans;
- the compliance system; and
- internal audit, which acts as an independent assurance function and, in coordination with the other risk management systems, assesses the efficiency and operation of the main processes at the audited companies and reports on these matters to the Group Executive Committee and the Audit Committee.

The statutory auditors also obtain an understanding of the internal control system and procedures and perform an assessment of the internal control system each year. They attend all meetings of the Audit Committee.

Audit plan, mission and follow-up

The mission of internal audit is to provide objective assurance and suggest improvement to the internal control system, processes and governance.

Internal audit assignments are planned on the basis of an audit plan which is based on the major and operational risks and approved by the Audit Committee. The audit plan includes:

- full audits of Group operating entities, based on an annual internal control self-assessment questionnaire and the risks specific to each entity;
- topic-based audits, covering a specific topic based on the Group risk assessment or concerning the Group's internal control system – these may be carried out on one or more Group entities or across the entire Group, depending on the particular requirements; and
- anti-corruption audits.

The final report, including the action plans, is approved by the Group Finance Department and sent to the Group CEO and the audited entities.

The Group's Internal Audit Department monitors the implementation of the action plans and updates the Group Executive Committee and Audit Committee.

Procedures relating to the preparation and processing of accounting and financial information

Internal control of the publication of accounting and financial information is based on the organisation of the Finance Department, its overall procedures and the financial controls (budgeting process, monthly financial reporting, forecasting, reporting on financial and operating performance reviews, etc.).

Under the authority of the Finance Director, the staff in charge are responsible for:

- preparing the Group's consolidated financial statements and the statutory accounts of the Company;
- preparing the budget and monitoring its implementation via the monthly management and performance reporting; and
- putting policies, procedures and standards in place for the Group's accounting and management and updating them when standards are amended.

Internal Control assists Group entities with the implementation of Group financial processes. Internal Audit's objective is to implement the internal control system for finance and accounting and it takes part in second-level checks of key controls.

4.2.2 Operational risk management

Risk management refers to all measures implemented by the Group to identify, analyse and control the risks to which it is exposed. The risk management system is regularly monitored by the management of the Group's operating entities.

The Group's major risk management process includes the mapping of major risks. The preparation and review process for this risk mapping, which was begun by the Group's Finance Department in 2023, enables the Group to identify the major risks to which it is exposed, assess the potential impact of each risk, taking into account its criticality (i.e., the seriousness and likelihood of its occurrence), and assess the action plan put in place for the risk, including the persons responsible within the Group for its monitoring and control.

The major risks concerned are adjusted annually on a case-by-case basis, in accordance with the actual progress of the action plans and any major outside events or changes within the Group that may have occurred.

In 2019, the Group drew up a specific mapping procedure for corruption risks as the first key step in rolling out an overall anti-corruption programme in response to the requirements of Law no. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life. The Group thus carried a regular assessment of its corruption risks, based on its existing measures and controls. In 2023, the Group updated its corruption risk mapping, notably to take account of its recent acquisitions. No new risks were identified.

The progress of the action plans is monitored at Group level by the Risk, Audit and Internal Control Department. An update was presented to the Group Audit Committee in October 2024, which will be regularly reviewed until final completion.

4.3 Insurance policies

The Group's insurance policy is coordinated by the Group Legal Department with the support of the operational departments. The portfolio consists of insurance policies covering multiple entities, which are handled by the Group Legal Department, and local policies, each of which generally covers and is managed by a single entity. The Group Legal Department is currently investigating on a case-by-case basis whether it makes sense to maintain these local policies or to package local covers into multi-entity policies.

Each Group company is responsible for providing the Legal Department, acting in coordination with the operational departments, with the information needed to identify and classify insured or insurable risks within the Group, and for implementing the necessary resources to ensure business continuity in the event of a loss.

The Legal Department negotiates annually with the major insurance companies to put in place the most appropriate cover for these risks.

The establishment of insurance policies is based on determining the level of coverage necessary to deal with the reasonably estimated occurrence of liability, damage and other risks. This assessment takes into account the assessments made by the insurers, as risk underwriters, and the brokers, as experts in managing insurable risk. Uninsured risks are risks for which there is no coverage available on the insurance market, risks for which the coverage available and/or its cost are not in line with the potential benefit of insurance, and risks which the Group considers not to require insurance.

The Group's main policies, provided by insurance companies of international standing, include civil liability, material damage, business interruption, directors' and officers' liability, and cyber insurance. For risks not covered by these policies, Group policies are supplemented on a case-by-case basis by policies taken out locally at the subsidiary level.

05

The Group's activities, results and prospects

Introduction

The Group is a leading technology company offering a broad portfolio of detectors and imaging solutions, such as image intensifier tubes, digital cameras in different wavelengths, ion, electron, neutron and gamma ray detectors as well as power and travelling wave tubes, providing tailor-made solutions to meet the needs of end-users facing complex problems in demanding environments in the fields of defense and surveillance, life sciences, nuclear and industrial control.

The Group is the leader in the Light Amplification market (outside the United States) and one of the leaders in the Detection and Imaging markets it serves.

The Group’s activities are organised into two segments (which also correspond to the segmentation used by the Group for reporting purposes):

- Amplification, which accounted for 71 % of the Group’s revenue for the year ended 31 December 2024, consisting of systems using the amplification of electrons or electromagnetic waves to produce an image or power source. The majority of Amplification revenues come from selling components and modules for integration into instruments and systems used by end-users in the defense sector (mainly armed forces and homeland security services);
- Detection & Imaging, which accounted for 29 % of the Group’s revenue for the year ended 31 December 2024, consisting of systems for detecting optical or electronic signals or producing an image in different wavelength bands of the optical spectrum. The vast majority of revenue comes from selling high value-added components and modules for integration into instruments and systems for end-users in commercial markets such as nuclear power generation; research laboratories; the oil and gas industry; the food, life sciences, semiconductor, electronics and recycling industries; and the aerospace sector.

In the year ended 31 December 2024 and in the twelve months to 31 December 2023, the Group recorded consolidated revenue of €394.1 million and €291.8 million, respectively; adjusted gross profit of €189.6 million and €131.1 million, respectively; adjusted EBITDA of €118.5 million and €86.0 million, respectively; and adjusted EBIT of €95.3 million and €66.1 million, respectively. The definitions of adjusted gross profit, adjusted EBITDA and adjusted EBIT can be found in the paragraph on “Key performance indicators” in Section 5.2.

For the year ended 31 December 2024 and the twelve months to 31 December 2023, the breakdown of Group revenue by geographical area was as follows: Europe 66% and 68 % (including France: 3 % and 8 %); North America 13 % and 14 %; Asia 21 % and 18 %; and Rest of World 0 % and 0 %.

5.1 Highlights

Seasonality

Group revenue is impacted by the seasonal nature of products sold to its customers. Orders and revenue are typically higher at the end of the year, particularly for Amplification products, most of which are linked to the defense sector, due primarily to the close-out of budgets. By contrast, order intake and revenue are generally lowest in the first quarter. The Group therefore records significantly higher sales in the last quarter of the year, while first-quarter revenues are generally lower than in the other quarters and cannot be extrapolated to the full financial year.

Income and expenses arising from ordinary activities that the Group receives or incurs on a seasonal, cyclical or occasional basis are recognised in accordance with the same rules as those used for the annual financial statements. They are neither accrued nor deferred in quarterly reporting. Expenses and income invoiced on an annual basis are included in interim information on a pro rata basis. Provisions for risks arising during a quarter are recorded in the quarterly figures.

Change in EXOSENS' legal form

On 31 May 2024, EXOSENS was converted from a simplified joint stock company *(Société par Actions Simplifiée*, SAS) to a public limited company *(Société Anonyme*, SA) ahead of its initial public offering on the Euronext Paris stock exchange on 7 June 2024. This change also served to align the company's structure and governance with that expected by international investors and guarantee the transparency required by the financial market.

Initial Public Offering (IPO)

On 7 June 2024, EXOSENS began operating as an independent listed company following its listing on Euronext Paris (ticker symbol "EXENS") by way of a private placement, including an over-allotment option representing a maximum of 15% of the cumulative number of New Shares and initial Sale Shares (i.e. a maximum of 2,625,002 Additional Sale Shares). The opening price of EXOSENS shares (€20.00 per share) was confirmed by a notice issued by Euronext Paris on 7 June 2024. On 12 June 2024, the Over-Allotment Option covering all the shares placed under the IPO was exercised in full.

Share capital transactions

In the first half of 2024, the Company carried out several share capital transactions in the context of its IPO on 7 June 2024. Specifically, these included:

- conversion of all preference shares to ordinary shares;
- increase in the par value of ordinary shares from €0.01 to €0.17;
- combination of ordinary shares into a single class;
- a capital increase of €134 million, including share premium, carried out by private placement with an override of shareholders' preferential subscription rights;
- a capital increase of €46 million, including share premium, reserved for Bpifrance Participations with an override of shareholders' preferential subscription rights.

Acquisitions

- Centronic: On 31 July 2024, the EXOSENS group completed the acquisition of the UK-based company Centronic, a leader in radiation detection solutions. The company was acquired for €24 million.
- LR Tech: On 1 September 2024, the EXOSENS group completed the acquisition of the Canadian company LR Tech, a leader in spectroradiometry solutions. The company was acquired for €6.6 million. An earn-out clause is provided for in the contract, but this is disregarded in the valuation of the Company's interest in EXOSENS International.
- NVLS: On 21 October 2024, the EXOSENS group signed a definitive agreement for the acquisition of the Spanish company NVLS (Night Vision Laser Spain), a specialist in night vision equipment. The acquisition had not yet been completed at 31 December 2024.
- Noxant: On 28 November 2024, the EXOSENS group signed the definitive agreement for the acquisition of Noxant, a French company specialising in high-performance cooled infrared cameras. The acquisition had not yet been completed at 31 December 2024.

Refinancing

At the time of the IPO, the Group refinanced all of its existing borrowings using (i) the proceeds of the term loan provided under the Senior Credit Agreement as described in Section 5.3.1 below and (ii) around €180 million of the capital increase carried out by the Company in connection with the IPO.

The Senior Credit Agreement entered into by the Company at the time of the IPO provides two credit lines with a combined maximum amount of €350 million, namely: a five-year term loan of €250 million, bearing interest at a variable rate of 1.5-2.5% + 3-month EURIBOR, repayable on maturity, and a five-year revolving credit facility of up to €100 million, bearing interest at a variable rate of 1.5-2.5% + 3-month EURIBOR, not utilised at 31 December 2024.

5.2 Analysis of Group results

CONDENSED INCOME STATEMENT

(in € millions)	**Year ended 31 December 2024**	12 months ended 31 December 2023
Revenue	**394.1**	**291.8**
Cost of sales	-103.0	-76.0
Other purchases and external expenses	-65.5	-54.1
Taxes	-1.6	-1.6
Employee benefit expense	-110.8	-81.3
Other operating income/(expenses)	2.0	4.1
Depreciation, amortisation and additions to provisions	-38.2	-30.4
Including amortisation of PPA	-10.8	-9.3
CURENT OPERATING PROFIT (LOSS)	**76.9**	**52.6**
Current operating profit excluding PPA	***87.7***	***61.9***
Other income/(expenses)	-3.9	-4.3
OPERATING PROFIT (LOSS)	**73.0**	**48.3**
Operating profit excluding PPA	***83.8***	***57.5***
Net financial income (expense)	-31.2	-28.0
Net profit before tax	***41.8***	***20.2***
Net profit before tax excluding PPA	***52.6***	***29.5***
Income tax	-11.1	-1.8
NET PROFIT (LOSS)	**30.7**	**18.4**
Net profit (loss) excluding PPA	***41.5***	***27.7***

Revenue

(in € millions)	**Year ended 31 December 2024**	Year ended 31 December 2023	Change (in %)	At constant scope and exchange rates (in %)
Amplification	280.2	209.9	+33.5 %	33.5%
Detection & Imaging	117.5	82.5	+42.5 %	6.8%
Eliminations and other	-3.7	-597.2	-	-
TOTAL REVENUE	**394.1**	**291.8**	**+35.0 %**	**24.9%**

Consolidated revenue was €394.1 million for the year ended 31 December 2024, marking a significant increase of +35.0 % (€ +102.3 million) relative to the twelve months to 31 December 2023, mainly due to strong demand in the Defense market. The increase at constant scope and exchange rates is 24.9%.

Revenue – Amplification

Amplification revenue was €280.2 million for the year ended 31 December 2024, showing strong growth of +33.5 % relative to the twelve months to 31 December 2023. This was driven by rising sales volumes and a shift upmarket towards high performance image intensifier tubes for Defense-related night vision applications.

Revenue – Detection & Imaging

Detection & Imaging revenue came to €117.5 million for the year ended 31 December 2024, representing growth of +42.5 % relative to the twelve months to 31 December 2023. This was driven mainly by a more favourable product mix and the rapid growth of 2023's bolt-on acquisitions Telops, El-Mul and Photonis Germany.

Growth at constant scope and exchange rates was 6.8% in the year ended 31 December 2024, faster than the 6.0% recorded in the first nine months of the year. Growth was driven by market share gains in the wake of new product launches, as well as stronger demand in EXOSENS' main high growth markets, i.e. Life Sciences, Nuclear and Defense. These factors more than offset the soft performance in industrial control markets (China, machine vision).

Cost of sales

Cost of sales increased by €27.0 million, or 35.6 %, from €76.0 million for the twelve months to 31 December 2023 to €103.0 million for the year ended 31 December 2024.

This 35.6 % increase in cost of sales in the year ended 31 December 2024 directly correlates with the 35.0 % increase in revenue over the same period.

Other purchases and external expenses

Other purchases and external expenses rose by €11.4 million, or 21.1 %, from €54.1 million for the twelve months to 31 December 2023 to €65.5 million for the year ended 31 December 2024. Various factors account for the majority of this increase. Expenses for interim staff went up by 35.9 % from €17.6 million in 2023 to €23.9 million in 2024, rapid growth in demand having led to a greater use of temporary staff in addition to the recruitment of new FTEs. Professional fees also rose by 13.0 % to reach €13.3 million in 2024, compared to €11.8 million in the prior year. Another significant change was the substantial rise in maintenance costs, which went from €6.5 million in 2023 to 8.0 million in 2024, mainly due to the higher volume of activity in the Group.

Employee benefit expense

The employee benefit expense increased by €29.5 million, or 36.3 %, from €81.3 million for the twelve months to 31 December 2023 to €110.8 million for the year ended 31 December 2024.

The increase in the employee benefit expense in the year to 31 December 2024 is mainly due to the rise in Group headcount from 1,210 at 31 December 2023 to 1,421 at 31 December 2024. This was due to the strong growth in the Group's business, as well as to the staff joining the Group as a result of the Centronic and LR Tech acquisitions in July and September 2024 respectively.

Other operating income and expenses

Other operating income and expenses moved from a net income of €4.1 million for the twelve months to 31 December 2023 to a net income of €2.0 million for the year ended 31 December 2024.

Other operating income mainly comprises investment subsidies of €2.6 million for the twelve months to 31 December 2023 and €2.8 million for the year ended 31 December 2024, together with the Research Tax Credit, which amounted to €1.2 million for the twelve months to 31 December 2023 and €1.3 million for the year ended 31 December 2024.

Other operating expenses include various individually immaterial items amounting to €0.3 million in the twelve months to 31 December 2023 and corporate acquisition costs of €3.8 million in the year ended 31 December 2024.

Note that the corporate acquisition costs of €4.4 million incurred in the period to 31 December 2023 were recognised in other income and expenses.

Depreciation, amortisation and charges to provisions

The depreciation and amortisation charge on the Group's property, plant and equipment (including right-of-use assets) and intangible assets increased by €7.8 million (25.6 %), from €30.4 million for the twelve months to 31 December 2023 to €38.2 million for the year ended 31 December 2024.

The increase in the depreciation and amortisation charge in the year ended 31 December 2024 is mainly due to the increased level of assets. This is mainly attributable to (i) expenditure in 2023 and 2024, particularly in relation to intangible assets, capitalised R&D costs (€8.6 million and €11.0 million respectively in the two years, i.e., 2.9% and 2.8% of revenue) and additional equipment purchases and infrastructure work on the existing sites and (ii) the depreciation and amortisation of the property, plant and equipment and intangible assets of acquired companies, i.e. Centronic (acquired in July 2024), LR Tech (September 2024) and previously Telops, El-Mul and ProxiVision (October, July and June 2023 respectively).

Impairment losses on current assets decreased by €2.3 million, moving from a €1.3 million charge for the twelve months to 31 December 2023 to a €1.0 million reversal in the year ended 31 December 2024.

The expense for additions to provisions was €5.3 million higher, moving from a net reversal of €0.3 million for the period ended 31 December 2023 to an expense of €5.1 million for the year ended 31 December 2024 (see Note 9 to the Consolidated Financial Statements in Chapter 6.1).

Current operating profit

Current operating profit increased by €24.3 million, or 46.2 %, from €52.6 million for the twelve months to 31 December 2023 to €76.9 million for the year ended 31 December 2024.

The substantial increase in current operating profit is mainly attributable to: (i) sustained business growth, leading to a revenue increase of 35.0 %; (ii) well-managed cost of sales, up by 35.6 % in line with the increase in business; (iii) strict control of other purchases and external expenses, keeping the increase to 21.1 % despite the rapid expansion of the Group; and (iv) a 36.3 % rise in the employee benefits expense, reflecting the change in business volumes and the rise in staff numbers due to acquisitions (see paragraphs above).

Other income and expenses

Other income and expenses moved from a net expense of €4.3 million for the twelve months to 31 December 2023 to a net expense of €3.9 million for the year ended 31 December 2024.

Other income and expenses for the year ended 31 December 2024 mainly relate to the €3.9 million portion of IPO-related expenses that was not attributable to the issue of new shares.

Other income and expenses for the twelve months to 31 December 2023 mainly comprise acquisition costs of €4.4 million relating to the Telops, El-Mul and ProxiVision acquisitions. Corporate acquisition costs are recognised in "Other operating expenses" with effect from 2024.

Operating profit

The Group recorded operating profit of €73.0 million in the year ended 31 December 2024, a significant +51.2 % increase (€24.7 million) over the €48.3 million for the twelve months to 31 December 2023. The operating margin increased by 200 basis points to 18.5% of revenue (2023: 16.5%).

This increase is due to the higher current operating profit as well as the net decrease in other income and expenses, as set out in the paragraph above.

Net financial income (expense)

The net amount was €3.2 million lower, moving from an expense of €28.0 million for the twelve months to 31 December 2023 to an expense of €31.2 million for the year ended 31 December 2024.

This movement was mainly due to the costs of €12.8 million (including an effective cash expense of €8 million) incurred on the restructuring of the Group's debt following the IPO (see Note 11 to the Consolidated Financial Statements in Chapter 6.1).

Financing costs were optimised during the second half of the year after the IPO, leading to a net financial expense of €5.5 million in that period.

Net profit (loss) before tax

Net profit before tax increased by €21.6 million, or 106.6 %, from €20.2 million for the twelve months to 31 December 2023 to €41.8 million for the year ended 31 December 2024.

This increase is mainly due to the changes in operating profit and the net financial expense, as described in the paragraphs above.

Income tax

The income tax expense increased by €9.3 million, or 507.3 %, from €1.8 million for the twelve months to 31 December 2023 to €11.1 million for the year ended 31 December 2024. The increase is mainly due to (i) the significant rise in pre-tax profit, which inevitably leads to a higher tax charge, and (ii) the recognition of additional tax loss carryforwards in 2023, which offset the reversal of deferred tax assets following their utilisation. No further carryforwards were recognised in 2024, all tax losses having already been recognised as assets.

Net profit (loss) for the period

Net profit increased by €12.3 million, or 66.7 %, from €18.4 million for the twelve months to 31 December 2023 to €30.7 million for the year ended 31 December 2024, for the reasons described in the paragraphs above. If the effects of the purchase price allocations (PPA) are excluded, net profit was €41.5 million in 2024, an increase of 49.2% (€13.6 million) relative to 2023.

Adjusted gross profit

EXOSENS recorded a sharp rise in adjusted gross profit in 2024, both at Group level and in each of the two segments. This was mainly due to higher sales volumes, increased profitability and a favourable product mix. The Group's adjusted gross profit was €189.6 million for the year ended 31 December 2024, representing growth of +44.7 % compared to the twelve months to 31 December 2023. In percentage terms, the adjusted gross margin was 48.1 % for the year ended 31 December 2024, a significant improvement of 320 basis points over the twelve months to 31 December 2023.

The table below shows the adjusted gross profit by segment for the periods ended 31 December 2024 and 31 December 2023:

	Year ended 31 December 2024		Year ended 31 December 2023		Change
	(in € millions)	**% of sales**	(in € millions)	% of sales	(in %)
Amplification	132.4	47.3 %	93.3	44.4 %	42.0 %
Detection & Imaging	57.1	48.6 %	37.7	45.7 %	51.5 %
Eliminations and other	0.1	-	0.1	-	-
ADJUSTED GROSS PROFIT	**189.6**	**48.1 %**	**131.1**	**44.9 %**	**44.7 %**

Adjusted gross profit – Amplification

The adjusted gross profit for the Amplification segment was €132.4 million in the year ended 31 December 2024 (+42.0 % higher than in 2023), with a margin on revenue of 47.3 % (2023: 44.4 %). The strong growth in the margin is mainly a reflection of higher sales volumes, higher profitability and a favourable sales mix.

Adjusted gross profit – Detection & Imaging

The adjusted gross profit for the Detection & Imaging segment was €57.1 million in the year ended 31 December 2024 (51.5 % higher than in 2023), with a margin on revenue of 48.6 % (2023: 45.7%). The improvement in the margin is mainly a reflection of a favourable sales mix, higher profitability and cost synergies in the supply chain.

Adjusted EBITDA and adjusted EBIT

Adjusted EBITDA was €118.5 million in the year ended 31 December 2024, a significant +37.8 % increase (€+32.5 million) over the €86.0 million for the twelve months to 31 December 2023. The EBITDA margin consequently improved by 60 basis points to 30.1% of 2024 revenue (2023: 29.5%).

Adjusted EBIT was €95.3 million in the year ended 31 December 2024, a significant 44.1% increase (€29.2 million) over the €66.1 million for the twelve months to 31 December 2023. The EBIT margin consequently increased by 150 basis points to 24.2% of 2024 revenue (2023: 22.7%).

Key performance indicators

The Group uses key financial and non-financial measures to analyse the performance of its business. The key performance indicators used include revenue, adjusted gross profit, adjusted EBITDA and adjusted EBIT.

Adjusted gross profit is the difference between the sales price and the cost of products and services sold (including payroll expenses).

Adjusted EBITDA is equal to operating income after eliminating (i) depreciation, amortisation and impairments on non-current assets, net of any reversals; (ii) non-recurring income and expenses as presented in the consolidated income statement under "Other income" and "Other expenses"; and (iii) the impact of items that do not reflect the Group's core operating performance, such as costs relating to business reorganisation and adaptation work and expenses associated with share-based payments (IFRS 2).

Adjusted EBIT is equal to operating income, after eliminating (i) non-recurring income and expenses as presented in the consolidated income statement under "Other income" and "Other expenses"; and (ii) the impact of items that do not reflect the Group's core operating performance, such as costs relating to business reorganisation and adaptation operations and expenses associated with share-based payments (IFRS 2). Adjusted EBIT excludes the depreciation and amortisation of the portion of non-current assets that corresponds to purchase price allocations. All other depreciation, amortisation and impairments (net of reversals), are included.

Adjusted EBITDA, adjusted EBIT and adjusted gross profit are not accounting measures that have generally accepted definitions. They should not be considered as a substitute for operating profit, net profit or cash flow from operating activities or as an indicator of liquidity. Other companies may calculate an adjusted EBITDA, adjusted EBIT or adjusted gross profit using different definitions to those used by the Group. See the "General remarks" section of this registration document.

RECONCILIATION OF OPERATING PROFIT TO ADJUSTED EBITDA AND ADJUSTED EBIT

(in € millions)	**Year ended 31 December 2024**	Year ended 31 December 2023
Operating profit	**73.0**	**48.3**
Depreciation, amortisation and impairment – net of reversals (*)	34.1	29.4
Other income and expenses	3.9	4.3
EBITDA	**111.1**	**82.0**
Share-based payment	2.9	1.6
Non-recurring costs	4.5	2.4
EBITDA (adjusted)	**118.5**	**86.0**
Depreciation, amortisation and impairment excluding PPA	(23.3)	(19.9)
EBIT (adjusted)	**95.3**	**66.1**

(*) This amount is the sum of the first two lines of the table in Note 9 within Chapter 6.

5.3 Financial resources and liabilities

5.3.1 The Group's financial resources

The Group's main financing requirements concern working capital, capital expenditure (particularly R&D), interest payments and spending on its acquisition strategy.

The Group's main sources of liquidity during the year ended 31 December 2024, and the twelve months to 31 December 2023 were as follows:

- operating cash flow, which amounted to €96.3 million for the year ended 31 December 2024 and €50.5 million for the twelve months to 31 December 2023 (see paragraph on "Cash flow from operating activities" in this Universal Registration Document);
- the Senior Credit Agreement, which provides two credit lines with a combined maximum amount of €350 million (see paragraph on "Credit facilities" in this Universal Registration Document).

Credit facilities

The Senior Credit Agreement provides two credit lines with a combined maximum amount of €350 million, broken down as follows:

- a term loan in euros of up to €250 million, with a maturity of five years from the first drawdown, repayable at maturity; and
- a revolving credit facility of up to €100 million, with a maturity of five years from the first drawdown of the term loan, each amount drawn down being repayable at the end of the applicable interest period, not utilised at 31 December 2024.

Interest and charges

Loans taken out under the Senior Credit Agreement will bear interest at a variable rate indexed, depending on the currency of the drawdown, to either a "term reference rate" or a "compounded reference rate", plus a margin of 2.00% (or 2.40% for loans in USD, GBP or CAD under the revolving credit facility).

A non-usage fee will also be payable in respect of the revolving credit facility at a rate of 35% of the applicable margin per year.

The table below shows the spread of the margins on each of the credit facilities based on the ratio of total net debt/adjusted EBITDA, as defined in the Senior Credit Agreement. Margins will be reviewed on a half-yearly basis by testing the said ratio on the last day of each half-year, with the first test taking place six months after the Company's IPO.

Leverage ratio (total net debt/adjusted EBITDA)	Term loan margin	Revolving credit facility margin
Greater than 2.5x	2.50%	2.50%
Greater than or equal to 2.0x and less than 2.5x	2.25%	2.25%
Greater than or equal to 1.5x and less than 2.0x	2.00%	2.00%
Greater than or equal to 1.0x and less than 1.5x	1.75%	1.75%
Less than 1.0x	1.50%	1.50%

Guarantees and securities

Under the terms of the Senior Credit Agreement, the Company is the borrower and guarantees the obligations of all subsidiaries signing the agreement as borrowers.

The Senior Credit Agreement does not require the Group to create collateral securities in favour of the Lenders.

Undertakings and restrictive clauses

The Senior Credit Agreement contains certain positive and negative undertakings, in particular undertakings not to:

- provide sureties (negative pledge);
- dispose of assets, except assets representing no more than 10% of the Group's adjusted EBITDA per financial year (up to an aggregate limit of €50,000,000), until all credit granted under the Senior Credit Agreement has been repaid in full (amounts calculated according to the terms of the Agreement on the basis of the Company's consolidated financial statements);
- carry out certain mergers, demergers, partial transfers of assets and similar transactions;
- make acquisitions of shares, financial instruments and business operations; and
- change the nature of the Group's activities;

in each case subject to stipulated de minimis amounts and the usual exceptions for financing of this type.

The Senior Credit Agreement also contains undertakings to, among other things, maintain insurance policies, comply with applicable laws, and maintain the borrowing under the Senior Credit Agreement at least pari passu with other unsecured and unsubordinated bonds of the Company. Lastly, the Senior Credit Agreement requires compliance with a financial covenant limiting the amount of financial debt that Group members can take out. Specifically, the Group is required to maintain a leverage ratio of 3.0:1 or less until the Agreement expires. The ratio is defined as total net debt/adjusted EBITDA, calculated according to the terms of the Agreement on the basis of the Company's consolidated financial statements. Compliance is tested at the end of each half-year, starting six months after the Company's IPO. In addition, the financial debt that may be contracted by the Company's main subsidiaries is limited to (i) financial debt contracted with another member of the Group, (ii) short-term financial debt contracted in the normal course of business and (iii) any other financial debt, the principal amount of which does not at any time exceed the greater of €15 million and 15% of adjusted EBITDA.

Voluntary early repayment

The Senior Credit Agreement allows voluntary early repayment subject to prior notice and a minimum amount.

Mandatory early repayment

The Senior Credit Agreement provides for early repayment and/or cancellation in the event of a change of control. Each Lender has the right to request the cancellation of its available commitments and the repayment of the advances it has made available under the Agreement within 30 calendar days from the date on which the Company notifies the credit agent of the change of control. Its available commitments will then be cancelled at the end of a period of five working days after the request for cancellation, and its advances will be repaid 60 calendar days after the Company notifies the change of control to the credit agent.

A change of control occurs in the event that (i) the Company ceases to hold, directly or indirectly, 100% of the share capital or voting rights of EXOSENS International or (ii) a person or group of persons (other than (a) HLD Europe and other funds and/or vehicles and/or companies advised by and/or managed by (A) HLD Associés Europe and/or (B) an affiliate of HLD Associés Europe and (b) the Group's management) acting in concert (within the meaning of Article L. 233-10 of the French Commercial Code) acquires control (within the meaning of Article L. 233-3 of the French Commercial Code) of the Company.

Accelerated maturity

The Senior Credit Agreement provides for a certain number of accelerated maturity events that are customary for this type of financing, including payment defaults, non-compliance with the financial covenant or any other undertaking, cross-defaults, insolvency proceedings and the occurrence of a dispute with a material adverse effect.

5.3.2 The Group's consolidated cash flows

Net cash from operating activities

The table below sets out the Group's cash flow from operating activities for the periods ended 31 December 2024 and 31 December 2023.

(in € millions)	**Year ended 31 December 2024**	Year ended 31 December 2023
Net profit (loss) for the period	30.7	18.4
Adjustments:		
Net financial income (expense)	31.2	28.0
Income tax	11.1	1.8
Depreciation/amortisation of intangible assets and property, plant and equipment	36.9	30.9
Other income and expenses	2.5	-0.2
Income tax received (paid)	-6.7	-6.9
Change in working capital, net of impairment	-9.5	-21.7
NET CASH FROM OPERATING ACTIVITIES	**96.3**	**50.5**

The Group's cash flow from operating activities was €96.3 million for the year ended 31 December 2024 and €50.5 million for the twelve months to 31 December 2023.

The €45.7 million increase in operating cash flow in the year to 31 December 2024 results mainly from two factors. One is the strong growth in the Group's business, which led to a significant €12.3 million increase in net profit (+66.7 %). The other is the smaller change in working capital (net of impairment): the cash flow impact of working capital movements was €-21.7 million in the twelve months to 31 December 2023 but €-9.5 million in the year ended 31 December 2024.

The improvement in relation to the change in working capital derives mainly from a reduction in unpaid customer invoices at the year-end, the figure for 2023 having been negatively impacted by invoices paid right at the very start of 2024. The Group also improved its operating efficiency. As a result, the gross value of inventories increased by only 16.5 % despite a 35.0 % increase in revenue.

Net cash from (used in) investing activities

The table below sets out the Group's cash flow from investing activities for the periods ended 31 December 2024 and 31 December 2023.

(in € millions)	Year ended 31 December 2024	Year ended 31 December 2023
Net capital expenditure	-41.3	-31.4
Acquisitions of equity interests, net of cash acquired	-31.4	-69.3
Investment subsidies received	0.0	1.1
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**-72.7**	**-99.6**

Net cash flow relating to Group investments mainly relates to intangible assets and property, plant and equipment, as well as acquisitions.

Cash flow from investing activities was €-72.7 million for the year ended 31 December 2024 and €-99.6 million for the twelve months to 31 December 2023.

The €-26.9 million reduction in the cash outflow in the year to 31 December 2024 is mainly due to lower spending on acquisitions. In 2024, €24.4 million was spent on acquiring Centronic and €6.1 million on LR Tech (both figures net of cash acquired) on 31 July and 1 September, respectively [1]. This compares with the higher outflows for the acquisitions of ProxiVision (€7.5 million), El-Mul (€23.1 million) and Telops (€38.6 million, all figures net of cash acquired), on 30 June, 18 July and 13 October 2023.

However, this reduction was offset by higher capital expenditure and a higher level of capitalised R&D spending in support of the Group's rapid business growth: net expenditure on property, plant and equipment and intangible assets increased from €31.4 million in the twelve months to 31 December 2023 to €41.3 million in the year ended 31 December 2024.

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Net cash from (used in) financing activities

The table below sets out the Group's cash flow from financing activities for the years ended 31 December 2024 and 31 December 2023.

(in € millions)	Year ended 31 December 2024	Year ended 31 December 2023
Share capital increases (decreases)	180.0	0.0
Purchases and sales of own shares	-0.3	0.0
Movement in financial and lease liabilities (IFRS 16)	-65.1	57.6
Interest paid (including on leases pursuant to IFRS 16)	-24.2	-24.4
Other	-14.1	2.3
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**76.3**	**35.5**

Financing activities generated a cash flow of €76.3 million in the year ended 31 December 2024 and a cash flow of €35.5 million in the twelve months to 31 December 2023.

The main financing cash flows in the year ended 31 December 2024 were as follows:

- a €180 million capital increase following the IPO in June 2024;
- complete refinancing of the Group's debt (with the agreement of two new credit facilities totalling €350 million, including a €100 million revolving credit facility that was unutilised at 31 December 2024).

5.3.3 Cash conversion

The main performance indicator used by the Group to analyse its cash flows is cash conversion. This performance indicator measures the Group's ability to convert profitability into cash flow to support its investment strategy. It is monitored by the Group on a regular basis to analyse and assess business activities and trends, measure performance, prepare results forecasts and make strategic decisions.

Cash conversion is an alternative performance indicator within the meaning of AMF position no. 2015-12.

Cash conversion is not a standardised accounting measure with a single definition generally accepted by IFRS. It should not be considered as a substitute for operating profit, net profit or cash flow from operating activities, which are measures defined by IFRS, or for a measure of liquidity. Other issuers may calculate cash conversion differently from the definition used by the Group.

Cash conversion is calculated using the following formula: (Adjusted EBITDA - capitalised R&D costs - capital expenditure)/(Adjusted EBITDA - capitalised R&D costs).

[1] *The NVLS and Noxant acquisitions, which were announced in September and October 2024 respectively, had not yet been completed by 31 December 2024.*

RECONCILIATION OF OPERATING PROFIT TO CASH CONVERSION

(in € millions)	**Year ended 31 December 2024**	Year ended 31 December 2023
OPERATING PROFIT (LOSS)	**73.0**	**48.3**
Elimination of depreciation and amortisation	34.1	29.4
Elimination of income and expenses	3.9	4.3
Share-based payment	2.9	1.6
Non-recurring costs	4.5	2.4
ADJUSTED EBITDA	**118.5**	**86.0**
Capitalised R&D costs	(11.0)	(8.6)
Capital expenditure	(27.9)	(23.7)
EBITDA (adjusted) - capitalised R&D costs - capital expenditure	79.6	53.6
EBITDA (adjusted) - capitalised R&D costs	107.5	77.4
CASH CONVERSION	**74.1%**	**69.3%**

RECONCILIATION OF CHANGE IN AVAILABLE CASH TO CASH CONVERSION

(in € millions)	**Year ended 31 December 2024**	Year ended 31 December 2023
EBITDA (adjusted)	**118.5**	**86.0**
Capitalised R&D costs	(11.0)	(8.6)
Adjusted EBITDA after capitalised R&D costs	**107.5**	**77.4**
Change in working capital*	(10.7)	(21.4)
Income taxes paid	(6.7)	(6.9)
Capital expenditure – Maintenance	(12.5)	(6.4)
Other	(7.0)	(4.9)
Change in available cash before growth investments	**70.7**	**37.8**
Capital expenditure – Growth investments	(15.3)	(17.3)
Change in available cash after growth investments	**55.4**	**20.5**
Adjusted EBITDA after capitalised R&D costs and capital expenditure (A)	79.6	53.7
Adjusted EBITDA after capitalised R&D costs (B)	107.5	77.4
***Cash conversion* (%) (A)/(B)**	**74.1%**	**69.3%**

** Capital expenditure for which a payable was outstanding at the end of 2024 has been reclassified to working capital.*

The Group's cash conversion was 74.1% for the year ended 31 December 2024 and 69.3% for the twelve months to 31 December 2023.

The increase in cash conversion during the twelve months ended 31 December 2024 compared to the year ended 31 December 2023 is explained by the completion of capacity increase projects relating to the capital expenditure made during 2022-2023. Capital expenditure was €27.9 million in 2024, compared to €23.7 million in 2023, representing a reduction in the capex ratio to 7.1% of revenue (from 8.1% in 2023).

5.3.4 Financial debt

The table below shows gross debt, cash, net debt and the leverage ratio:

(in € millions)	**Year ended 31 December 2024**	Year ended 31 December 2023
Gross debt	261.1	317.9
Cash	117.2	15.5
Net debt	144.1	302.3
EBITDA (adjusted)	118.5	86.0
Leverage ratio*	1.2	3.3

** The leverage ratio is net debt/adjusted EBITDA, as defined in the Group's senior credit agreements.*

At 31 December 2024 and 31 December 2023, the Group had gross financial debt of €261.1 million and €317.9 million, respectively, and net debt of €144.1 million and €302.3 million, respectively. At the time of the IPO, the Group refinanced its debt, repaying all of the term loans that were outstanding at 31 December 2023 (A Bonds, B Bonds, 2023 Bonds and Senior Debt). In particular, it has taken out a new euro-denominated term loan ("term loan B") with a maximum amount of €250 million.

EXOSENS has thus significantly strengthened its financing structure. The Group has reduced its net debt by more than half, from €302.3 million at 31 December 2023 to €144.1 million at 31 December 2024.

The leverage ratio has fallen considerably as a result, standing at 1.2x at 31 December 2024, compared to 3.3x at 31 December 2023. This gives the Group considerable flexibility to continue its growth investments.

The cost of net debt was €35.7 million for the year ended 31 December 2024 and €35.7 million for the twelve months to 31 December 2023.

5.4 Date of most recent financial information

31 December 2024.

5.5 Material change in financial position

To the best of the Company's knowledge, there has been no material change in the Group's financial position since 31 December 2024.

Comments on Q1 2025

An analysis of the Group's revenue and adjusted gross profit for the quarter ended 31 March 2025 is set out below. This information has not been reviewed by the Company's auditors.

Revenue

The Group's consolidated revenue amounted to €104.9 million in the first quarter of 2025, which represented a growth of +21.1% (or +€18.3 million) compared to the first quarter of 2024.

On a like-for-like basis, revenue grew by +18.0% compared to the first quarter of 2024, driven by continued strong momentum in Defense end-markets.

The table below shows the breakdown of revenue by segment for the quarter ended 31 March 2025 and the quarter ended 31 March 2024:

(in € millions)	Quarter ended 31 March 2025	Quarter ended 31 March 2024	Change (in %)	Like-for-like (in %)
Amplification	81.7	63.3	+29.1%	+29.3%
Detection & Imaging	24.0	24.2	(1.0)%	(13.0)%
Other, eliminations and not allocated	(0.7)	(0.8)	-	-
TOTAL REVENUE	**104.9**	**86.7**	**+21.1%**	**+18.0%**

Revenue - Amplification

Amplification revenue amounted to €81.7 million in the first quarter of 2025, marking a significant growth of +29.1% (or +€18.4 million) compared to the first quarter of 2024. This increase reflected higher sales volumes due to increased production capacity and growing demand of image intensifier tubes for Defense night vision applications.

Reflecting this dynamic market environment, EXOSENS continued benefiting from its position as the strategic supplier of NATO and Tier-1 allies, which have continued to ramp up their procurement of night vision systems on the back of the need for armies to enhance their night fighting capabilities. This positive trend was particularly noticeable in Europe with a number of major business wins, notably in Eastern and Northern Europe.

Revenue - Detection and Imaging

Detection and Imaging revenue amounted to €24.0 million in the first quarter of 2025, reflecting a small decline of (1.0)% compared to the first quarter of 2024. The first semester revenue contribution for Detection & Imaging is typically lower due to seasonality.

On a like-for-like basis, revenue was down (13.0)% (or €(3.1) million), mainly due to Telops, the Group's Canadian-based imaging system business. Telops was temporarily impacted by US tariff uncertainties and reductions in federal science funding, which resulted in softer demand from US customers, as well as by delays in securing certain export licenses. Excluding Telops, revenue grew by around +16% compared to the first quarter of 2024 and was broadly stable on a like-for-like basis.

EXOSENS continued to see robust demand across its key high-growth markets, particularly in Nuclear and Defense & Surveillance.

The Group expects D&I like-for-like revenue growth to resume and accelerate throughout the remainder of the 2025 fiscal year, supported by solid underlying end-market trends.

On the M&A front, EXOSENS closed on 13 March 2025 the acquisition of Noxant, a specialist in high-performance cooled infrared cameras. Noxant's range of high-performance MWIR cooled camera cores provides complementary capabilities that meet the increasing demand for advanced infrared solutions, particularly for drone-based Defense & Surveillance applications where camera integration is required. Meaningful synergies are expected with EXOSENS' imaging business leveraging its technologies portfolio and worldwide commercial reach.

The Group has started Noxant's integration process, which is expected to be finalized by end-June. Revenue and adjusted gross margin for the first quarter of 2025 do not include any contribution from this acquisition.

Otherwise, the closing of the acquisition of NVLS, a specialist in man-portable night vision and thermal devices, is expected to occur in the second quarter of 2025, pending customary clearances and approvals.

Adjusted gross margin

The Group's adjusted gross margin stood at €52.6 million in the first quarter of 2025, representing a growth of +28.1% (or +€11.5 million) compared to the first quarter of 2024. This strong increase mainly reflected higher sales volumes, improved yields, as well as favorable product mix.

As a percentage of consolidated revenue, adjusted gross margin was 50.1% in the first quarter of 2025, representing an improvement of 270 basis points compared to the first quarter of 2024.

The table below shows the breakdown of adjusted gross margin by segment for the quarter ended 31 March 2025 and the quarter ended 31 March 2024:

	Quarter ended 31 March 2025		Quarter ended 31 March 2025		Change
	(in € millions)	**% of sales**	(in € millions)	% of sales	(in %)
Amplification	40.8	49.9%	29.2	46.2%	+39.5%
Detection & Imaging	11.8	49.3%	11.8	48.9%	(0.1)%
Eliminations and other	0.0	-	0.0	-	-
ADJUSTED GROSS PROFIT	**52.6**	**50.1%**	**41.1**	**47.4%**	**+28.1%**

Adjusted gross margin - Amplification

Adjusted gross margin for the Amplification segment reached €40.8 million in the first quarter of 2025, recording a growth of +39.5% (or +€11.6 million) compared to the first quarter of 2024.

Margin rate increased by 370 basis points to 49.9% in the first quarter of 2025, driven by the strong growth in sales volume with increased production capacity, improved yields and favorable product mix..

Adjusted gross margin - Detection and Imaging

Adjusted gross margin for the Detection and Imaging segment reached €11.8 million in the first quarter of 2025, stable compared to the first quarter of 2024.

Margin rate improved by 50 basis points to 49.3% in the first quarter of 2025, despite lower revenue, driven by better yields, effective cost control, and supply chain synergies.

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5.6 Major contracts

Image intensifier tube supply contracts with Theon

The Group has a contract with Theon for the supply of image intensifier tubes in connection with the night vision programme managed by OCCAR for the German and Belgian armed forces. The contract was signed in April 2021 and contains options for additional tranches.

A second tranche was affirmed at the end of 2023. Tranches 1 and 2 cover around 50,000 binoculars. A third tranche was exercised in December 2024 for a further 25,000 binoculars for the German armed forces only. Deliveries are mainly expected to take place in 2026.

Senior Credit Agreement

Refer to Note 25 in Section 6.1.2 "Notes to the consolidated financial statements" of this Universal Registration Document).

5.7 Investments

Main investments made by the Group over the last three financial years

In recent years, external growth has actively contributed to the overall growth of the Group's activities. The Group intends to continue pursuing its targeted and synergy-focused acquisitions policy, with a view to consolidating its market positions, further expanding its product portfolio and increasing its organic growth potential.

In 2024, EXOSENS carried out two acquisitions with strong potential synergies, as part of the continued implementation of its disciplined acquisition strategy. Centronic, a supplier of radiation detection solutions, was acquired in July, strengthening the Group's leading position in Europe in nuclear instrumentation. LR Tech, acquired in September, produces Fourier transform infrared spectrometers; an excellent fit with the Telops product portfolio, this acquisition will enable the Group to consolidate its position in high-quality spectroradiometers.

In addition to acquisitions, the Group is making significant investments both in manufacturing (capital expenditure) and in research and development (R&D expenditure) with the aim of offering state-of-the-art products that meet customers' quality, reliability and safety expectations, for use in sectors with high performance requirements.

The Group's capital expenditure represents purchases of property, plant and equipment and intangible assets needed to (i) increase production capacity by expanding existing manufacturing facilities (growth capex), including the acquisition of new machines, the expansion of existing production sites or the introduction of new technologies (artificial intelligence, new processes) and ii) optimise the existing facilities and so improve the Group's future margins (maintenance and support service capex). Capital expenditure excludes corporate acquisitions. It represents purchases of intangible assets and property, plant and equipment, other than capitalised R&D costs.

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The Group's total capital expenditure (excluding acquisitions) for the year ended 31 December 2024 and the twelve months to 31 December 2023 was €27.9 [(1)] million and €23.7 million, respectively. This capital expenditure can be broken down into growth capex and maintenance and support service capex, as shown in the table below:

(in € millions)	**Year ended 31 December 2024**	12 months ended 31 December 2023
Capital expenditure – Growth investments	15.4 (55.0% of total capital expenditure)	17.4 (73.4% of total capital expenditure)
Capital expenditure – Maintenance and support services	12.5 (45.0% of total capital expenditure)	6.3 (26.6% of total capital expenditure)
TOTAL CAPITAL EXPENDITURE	**27.9**	**23.7**
As % of revenue	*7.1%*	*8.1%*

R&D spending increased by 35.0% to €30.4 million (7.7% of revenue) in the year ended 31 December 2024, compared to €22.5 million (7.7% of revenue) in the twelve months to 31 December 2023. The Group's ongoing R&D activities, such as the development of the 5G image intensifier tube for defense-sector night vision equipment and new-generation detectors for life science and nuclear applications will support its future growth and strengthen its leading position in advanced technology.

Key ongoing/future investments

In October 2024, the Group announced a memorandum of understanding for the acquisition of NVLS, a specialist in night vision and thermal imaging equipment. Over the medium term, the acquisition will enhance EXOSENS' capabilities to develop the next generation of innovative vision equipment, combining night vision and thermal imaging systems. The deal is expected to complete during the first half of 2025, subject to the usual permissions and approvals.

In November, EXOSENS also announced the acquisition of Noxant, a specialist in high-performance cooled infrared cameras. Completion is expected in the first quarter of 2025 (see paragraph 11 on post-balance sheet events).

(1) *Capital expenditure for which a payable is outstanding at the year-end is reclassified to working capital. The difference is €0.9 million for 2023 and €2.4 million for 2024.*

5.8 Outlook

5.8.1 Mid-term Outlook

The objectives and trends presented below are based on data, assumptions and estimates, particularly with regard to the economic outlook, which the Group considers reasonable at the date of this Universel Registration Document.

This outlook and these objectives, which result from the Group's strategic orientations, do not constitute forecasts or estimates in relation to the Group's profits. The figures, data, assumptions, estimates and targets set out below may change or be modified in an unforeseeable way, depending, among other aspects, on changes in the economic, financial, competitive, legal, regulatory, accounting and tax environment, or depending on other factors of which the Group is unaware at the date of this Universal Registration Document.

In addition, the materialisation of certain risks described in Chapter 4 "Risk factors and risk management system" of this Universal Registration Document could have a negative impact on the Group's business, financial position, market conditions, results or outlook, and thus call into question its capacity to achieve the objectives presented below.

At the same time, achieving these objectives depends on the success of the Group's strategy and its implementation.

Consequently, the Group makes no commitment and gives no guarantee as to the achievement of the objectives set out in this section.

Outlook for the evolution of the Group's activities and financial targets

The outlook for the evolution of the Group's activities and the financial targets presented below are based in particular on market trends and prospects in line with those set out in Sections 1.2.1.1 "Amplification market" and 1.2.1.2 "Detection & Imaging market" of this Universal Registration Document and on the assumptions set out in the next section.

Over the period 2023–2027, the Group aims to achieve high single digit average annual organic revenue growth, with above mid-single digit yearly growth over the period 2025-2027.

The Group has also set itself the target of doubling its total revenue [1] by 2027, corresponding to a CAGR of 18% over the period 2023-2027, including the contribution of external growth operations.

The Group is also targeting average annual growth in adjusted EBITDA [2] in the high single digit range over the period 2025–2027, with a mild improvement in the adjusted EBITDA margin by 2027 compared with 2024.

The Group is also aiming for a mild improvement over time of its adjusted EBIT margin [3], which is expected to move towards 25% by 2027.

The Group also intends to continue optimising its cash flow, with the aim of achieving cash conversion [4] of over 80% by 2027. It also aims to continue its ambitious R&D policy, maintaining gross R&D spending [5] at between 7% and 8% of consolidated revenue.

In terms of external growth, the Group intends to pursue its current strategy of targeted acquisitions, at the same pace as it has done historically, based on similar criteria and parameters and in line with its strategic objectives. By making these acquisitions, the Group aims to achieve a balanced distribution of its revenue between its Amplification and Detection & Imaging segments in the medium term. As part of this strategy, the Group intends to maintain a net debt to adjusted EBITDA ratio of around 2x until 2027.

The Group expects high-teens 2024-2026 adjusted EBITDA CAGR and a cash conversion ratio[4] in the range of 70%-75% over the same period, taking into account capacity investment in Europe and in the United States.

The Group expects a continued strong performance in 2025, with revenue growth in the high-teens and adjusted EBITDA growth in the low twenties compared to 2024.

(1) Based on pro forma revenue for the year ended 31 December 2023 of €318.8 million.

(2) Adjusted EBITDA is equal to operating income after eliminating (i) depreciation, amortisation and reversal of impairment losses on non-current assets; (ii) non-recurring income and expenses as presented in the consolidated income statement under "Other income" and "Other expenses"; and (iii) the impact of items that do not reflect the Group's core operating performance, such as costs relating to business reorganisation and adaptation operations and expenses associated with share-based payments (IFRS 2).

(3) Adjusted EBIT is equal to operating income after eliminating (i) non-recurring income and expenses as presented in the consolidated income statement under "Other income" and "Other expenses"; and (ii) the impact of items that do not reflect the Group's core operating performance, such as costs relating to business reorganisation and adaptation operations and expenses associated with share-based payments (IFRS 2). Adjusted EBIT excludes the depreciation and amortisation of the portion of non-current assets that corresponds to purchase price allocations. All other depreciation, amortisation and impairments (net of reversals), are included.

(4) Cash conversion is calculated using the following formula: (Adjusted EBITDA - capitalised R&D costs - capital expenditure)/(Adjusted EBITDA - capitalised R&D costs).

(5) Gross R&D spending includes subsidies and research tax credits.

5.8.2 Profit forecasts

The Group does not provide forecasts.

5.9 Dividends

The Company did not pay any dividends in respect of the periods ended 31 December 2023 and 2022.

Over the period 2025-2027, the Group's objective is to distribute annual dividends of between 20% and 25% of net profit, subject to approval by the Company's General Meeting of Shareholders.

At its meeting on 28 February 2025, the Company's Board of Directors resolved to propose payment of a dividend of €0.10 per share for the 2024 financial year. This amount will be submitted for approval at the Annual General Meeting of Shareholders to be held on 23 May 2025

5.10 Legal and arbitration proceedings

In the normal course of its business, the Group may become involved in legal, arbitration, administrative or regulatory proceedings, which may include disputes with customers, suppliers, competitors, employees and tax or other authorities.

At the date of this Universal Registration Document, the Group is not aware of any administrative, legal or arbitration proceedings (including any pending or threatened proceedings) that are likely to have or have had, in the last twelve months, a significant impact on the financial position or profitability of the Company or the Group.

5.11 Post-balance sheet events

Acquisition of NVLS

On 21 October 2024, EXOSENS signed a definitive agreement for the acquisition of the Spanish company NVLS (Night Vision Laser Spain), a specialist in night vision equipment. The acquisition will complete during the first half of 2025.

New contract with Senop

On 24 February 2025, EXOSENS announced the signing of a new contract with Senop, a Finnish supplier of high-tech optronics, including night vision binoculars. Senop has placed several major orders for Photonis 4G light intensifier tubes, which are expected to be delivered during the course of 2025.

New investment in production capacity

On 3 March 2025, EXOSENS announced a strategic investment of approximately €20 million aimed at boosting production capacity. This concerns not only Europe but also the United States, as the Group intends to establish its first US-based manufacturing site for image intensifier tubes.

There are no other post-balance sheet events to report.

Acquisition of Noxant

On 13 March 2025, the Group completed the acquisition of the French company Noxant for consideration of €40.6 million. Noxant specialises in the design and manufacture of high-performance cooled infrared cameras. Noxant reported revenue of €12 million for the period ended 30 June 2024 (French GAAP figures, audited).

5.12 Other information

Parent company financial statements

Position and activity of the Company during the period under review

The Company carried out an initial public offering (IPO) on 7 June 2024.

Prior to this, its legal form was changed to a *société anonyme* (public limited company) with a single board of directors.

Several capital increases were carried out in advance of the IPO.

Following the completion of these capital increases, the share capital at 31 December 2024 was €21,582,585.

Notable post-balance sheet events.

There are no notable events to report since 1 January 2025, other than the signing on 24 February 2025 of a contract with the optronics provider Senop, a new investment of approximately €20 million aimed at boosting production capacity in Europe and the US, and the acquisition on 13 March of Noxant, a company specialising in the development and manufacture of infrared cameras.

Research and development activities

Having regard to Article L. 232-1 of the French Commercial Code, the Company did not carry out any direct research or development activity during the period under review. This is consistent with its corporate object (holding of equity investments and provision of services to subsidiaries).

Expected changes in the company's position and outlook for the future

As EXOSENS is a holding company, its activity and performance must be understood in the light of the activity and performance of the companies it holds.

The outlook is satisfactory: EXOSENS' direct and indirect subsidiaries are expected to see a good level of business development in 2025.

Organisation and functioning of the Company

Since 1 January 2024, EXOSENS has been the parent company of a French consolidated tax group comprising the following companies:

- EXOSENS International;
- Photonis France;
- Imaging Sensors International;
- Photonis Infrared France.

EXOSENS has also opted to apply the tax losses of the former EXOSENS International tax group across a broader base, as provided in article 223 I-5 of the French General Tax Code.

This option took effect as of 1 January 2022 and applies for five financial years from that date.

Actions aimed at promoting the Nation's link to its armed forces and supporting enlistment in the reserves

None.

Summary of economic and financial results for the period

- Revenue (excluding VAT) for the year ended 31 December 2024 was €11,556,732.
- Total operating income was €11,632,748.
- Total operating expenses for the year were €21,659,219.
- The operating profit (loss) was thus €-10,026,471.
- Net financial income (expense) for the year was €-1,373,782.
- The profit (loss) on ordinary activities before tax was €-11,400,253
- Net exceptional income (expense) for the year was €-13,742,440.
- The Company recorded net tax income of €17,414,153 in relation to corporate income tax, after taking account of the income tax paid to it by the companies in the consolidated tax group of which EXOSENS has been the parent company since 1 January 2022.
- The Company recorded a net loss for the year of €7,728,540.
- As at 31 December 2024, the Company had total balance sheet assets of €638,696,457.

Financial position and indebtedness of the Company

As part of its IPO on 7 June 2024, EXOSENS put a Senior Credit Agreement in place, with a maximum total amount of €350 million split between two credit lines:

- a five-year term loan with a maximum amount of €250 million, paying interest ranging from 1.50% to 2.50% + 3-month Euribor, repayable on maturity;
- a five-year revolving credit facility of a maximum amount of €100 million, paying interest ranging from 1.50% to 2.50% +3-month Euribor, not drawn at 31 December 2024.

Presentation of the annual financial statements

The annual financial statements for the year ended 31 December 2024 that we submit for your approval have been prepared and presented in accordance with the French regulations in force as derived from the regulations of the Accounting Standards Authority *(Autorité des Normes Comptables*).

Information on payment terms for suppliers and customers of the Company

In accordance with the provisions of Articles L. 441-14 and D. 441-6 of the French Commercial Code, information on the payment terms for our suppliers and customers is provided below.

	Article D.441-4.I.I°: Invoices received but unpaid at the period-end that were past due						Article D.441-4.I.2°: Invoices issued but unpaid at the period-end that were past due					
	0 days (indicative)	1-30 days	31-60 days	61-90 days	> 91 days	total (>1 day)	0 days (indicative)	1-30 days	31-60 days	61-90 days	> 91 days	total (>1 day)
(A) Tranches of late payment												
Number of invoices		44			3	47		26	19	4	12	61
Total amount of invoices concerned (€ inc. taxes)		€1,114,232			€25,442	€1,139,675		€1,568,417	€2,265,585	€148,603	€1,208,030	€5,190,635
Percentage of the total amount of purchases for the period (inc. taxes)	0%	4 %	0%	0%	0%	4%						
Percentage of revenue for the period (inc. taxes)							0%	13%	18%	1%	10%	41%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables and payables												
Number of invoices excluded						-						-
Total amount of invoices excluded (€ inc. taxes)						€ -						€ -
(C) Reference payment terms used (contractual or statutory term - Article L. 441-6 or Article L. 443-1 of the Commercial Code)												
Payment terms used to calculate late payments		Contractual terms (please state):						Contractual terms (please state):				

€26,783,031	Total amount of purchases (€ inc. taxes)	
€12,532,585	Total amount of sales (€ inc. taxes)	

Subsidiaries or controlled companies

New equity interests and takeovers

In accordance with the provisions of Article L. 233-6 of the French Commercial Code, we hereby provide the various items of mandatory information regarding material new equity interests and takeovers of other companies with a registered office in the territory the French Republic: the Company acquired no material new equity interests in a company with a registered office in the territory of the French Republic during the period under review.

We also inform you that, as at 31 December 2024, none of the Company's shares were held by any company that was under the Company's direct or indirect control.

Activity of subsidiaries

During the same period in question, the results of the business of our sole subsidiary are indicated by the figures below:

Companies or groups of companies	Capital	Reserves	Share of capital held (percentage)	Recoverable amount of the securities held	Loans and advances granted by the company and not yet repaid	Amount of guarantees and sureties provided by the company	Revenue in the most recent financial period	Net profit or loss for the most recent financial period	Dividends received by the Company during the period	Obser-vations [1]
I. - INFORMATION TO BE PROVIDED WHEN THE COMPANY HAS NOT APPENDED TO ITS BALANCE SHEET A CONSOLIDATED BALANCE SHEET AND ACCOUNTS PREPARED IN ACCORDANCE WITH ARTICLE R. 233-3										
A. - Detailed information on participating interests whose recoverable value is greater than 1% of the capital of the Company required to publish its financial statements										
1. Subsidiaries (50% or more of the capital is held by the Company):										
EXOSENS International	386,628,523	-91,688,342	100	225,072,332	271,159,387	0	0	-13,620,581	0	
2. Participating interests (10-50% of the capital is held by the Company):										
B. - Overall information on other subsidiaries or participating interests										
1. Subsidiaries not included in paragraph A:										
a) French subsidiaries (collectively)										
b) Foreign subsidiaries (collectively)										
2. Participating interests not included in paragraph A:										
a) In French companies (collectively)										
b) In foreign companies (collectively)										
II. - INFORMATION TO BE PROVIDED WHEN THE COMPANY HAS APPENDED TO ITS BALANCE SHEET A CONSOLIDATED BALANCE SHEET AND ACCOUNTS PREPARED IN ACCORDANCE WITH ARTICLE R. 233-3										
1. Subsidiaries:										
a) French subsidiaries (collectively)										
b) Foreign subsidiaries (collectively)										
2. Participating interests:										
a) In French companies (collectively)										
b) In foreign companies (collectively)										

(1) *In this column, state in particular in box I, paragraph A the opening and closing dates of the financial periods of companies in which participating interests are held, where those dates differ from the opening and closing dates of the Company's financial period.*

Branches

Our Company has no branch establishments.

Allocation of earnings

We propose:

- to allocate the net accounting loss for the year of €7,728,540 to the "retained earnings" item, which will thereby be reduced to €7,627,827,
- to distribute an ordinary dividend in cash of €0.10 per share;
- based on the 50,782,552 ordinary shares comprising the share capital, the amount distributed would be €5,078,255.20, i.e. an ordinary dividend in cash of €0.10 per share.

Memorandum of dividends paid

No dividends were distributed in relation to the two previous financial periods.

Non tax-deductible expenditures

We inform you that the company bore expenses of €171,935 that were not deductible from its taxable income. Given that the taxable result was a loss, these expenses reduced the loss carried forward by the same amount.

Intercompany loans referred to in Article L. 511-6, 3 bis of the French Monetary and Financial Code

None.

Status of terms of office

We inform you that the terms of office of the Chief Executive Officer, the members of the Board of Directors and the auditors are not yet due to expire.

Special report on free share awards

No free share awards were made during the year ended 31 December 2024.

Results for the past three financial periods

EXOSENS was incorporated in 2021 and prepared its first financial statements as at 31/12/2022. The table below therefore contains only three financial periods.

	2022	2023	**2024**
CAPITAL AT PERIOD END			
Share capital (in euros)	1,941,313	1,947,598	21,582,585
Number of ordinary shares in issue	194,131,275	194,759,837	50,782,552
Number of preferred shares (non-voting) in issue			
Maximum number of shares to be created:			
- By conversion of bonds			
- By exercise of subscription rights			
OPERATIONS AND RESULTS FOR THE PERIOD (in EUR '000)			
Sales (exc. taxes)	6,710,387	6,157,341	11,556,732
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	-6,379,034	-7,589,767	-18,746,904
Income taxes (Income)	-4,813,684	-11,670,067	-17,414,153
Employee profit-sharing payable for the period	115,892		
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	12,900,139	2,650,988	-7,728,540
Dividends			
EARNINGS IN EUR PER SHARE			
Profit after tax but before employee profit-sharing, depreciation, amortisation and provisions	-0.01	0.02	-0.03
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	0.07	0.01	-0.15
Dividend per share			
PERSONNEL			
Average number of employees during the period	16	20	29
Payroll expense for the period	1,823,648	3,369,128	4,651,705
Employee social benefits (social security, benefit schemes) for the period	1,311,495	1,437,468	2,166,617

Financial statements for the year ended 31 December 2024

6.1 Consolidated financial statements

6.1.1 Consolidated financial statements of the Company for the year ended 31 December 2024

Consolidated statement of financial position

(in € thousand)	Note	**31 December 2024**	31 December 2023
Goodwill	14	189,495	174,344
Intangible assets	15	204,928	202,351
Property, plant and equipment	16	93,561	72,051
Right-of-use assets	17	10,559	10,759
Investments in equity-accounted companies	18	3,414	3,410
Non-current financial assets and other non-current assets		857	744
Deferred tax assets	19	0	44
NON-CURRENT ASSETS		**502,813**	**463,703**
Inventories	20	93,024	78,544
Trade receivables	21	70,977	69,189
Derivative financial instruments	31	6	152
Current financial assets and other current assets	22	33,031	29,366
Cash and cash equivalents	23	117,163	15,458
CURRENT ASSETS		**314,201**	**192,709**
TOTAL ASSETS		**817,014**	**656,412**
Share capital	24	21,583	1,948
Share premiums	24	342,537	188,052
Reserves		48,480	14,065
EQUITY		**412,600**	**204,065**
Non-current loans and borrowings	25	247,788	300,844
Non-current lease liabilities	25	8,174	7,693
Provisions for employee benefit obligations	28	7,497	7,595
Non-current provisions and other non-current liabilities	26	13,383	8,554
Deferred tax liabilities	19	20,599	17,578
NON-CURRENT LIABILITIES		**297,441**	**342,263**
Current loans and borrowings	25	2,454	7,026
Current lease liabilities	25	2,724	2,360
Derivative financial instruments	31	136	0
Trade payables	29	26,025	32,304
Current provisions and other current liabilities	26	75,634	68,394
CURRENT LIABILITIES		**106,973**	**110,084**
TOTAL EQUITY AND LIABILITIES		**817,014**	**656,412**

Notes 1 to 35 are an integral part of the consolidated financial statements.

Consolidated income statement

(in € thousand)	Note	**31 December 2024**	31 December 2023
Revenue	5	394,076	291,819
Cost of sales		(102,998)	(75,977)
Other purchases and external expenses	6	(65,464)	(54,069)
Taxes and duties other than income tax		(1,647)	(1,607)
Employee benefit expense	7	(110,810)	(81,277)
Other operating income	8	6,432	4,547
Other operating expenses	8	(4,472)	(416)
Depreciation, amortisation and charges to provisions	9	(38,191)	(30,407)
RECURRING OPERATING PROFIT (LOSS)		**76,927**	**52,614**
Other income	10	48	336
Other expenses	10	(3,962)	(4,665)
OPERATING PROFIT (LOSS)		**73,013**	**48,286**
Cost of net debt		(35,676)	(26,914)
Net gains (losses) on derivative instruments		2,856	(1,661)
Other		1,616	528
Net financial income (expense)	11	(31,203)	(28,046)
NET PROFIT (LOSS) BEFORE TAX		**41,810**	**20,240**
Income tax	12	(11,130)	(1,833)
NET PROFIT (LOSS) ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**30,680**	**18,407**
EARNINGS PER SHARE			
Basic	13	0.61	0.24
Diluted	13	0.61	0.24

Notes 1 to 35 are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

(in € thousand)	**31 December 2024**	31 December 2023
NET PROFIT (LOSS) FOR THE PERIOD	30,680	18,407
Actuarial gains (losses) on retirement benefit commitments and equivalent, before tax	38	(81)
Deferred tax on retirement benefit commitments and equivalent	(10)	20
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss	*29*	*(61)*
Fair value gains (losses) on hedging instruments, before tax	0	166
Deferred tax on fair value gains (losses) on hedging instruments	0	(42)
Translation adjustments	1,197	562
Other comprehensive income (loss) that may be reclassified subsequently to profit or loss	*1,197*	*687*
Other comprehensive income	1,226	626
TOTAL COMPREHENSIVE INCOME	**31,906**	**19,032**
Attributable to the shareholders of the Company	31,906	19,032

Notes 1 to 35 are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

(in € thousand)	Note	**31 December 2024**	31 December 2023
Net profit (loss) for the period		30,680	18,406
Adjustments			
• Financial income and expenses with an impact on cash	11	21,927	21,031
• Financial income and expenses with no impact on cash	11	9,282	7,016
• Income tax	12	11,130	1,833
• Charges net of reversals to depreciation/provisions	9	36,888	30,932
• Other income and expenses(1)		2,524	(216)
Income tax received (paid)		(6,667)	(6,871)
Change in working capital, net of impairment		(9,510)	(21,667)
NET CASH FROM OPERATING ACTIVITIES		**96,254**	**50,464**
Purchases of intangible assets and PP&E	15/16	(41,259)	(30,938)
Proceeds on disposal of intangible assets and PP&E		0	0
Acquisition of equity investments, net of cash acquired(2)		(31,441)	(69,302)
Proceeds on disposal of equity investments, net of cash divested		2	0
Investment grants received		0	1,080
Cash flows relating to other financial assets		(40)	(483)
NET CASH USED IN INVESTING ACTIVITIES		**(72,738)**	**(99,643)**
Share capital increases (decreases)		180,000	0
Costs of share capital increases		(7,801)	0
Purchase/sale of own shares		(329)	0
Interest paid on convertible bonds		0	0
Refinancing of non-current borrowings	25	250,000	65,000
Repayment of non-current borrowings	25	(307,647)	0
Refinancing of current borrowings	25	177	82
Repayment of current borrowings	25	(4,841)	(5,401)
Financial expenses paid in relation to borrowings(3)		(23,416)	(23,777)
Repayment of IFRS 16 lease liabilities	25	(2,795)	(2,126)
Financial expenses paid in relation to IFRS 16 lease liabilities		(783)	(631)
Financial income received in relation to derivatives		981	4,096
Financial income received on investments		570	0
Loan issue costs(4)	25	(6,955)	(1,752)
Loan early repayment costs		(856)	0
Other		(30)	0
NET CASH FROM FINANCING ACTIVITIES		**76,277**	**35,490**
EFFECT OF CHANGES IN EXCHANGE RATES		**377**	**192**
Increase (Decrease) in cash and cash equivalents		100,171	(13,497)
Opening cash and cash equivalents	23	15,458	28,955
Closing cash and cash equivalents	23	115,629	15,458

(1) The adjustment for "Other income and expenses" at 31 December 2024 mainly concerns an IFRS 2 impact of €2.9 million. The "Other income and expenses" adjustment in 2023 mainly concerns an IFRS 2 impact of €1.6 million and income of €2.0 million relating to the deferred recognition of grants (items with no cash impact during the year).

(2) In 2024, mainly comprises the acquisitions of Centronic (€24.4 million) and LR Tech (€6.1 million). These figures are stated net of cash acquired. In 2023, mainly comprises the acquisitions of ProxiVision (€7.5 million), El-Mul (€23.1 million) and Telops (€38.6 million).

(3) Financial expenses paid take account of the change in accrued interest of a negative €-862 thousand for the year ended 31 December 2024 and a positive €719 thousand for the year ended 31 December 2023

(4) Loan issue costs total €7.0 million for the year ended 31 December 2024 and include fees of €3.0 million in respect of a loan that did not go ahead, €3.5 million in respect of new capitalised borrowings and €0.5 million in respect of new non-capitalisable borrowings.

Notes 1 to 35 are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

(in € thousand)	Share capital (Note 24)	Share premiums (Note 24)	Reserves: Translation adjustments	Reserves: Other reserves	Reserves: Retained earnings	Total
At 1 January 2023	**1,941**	**188,059**	**206**	**(14,961)**	**7,808**	**183,053**
Changes in cash flow hedges	0	0	0	124	0	124
Actuarial gain (loss) on post-employment benefits	0	0	0	(60)	0	(60)
Translation adjustments	0	0	562	0	0	562
Other comprehensive income	**0**	**0**	**562**	**64**	**0**	**626**
Net profit	0	0	0	0	18,407	18,407
Total comprehensive income for the period	**0**	**0**	**562**	**64**	**18,407**	**19,033**
Capital increases	6	(6)	0	0	0	0
Capital reductions	0	0	0	0	0	0
Other(3)	0	0	0	1,980	0	1,980
At 31 December 2023	**1,948**	**188,052**	**768**	**(12,917)**	**26,215**	**204,066**
At 1 January 2024	**1,948**	**188,052**	**768**	**(12,917)**	**26,215**	**204,066**
Changes in cash flow hedges	0	0	0	0	0	0
Actuarial gain (loss) on post-employment benefits	0	0	0	29	0	29
Translation adjustments	0	0	1,197	0	0	1,197
Other comprehensive income	**0**	**0**	**1,197**	**29**	**0**	**1,226**
Net profit	0	0	0	0	30,680	30,680
Total comprehensive income for the period	**0**	**0**	**1,197**	**29**	**30,680**	**31,906**
Capital increases(1)	19,757	172,405	0	0	0	192,162
Capital reductions(2)	(122)	(17,921)	0	0	0	(18,043)
Other(3)	0	0	0	2,510	0	2,510
At 31 December 2024	**21,583**	**342,537**	**1,965**	**(10,378)**	**56,895**	**412,601**

(1) The capital increase of €192.2 million is described in Note 24 below. Capital increase costs (net of tax) for the year ended 31 December 2024 were deducted from share premiums (see Note 3 below).

(2) The capital reductions of €-18.0 million correspond to merger accounting entries relating to transactions conducted as part of the initial public offering on 7 June 2024 (transactions described in Note 24 below). The capital decrease was offset by the recognition of a capital increase for the same amount.

(3) Mainly the corresponding journal entry to the IFRS 2 impact.

Notes 1 to 35 are an integral part of the consolidated financial statements.

6.1.2 Notes to the consolidated financial statements

DETAILED SUMMARY OF NOTES

Note 1. General information

EXOSENS (the "Company") and its subsidiaries (together the "Group" or the "EXOSENS group") are a high-tech group specialising in the innovation, development, manufacturing and sale of technology for the detection, photo detection and imaging sectors. Accompanied by the HLD investment group since 2021, EXOSENS offers its customers detectors and imaging solutions, such as image intensifier tubes, digital cameras, ion, electron, neutron and gamma detectors and travelling wave tubes. EXOSENS responds to complex issues in extremely demanding environments by offering tailor-made solutions to its customers in the defense and surveillance, life sciences, nuclear and industrial control sectors. Thanks to sustained and constant investment in R&D, the Group is internationally recognised as a major innovator in optoelectronics, with eight production sites in Europe and North America and over 1,400 employees. The EXOSENS group also manufactures components for high-tech digital cameras and scientific detectors that are used, for example, in space exploration and the nuclear industry. The Group operates in over 50 countries.

EXOSENS is a public limited company (société anonyme, SA) governed by French law. Its registered office is located at Domaine de Pelus, Axis Business Park, Bloc E, 18 avenue Pythagore, Mérignac, France. The Company is listed on the Paris stock exchange (Euronext - Compartment A).

The consolidated financial statements for the twelve-month period from 1 January 2024 to 31 December 2024 were approved by the Board of Directors on 28 February 2025. All amounts are presented in thousands of euros and all values are rounded to the nearest thousand, unless otherwise stated. Numbers may not sum precisely, due to rounding.

Note 2. Preparation of the consolidated financial statements

2.1 BASIS OF PREPARATION

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union at the reporting date and of mandatory application.

The accounting policies applied in the preparation of the Group's consolidated financial statements are set out above.

2.2 NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AND MANDATORY FOR PERIODS BEGINNING ON OR AFTER 1 JANUARY 2024

The new standards, amendments and interpretations mandatory for periods beginning on or after 1 January 2024 have no material impact on the Group's consolidated financial statements. They primarily concern:

- Amendment to IFRS 16 "Leases": accounting for lease liabilities in a sale and leaseback;
- Amendments to IAS 1 "Presentation of Financial Statements": classification of liabilities as current or non-current, and non-current liabilities with covenants;
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments": new disclosure obligations for supplier finance arrangements.

2.3 NEW STANDARDS, AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS THAT WERE NOT YET MANDATORY AT 1 JANUARY 2024

The Group has not early-adopted any of the following new standards and interpretations that could concern it but which were not mandatory at 1 January 2024:

- Amendments to IAS 21: lack of exchangeability;
- Amendments to IFRS 9 and IFRS 7: power purchase agreements;
- Amendments to IFRS 9 and IFRS 7: changes to the classification and measurement of financial instruments;
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures";
- IFRS 18 "Presentation and Disclosure in Financial Statements".

We are currently assessing the impacts and practical consequences of these amendments. However, they do not exhibit any provisions contrary to the Group's current accounting practices.

2.4 CLIMATE RISK

As set out in Section 2.2 "Climate change" in the CSR chapter of this report, the Group identified various impacts, risks and opportunities in relation to climate change in the course of its double materiality assessment. Analysis of the short, medium and long-term physical risk and transition risk scenarios will commence in 2025, in order to describe the exposure and sensitivity of the Group's assets and economic activities to climate change (which have not yet been identified). For the time being, the Group takes climate risks into account in its year-end assumptions on the basis of its current knowledge and incorporates their potential impacts in the financial statements.

The main risks identified concern physical risks such as flooding and hurricanes, as well as transition risks such as market uncertainties tied to forecasts of potential taxes on fossil fuels, greenhouse gas emission reductions or the impact of the European taxonomy and sustainability regulations.

Most physical risks are covered by property and casualty insurance policies. In general, when an incident occurs, the negative impacts (where not insured) are expensed in the period in question.

The main transition risks have also been reviewed to the best of our knowledge. Longer-term market changes related to the environmental transition are difficult to anticipate and quantify, but should not have a material impact on the useful life of Group assets. However, the consequences of climate uncertainties are taken into account in the financial statements. In 2024, the Group began work on defining its greenhouse gas reduction targets and the associated action plans for all scopes. Determined to have an impact both on the environment and on production, the Group plans to incorporate an eco-design approach into its product development and to optimise electricity consumption. It aims to implement eco-design criteria in all its new products by 2027.

Lastly, whenever necessary depending on the activity concerned, the Group includes a review of environmental risks in its external growth process, which is presented to the committees deciding on proposed acquisitions.

The Group is not subject to the European Union's carbon trading scheme.

2.5 KEY ASSUMPTIONS AND ESTIMATES

The preparation of consolidated financial statements under IFRS requires management to use assumptions and estimates to calculate the value of assets and liabilities as at the balance sheet date and the amount of income and expenses for the period. Actual results may differ from those estimates.

The key assumptions and main sources of estimates are consistent with those used by the Group to prepare the consolidated financial statements for the year ended 31 December 2023.

The main sources of uncertainty relating to key assumptions and judgements concern:

- capitalisation of development costs – Note 15 "Intangible assets" to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023;
- impairment of non-financial assets – Note 14 "Goodwill", to the consolidated financial statements for the year ended 31 December 2024;
- employee benefits – Note 28 "Post-employment benefit obligations" to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023;
- recognition and measurement of deferred tax – Note 19 "Taxes", to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023;
- goodwill – Note 14 "Goodwill" to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023;
- intangible assets acquired in business combinations and their estimated useful lives – Note 15 "Intangible assets" to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023;
- determination of the enforceable period of a lease – Note 17 "Right-of-use assets" to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023;
- disputes and litigation – Note 26 "Provisions and other liabilities" to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023;
- revenue recognition under the percentage-of-completion method – Note 5 "Revenue" to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023.

2.6 CONSOLIDATION

The Group's consolidated financial statements include all subsidiaries, joint ventures and associates of EXOSENS.

Companies over which the Group exercises exclusive control, directly or indirectly, are fully consolidated: pursuant to IFRS 10, control is determined with respect to the Group's power over the relevant entity to influence the variable returns to which it is exposed or has rights from its involvement with the entity.

The Group's interests in equity-accounted investees comprise investments in associates and joint ventures. Investments in associates and joint ventures are accounted for under the equity method and initially recognised at cost.

Investments in companies other than subsidiaries, joint ventures and associates are not consolidated.

Transactions between consolidated subsidiaries (and the resulting receivables and payables) are eliminated in full. The same applies to intragroup profits and losses (dividends, gains and losses on disposals), which are eliminated from the consolidated income statement.

2.7 BUSINESS COMBINATIONS AND GOODWILL

When the Group obtains control of an entity, the business combination is measured and accounted for using the acquisition method. Goodwill is calculated at the acquisition date as the difference between:

- the fair value of the consideration transferred, including the fair value of any contingent consideration; and
- the fair value at the acquisition date of the identifiable assets acquired and liabilities and contingent liabilities assumed.

The measurement period for a business combination is a maximum of 12 months from the acquisition date.

Goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies arising from the combination and that reflect the level at which the Group monitors goodwill. Goodwill is tested for impairment at least annually. Sensitivity to changes in the main assumptions is tested at the level of the CGU holding the goodwill (Note 14 “Goodwill”). Any impairment of goodwill is recorded in “Other expenses” in operating profit or loss and cannot be reversed. Costs directly relating to the business combination (e.g., valuation fees or advisory fees) are expensed in “Other operating expenses” when incurred.

The Group holds no non-controlling interests as defined in IFRS 10.

2.8 FOREIGN CURRENCY TRANSACTIONS

Presentation currency and functional currency

The financial statements of the Group entities are prepared in their functional currency, which is the currency of the primary economic environment in which they operate. This is generally their local currency.

The consolidated financial statements are presented in euros (presentation currency), which is the consolidating company’s functional currency.

Transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses on unconsolidated equity investments are recognised in other comprehensive income until the investment is sold.

Translation

The financial statements of Group entities whose functional currency is different from the presentation currency of the consolidated financial statements are translated into euros as follows: assets and liabilities are translated at the closing rate at the date of the consolidated statement of financial position, income and expense items are translated at the average rate for the period (as it is considered a reasonable approximation of actual rates at the transaction date), and all resulting foreign exchange gains and losses are recognised in other comprehensive income.

Cash flows are also translated at the average rate for the period. When an entity is sold, the foreign exchange gains and losses accumulated in other comprehensive income are recycled to the income statement as part of the gain or loss on disposal.

On the acquisition of an entity, goodwill and fair value adjustments recognised are treated as assets and liabilities of the acquired entity and translated at the spot rate on the transaction date.

Exchange rates of major currencies

	Closing rate		Average rate	
Against the euro (EUR):	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
US dollar (USD)	1.0389	1.1050	1.0824	1.0797
Canadian dollar (CAD)	1.4948	1.4642	1.4821	1.4558
Singapore dollar (SGD)	1.4164	1.4591	1.4458	1.4519
Pound sterling (GBP)	0.8292	0.8438	0.8466	0.8551
Chinese yuan (CNY)	7.5833	7.8509	7.7875	7.6396
Israeli new shekel (ILS)	3.7885	3.9993	4.0067	3.9449

Note 3. Changes in consolidation scope and major events

CHANGES IN CONSOLIDATION SCOPE

Transactions during the year 2024

Centronic

On 26 January 2024, the Group entered into an agreement for the acquisition of the UK-based Centronic Group for GBP 20.2 million. Centronic mainly specialises in the design and manufacture of nuclear instrumentation components, such as neutron detectors, Geiger Muller tubes and silicon photodiodes, primarily used in the detection of light or X-rays. A new company, EXOSENS UK Ltd, was established for the purposes of the acquisition as a 100% subsidiary of EXOSENS International SAS. EXOSENS UK Ltd then acquired 100% of Centronic Group Ltd, which in turn held 100% of Centronic Holdings Ltd and Centronic Ltd.

These four entities are fully consolidated.

Centronic reported revenue of GBP 11.0 million for the period ended 4 January 2024 (UK GAAP figures, unaudited).

The acquisition was completed on 31 July 2024.

The net cash flow generated by the 100% acquisition of Centronic group is as follows:

(in € thousand)	At the acquisition date
Fair value of the consideration transferred	(24,485)
Net cash acquired	67
Cash flows relating to the acquisition	(24,418)

The fair value measurement of each of the main categories of assets acquired and liabilities assumed is set out in the following table:

(in € thousand)	At the acquisition date
Intangible assets	8,312
Property, plant and equipment	4,292
Non-current financial assets and other non-current assets	0
Deferred tax assets	673
Non-current assets	**13,276**
Inventories	4,137
Trade receivables and other current assets	3,611
Cash and cash equivalents	239
Current assets	**7,987**
Non-current loans and borrowings	0
Non-current provisions and other non-current liabilities	0
Deferred tax liabilities	2,670
Non-current liabilities	**2,670**
Current loans and borrowings	1,217
Trade payables and other current liabilities	2,703
Current liabilities	**3,920**
Total fair value of net assets acquired	**14,673**

The purchase price allocation was finalised in the second half of 2024 and the definitive goodwill is €9,812 thousand, as shown in the table below:

(in € thousand)	At the acquisition date
Fair value of the consideration transferred	24,485
Less: fair value of net assets acquired	14,673
Goodwill after deferred tax	9,812

This goodwill was allocated to the Detection & Imaging CGU. In 2024, Centronic contributed €5.1 million to Group sales and a negative €-0.5 million to net profit.

LR Tech

On 1 September 2024, EXOSENS completed the acquisition of LR Tech, a specialist in Fourier transform infrared spectroradiometry (FTIR). Based in Quebec, LR Tech is a leader in FTIR spectrometry. The company supplies advanced instruments with unmatched performance in terms of resolution, speed and precision, based on advanced industrial know-how and long-standing expertise in its end-user markets, which include defense, aerospace, environmental technology and meteorology.

The net cash flow generated by the 100% acquisition of LR Tech is as follows:

(in € thousand)	At the acquisition date
Fair value of the consideration transferred	(6,669)
Net cash acquired	554
Cash flows relating to the acquisition	(6,115)

The fair value measurement of each of the main categories of assets acquired and liabilities assumed is set out in the following table:

(in € thousand)	At the acquisition date
Intangible assets	916
Property, plant and equipment	153
Non-current financial assets and other non-current assets	0
Deferred tax assets	339
Non-current assets	**1,408**
Inventories	880
Trade receivables and other current assets	708
Cash and cash equivalents	554
Current assets	**2,141**
Non-current loans and borrowings	1,176
Non-current provisions and other non-current liabilities	0
Deferred tax liabilities	262
Non-current liabilities	**1,438**
Current loans and borrowings	0
Trade payables and other current liabilities	715
Current liabilities	**715**
Total fair value of net assets acquired	**1,395**

The identification and measurement of the assets acquired and liabilities assumed will be completed within 12 months of the acquisition date. Provisional goodwill of €5,274 thousand has been recognised, based on a provisional fair value measurement of the major asset and liability categories as shown in the table below:

(in € thousand)	At the acquisition date
Fair value of the consideration transferred	6,669
Less: fair value of net assets acquired	1,395
Goodwill after deferred tax	5,274

This goodwill was allocated to the Detection & Imaging CGU. The provisional goodwill calculation does not take account of the earn-out clause in the SPA, as it is unlikely to be triggered. In 2024, LR Tech contributed €1.3 million to Group sales and €0.3 million to net profit.

Changes in consolidation scope in prior periods

ProxiVision

On 30 June 2023, the Group finalised the 100% acquisition of ProxiVision, a specialist developer and manufacturer of ultraviolet image intensifier tubes used in missile launch detection, semiconductor inspection and high-voltage power line maintenance systems. The acquisition strengthened the Group's ultraviolet technology offering and production capacity.

The company was fully consolidated and changed its name to Photonis Germany in the second half of 2023.

The purchase price allocation was finalised in the 12 months period following the acquisition date. The definitive goodwill is €1.6 million as detailed below:

(in € thousand)	At the acquisition date
Fair value of the consideration transferred	6,750
Less: fair value of net assets acquired	5,128
Goodwill after deferred tax	1,622

This goodwill was allocated to the Detection & Imaging CGU.

El-Mul

On 18 July 2023, the Group finalised the acquisition of the entire share capital of El-Mul, a specialist supplier of advanced high performance particle detectors for electron microscopy and mass spectrometry. Through this acquisition, the Group furthers its diversification, strengthens its access to electron microscopy and semiconductor inspection markets and complements its service offering.

This company was fully consolidated in the second half of 2023.

The purchase price allocation was finalised in the 12-months period following the acquisition date. The definitive goodwill is €11.6 million as detailed below:

(in € thousand)	At the acquisition date
Fair value of the consideration transferred	24,011
Less: fair value of net assets acquired	12,428
Goodwill after deferred tax	11,583

This goodwill was allocated to the Detection & Imaging CGU.

Telops

On 13 October 2023, the Group finalised the 100% acquisition of Telops, a specialist developer and manufacturer of high-performance hyperspectral imaging systems and infrared cameras. The integration of Telops will enable the Group to provide unique high-end imaging products to business-to-business customers.

This company was fully consolidated in the second half of 2023.

The purchase price allocation was finalised in the 12-months period following the acquisition date. The definitive goodwill is €21.5 million as detailed below:

(in € thousand)	At the acquisition date
Fair value of the consideration transferred	39,137
Less: fair value of net assets acquired	17,645
Goodwill after deferred tax	21,492

This goodwill was allocated to the Detection & Imaging CGU.

MAJOR EVENTS

Change in EXOSENS' legal form

On 31 May 2024, EXOSENS was converted from a simplified joint stock company (*société par actions simplifiée*, SAS) to a public limited company *(société anonyme*, SA) ahead of its initial public offering on the Euronext Paris market on 7 June 2024. This change also served to align the Company's structure and governance with that which is expected by international investors and guarantee the transparency required by the financial market.

Initial Public Offering (IPO)

On 7 June 2024, EXOSENS began operating as an independent listed company following its listing on Euronext Paris (ticker symbol "EXENS") by way of a private placement, including an over-allotment option representing a maximum of 15% of the cumulative number of New Shares and Initial Sale Shares (i.e. a maximum of 2,625,002 Additional Sale Shares). The opening price of EXOSENS shares (€20.00 per share) was confirmed by a notice issued by Euronext Paris on 7 June 2024. On 12 June 2024, the Over-Allotment Option covering all the shares placed under the IPO was exercised in full.

IPO costs totalled €12.2 million, of which €7.8 million (before tax) was recognised in other comprehensive income and €4.4 million in the income statement.

Share capital transactions

The Company carried our several share capital transactions in the first half of 2024, as part of preference share grant plans and to prepare for its IPO on 7 June. In particular, it converted all preference shares to ordinary shares, terminating the free share grant plans.

These transactions are described in Note 24.

Financing

At the time of the IPO, the Group repaid all term loans (A1 Facility, A2 Facility, and Acquisition Facility) secured under the Senior Facility Agreement, cancelled all available commitments under the revolving credit facility and redeemed in full the A Bonds, B Bonds and Additional Bonds issued under the Bond Issue Agreement.

To finance its development and external growth transactions, EXOSENS secured a Senior Credit Agreement in the first half of 2024, which provides two credit lines with a combined maximum amount of €350 million as follows:

- a euro-denominated five-year term loan with a maximum amount of €250 million, paying interest ranging from 1.50% to 2.50% +3-month Euribor, repayable on maturity;
- a five-year revolving credit facility with a maximum amount of €100 million, paying interest ranging from 1.50% to 2.50% +3-month Euribor, not drawn at 31 December 2024.

Note 4. Segment reporting

ACCOUNTING POLICIES

Operating segments are reported in a manner consistent with the internal reporting provided to Group Management.

The Chief Executive Officer regularly examines gross profit by segment to assess segment performance. He has therefore been identified as the Group's chief operating decision-maker.

Segment information is presented for the following two operating segments:

- Amplification, comprising systems using electron or electromagnetic wave amplification to produce images or a power source;
- Detection & Imaging, comprising systems to detect signals (optical or electronic) or create images across different wavelengths of the optical spectrum (from ultraviolet to infrared).

The Group uses key financial and non-financial measures to analyse the performance of its business. The key performance indicators used include revenue, adjusted gross profit and adjusted EBITDA.

The gross profit (adjusted), presented below by segment, is equal to the difference between the selling price and the cost (including the employee benefits expense) of products and services. The detailed composition of this figure is presented in a table later on in this note, together with a reconciliation to operating profit.

The Group defines EBITDA (adjusted) as operating profit, less (i) additions net of reversals to depreciation, amortisation and impairment of non-current assets; (ii) non-recurring income and expenses as presented in the Group's consolidated income statement within "Other income" and "Other expenses", and (iii) the impact of items that do not reflect ordinary operating performance (in particular business reorganisation and adaptation costs, costs relating to acquisitions and external growth transactions, as well as the IFRS 2 share-based payment expense).

Adjusted EBITDA and adjusted gross profit are not accounting measures that meet generally accepted definitions. They should not be considered as a substitute for operating profit, net profit, cash flow from operating activities or as an indicator of liquidity. Other companies may calculate an adjusted EBITDA or adjusted gross profit using different definitions to those used by the Group.

(in € million)	**31 December 2024**			
	Amplification	**Detection & Imaging**	**Other, eliminations and unallocated items**	**Total**
Sales	280.2	117.5	(3.7)	394.1
Contribution (% of total sales)	71.1 %	29.8 %	(0.9)%	
Gross profit (adjusted)	132.4	57.1	0.1	189.6
As a percentage of sales	47.3 %	48.6 %	(1.5)%	
EBITDA (adjusted)	-	-	-	118.5

(in € million)	31 December 2023			
	Amplification	Detection & Imaging	Other, eliminations and unallocated items	Total
Sales	209.9	82.5	(0.6)	291.8
Contribution (% of total sales)	71.9 %	28.3 %	(0.2)%	
Gross profit (adjusted)	93.3	37.7	0.1	131.1
As a percentage of sales	44.4 %	45.7 %	0.1 %	
EBITDA (adjusted)	-	-	-	86.0

Revenue included within “Other, eliminations and unallocated items” mainly concerns the elimination of inter-segment sales.

Unallocated gross profit (adjusted) includes Corporate activities that cannot be allocated to the segments and the elimination of inter-segment flows.

Reconciliation with the consolidated financial statements – Adjusted EBITDA

	31 December 2024	31 December 2023
ADJUSTED EBITDA	**118.5**	**86.0**
Depreciation, amortisation and impairment of non-current assets (including IFRS 16)	(34.1)	(29.4)
Other income and expenses (Note 10)	(3.9)	(4.3)
Other*	(7.4)	(4.0)
OPERATING PROFIT (LOSS)	**73.0**	**48.3**

** The “Other” line item mainly comprises corporate acquisition costs. A share-based payment expense of €2.9 million was recognised in accordance with IFRS 2. The “Other” line for 2023 mainly comprises the share-based payment expense (IFRS 2) and various non-recurring items that are not individually material.*

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Reconciliation with the consolidated financial statements – Adjusted gross profit

Operating profit is obtained after deduction of the following operating expenses:

- **cost of sales:** cost of sales of products and services, including employee benefit costs;
- **research and development costs:** expenditure on innovation, research and development;
- **sales, general and administration costs:** costs of support functions and day-to-day management;
- **other operating income and expenses:** specific, non-recurring items.

These items reflect the Group’s cost structure and reconcile the gross profit to the operating profit.

(in € million)	**31 December 2024**	31 December 2023
REVENUE	**394.1**	**291.8**
Cost of sales*	(204.4)	(160.8)
GROSS PROFIT (adjusted)	**189.6**	**131.1**
Research and development costs*	(22.7)	(15.6)
Sales, general and administration costs*	(90.1)	(62.7)
Other	0.1	(0.2)
RECURRING OPERATING PROFIT (LOSS)	**76.9**	**52.6**

** The figures presented in the R&D and sales costs lines are obtained from our internal management accounting and do not constitute audited information defined by IFRS. They are therefore not directly comparable with similar indicators shown in the financial statements.*

Non-current assets break down by geographic area as follows:

(in € million)	**31 December 2024**				31 December 2023			
	France	**Europe excl.**	**North America**	**Other**	France	Europe excl.	North America	Other
Goodwill, intangible assets, property, plant and equipment and right-of-use assets	313.1	109.1	62.5	13.8	289.9	93.3	62.9	13.4

Note 5. Revenue

ACCOUNTING POLICIES

The Group manufactures and sells electro-optic components used in the detection and amplification of ions, electrons and photons.

The main types of contracts identified in the EXOSENS group are standard product sales contracts and service contracts.

If a payment deferral has a material impact on the calculation of the fair value of the consideration to be received, it is taken into account by discounting future payments.

The Group recognises revenue in accordance with IFRS 15 "Revenue from Contracts with Customers". The standard requires firms to identify each contract and the performance obligations it contains. The majority of the Group's contracts generally contain one single performance obligation which is fulfilled at a specific point in time.

Variable items included in the contract selling price are only taken into account if they are highly probable. Contractual amendments negotiated with customers are included in the price when they become legally enforceable.

Standard product sales contracts

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it acts as a principal in its revenue arrangements, because it controls the goods or services before transferring them to the customer.

Revenue is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The normal settlement period is 30 to 90 days from delivery.

The Group considers whether the contracts with customers contain other separate performance obligations. The Group did not identify any such contracts in past periods. Each contract consists solely of the delivery of products, with no training or maintenance services or significant warranties.

Revenue is recognised net of any late delivery penalties applied by customers.

Service contracts

Under service contracts, revenue may only be recognised if:

- the stage of contract completion can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Profit from Group service contracts is recorded using the percentage-of-completion method, measured based on work and costs incurred.

If contract profit cannot be measured reliably, revenue is only recognised up to the amount of contract costs incurred.

Forecast contract margins are reviewed on a regular basis. A provision is set aside for any losses on completion as soon as such losses are foreseeable.

Licence rights for technology transfer

Revenue from technology transfer licences is recognised according to the contractual schedule defining the technology transfer steps and the related remuneration. The stage of technology transfer and contract completion are reflected in revenue recognised.

Group revenue breaks down as follows:

(in € thousand)	**31 December 2024**	%	31 December 2023	%
Sales of goods	387,970	98.5 %	277,755	95.2 %
Sales of services & Licence fees	6,107	1.5 %	14,064	4.8 %
TOTAL REVENUE	**394,076**	**100.0 %**	**291,819**	**100.0 %**

Group revenue attributable to acquisitions of the period is presented in Note 3 "Changes in consolidation scope" and major events.

Group revenue breaks down by geographic area as follows:

(in € thousand)	**31 December 2024**	**%**	31 December 2023	%
Europe	259,359	65.8 %	197,495	67.7 %
Of which Greece	*155,844*	*39.5 %*	*103,814*	*35.6 %*
Of which France	*11,265*	*2.9 %*	*23,958*	*8.2 %*
North America	51,047	13.0 %	40,890	14.0 %
Of which United States	*44,816*	*11.4 %*	*35,472*	*12.2 %*
Asia	81,902	20.8 %	52,276	17.9 %
Oceania	1,138	0.3 %	856	0.3 %
Africa	485	0.1 %	55	— %
Other	144	— %	246	0.1 %
TOTAL REVENUE	**394,076**	**100.0 %**	**291,819**	**100.0 %**

The Group generated sales of €155.8 million with Theon in the year ended 31 December 2024 (2023: €103.8 million), representing 39.5% of total revenue for the period (2023: 36%). No other customer represented over 10% of sales.

Sales recognised on the transfer of control of the goods or services to the customer represented 98.93% of Group sales in the year ended 31 December 2024 (31 December 2023: 98.90%) and totalled €389.8 million (31 December 2023: €288.6 million). In 2024, sales recognised on the progressive satisfaction of performance obligations totalled €4.2 million and represented 1.1% of total sales for the year (2023: €3.2 million and 1.1%).

The Group estimates that around 85% of its revenue comes from the sale of dual-use goods. Dual-use goods are products, software and technologies which can be used for both civil and military applications.

Note 6. Other purchases and external expenses

(in € thousand)	**31 December 2024**	31 December 2023
Temporary personnel	(23,927)	(17,603)
Professional fees	(13,309)	(11,782)
Travel and entertainment	(3,776)	(3,443)
Subcontracting	(5,049)	(4,331)
Rentals	(1,701)	(1,580)
Maintenance	(8,043)	(6,461)
Advertising, publications, public relations	(2,024)	(1,648)
Insurance premiums	(1,479)	(1,254)
Transport of goods and public passenger transport	(951)	(673)
Post and telecommunications	(701)	(615)
Bank charges	(663)	(703)
Other services – miscellaneous	(1,312)	(1,995)
Studies and research	(1,588)	(1,426)
Other (sundry external services, property management expenses, rental)	(940)	(555)
OTHER PURCHASES AND EXTERNAL EXPENSES	**(65,464)**	**(54,069)**

Note 7. Employee benefits expense

(in € thousand)	**31 December 2024**	31 December 2023
Wages and salaries	(76,764)	(55,833)
Social security contributions	(23,751)	(19,332)
Post-employment benefits	238	(185)
Other employee costs	(10,534)	(5,926)
EMPLOYEE BENEFITS EXPENSE	**(110,810)**	**(81,277)**

Other employee costs mainly comprise statutory profit-sharing and incentive payments of €8,686 thousand at 31 December 2024, as against €5,435 thousand at 31 December 2023.

The Group had an average of 1,421 employees in 2024, excluding temporary staff (2023: 1,210).

AVERAGE WORKFORCE BY YEAR

	31 December 2024	31 December 2023
Management and professional staff	178	171
Technicians and supervisors	335	283
Administrative employees	424	389
Workers	484	367
TOTAL	**1,421**	**1,210**

Note 8. Other operating income and expenses

ACCOUNTING POLICIES

The EXOSENS group receives public financing in the form of grants for the development of certain projects. Investment grants are initially recognised at fair value when there is reasonable assurance that the grant will be received and the Group will comply with all related conditions.

In accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", these advances are recognised in deferred income and released to profit or loss over the useful life of the related development costs.

OTHER OPERATING INCOME

(in € thousand)	**31 December 2024**	31 December 2023
Investment grants	2,829	2,598
Other operating income[(1)]	3,234	1,599
Other	369	350
TOTAL OTHER OPERATING INCOME	**6,432**	**4,547**

(1) Other operating income mainly comprises research tax credits of €1.3 million in 2024 (2023: €1.2 million) and €1.1 million in insurance indemnities.

OTHER OPERATING EXPENSES

Other operating expenses total €611 thousand (2023: €310 thousand) and comprise various amounts that are not individually material.

Corporate acquisition costs were reclassified to this item in 2024. In 2023, these expenses were recognised within "Other income and expenses" (Note 10).

(in € thousand)	**31 December 2024**	31 December 2023
Other operating expenses	(611)	(310)
Corporate acquisition costs	(3,799)	0
Other	(62)	(106)
TOTAL OTHER OPERATING EXPENSES	**(4,472)**	**(416)**

Note 9. Depreciation, amortisation and charges to provisions

Depreciation, amortisation and charges to provisions break down as follows:

(in € thousand)	Note	**31 December 2024**	31 December 2023
On other non-current assets (excluding IFRS 16)	15/16	(30,460)	(26,177)
On other non-current assets (IFRS 16 right-of-use assets)	17	(3,639)	(1,944)
On impairment of current assets		968	(1,313)
On provisions*	26	(5,060)	274
On provisions not reflecting normal operating performance		0	(1,247)
TOTAL CHARGES AND REVERSALS		**(38,191)**	**(30,407)**

** The increase in provisions of €5.0 million during the period mainly concerns provisions for the purchase of offset credits, contractual commitments and losses on completion*

The difference between these figures and the "Charges net of reversals to depreciation/provisions" line in the cash flow statement reflects the reversal of €1,303 thousand of provisions on utilisation.

Note 10. Other income and expenses

ACCOUNTING POLICIES

Other operating income and expenses record items that are not taken into account by management when measuring the performance of the operating segments due to their nature or their significant or unusual characteristics.

In the year ended 31 December 2024, other income and expenses totalled an expense of €-3,914 thousand (year ended 31 December 2023: an expense of €-4,329). The bulk of this comprises the €3.9 million of IPO-related fees that were not attributable to the issue of new shares. The amount in the year ended 31 December 2023 mainly comprised corporate acquisition costs and non-recurring advisory and strategy fees of amounts that were not individually material. In 2024, corporate acquisition costs were reclassified to "Other operating expenses" (Note 9).

(in € thousand)	**31 December 2024**	31 December 2023
IPO costs	(3,960)	0
Corporate acquisition costs (*)	0	(4,358)
Contingent consideration	0	0
Other	46	29
Other income and expenses	**(3,914)**	**(4,329)**

** Includes acquisition costs for projects abandoned or in progress.*

Note 11. Net financial income (expense)

The cost of net debt and other financial income and expenses break down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
Interest expense on bank borrowings*	(34,893)	(26,282)
Interest expenses on leases	(783)	(631)
Other financial expenses	0	0
COST OF NET DEBT	**(35,676)**	**(26,914)**
Foreign exchange gains and losses	2,150	(2,675)
Financial income from derivative instruments	981	4,383
Financial expenses on derivative instruments	(275)	(3,369)
Other financial gains/(losses) on derivative instruments	0	0
NET FINANCIAL GAINS (LOSSES) ON DERIVATIVE INSTRUMENTS	**2,856**	**(1,661)**
Other	1,617	528
NET FINANCIAL INCOME (EXPENSES)	**(31,203)**	**(28,046)**

** The interest expense on bank borrowings includes €8.5 million related to the extinguishment of the former debt, €0.9 million in early repayment charges, €3.0 million of costs incurred in respect of financing that was not secured and €0.5 million of costs in respect of new non-capitalisable financing.*

Foreign exchange gains and losses consist of the currency impact on loans.

Financial income/(expenses) on derivative instruments mainly reflect the impact of caps, floors and cross-currency swaps recognised in profit or loss for the period.

Note 12. Income tax

ACCOUNTING POLICIES

The Group recognises current and deferred tax in accordance with IAS 12, Income Taxes. The income tax expense includes the current and deferred tax expenses of the consolidated entities.

Current tax

The current income tax expense represents the income tax payable to the tax authorities by each consolidated company in its countries of operation. It is calculated in accordance with local rules and includes any adjustments relating to prior years.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements, using enacted or substantially enacted tax rates that are expected to prevail when the temporary differences reverse.

A deferred tax asset or liability is recognised on initial recognition of transactions that arise from business combinations or impact the accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the tax loss carryforwards and temporary differences can be offset.

Tax positions are analysed periodically and, if any positions are considered unlikely to be accepted by the tax authorities, a provision is booked for the most probable amount in order to cover the risk. Assets/liabilities resulting from uncertain tax treatments are included in current or deferred tax assets or liabilities in the consolidated statement of financial position.

The tax expense for the year ended 31 December 2024 is €11,130 thousand, relative to an expense of €1,833 thousand for the year ended 31 December 2023.

(in € thousand)	**2024**	2023
Current tax expense	(8,050)	(4,862)
Deferred tax income/(expense)	(3,080)	3,030
INCOME TAX	**(11,130)**	**(1,833)**

The reconciliation of the Group's effective income tax expense is presented below:

(in € thousand)	**2024**	2023
NET PROFIT (LOSS) BEFORE TAX	**41,810**	**20,240**
TAX RATE OF THE CONSOLIDATING COMPANY	**25 %**	**25 %**
TAX CALCULATED AT THE TAX RATE OF THE CONSOLIDATING COMPANY	**(10,453)**	**(5,060)**
Tax impact of:		
• Expenses not deductible for tax purposes	(438)	(377)
• Interest expenses not deductible for tax purposes in prior years	0	0
• Tax credits	967	1,231
• Use of tax losses not previously recognized	0	(224)
• Tax losses for which no deferred tax benefit has been recognised	198	3,790
• Tax losses recognised (derecognised)(1)	(505)	(449)
• Difference in tax rates between the parent company and subsidiaries	128	319
• Subsidiary acquisition costs reclassified in profit or loss	0	8
• Other differences	(1,028)	(1,071)
INCOME TAX EXPENSE	**(11,130)**	**(1,833)**
Effective tax rate (%)	26.62 %	9.06 %

(1) Movement in deferred tax assets recognised in respect of tax loss carryforwards.

The Group has operations in various countries that have different tax laws and rates. The weighted average domestic tax rate of Group companies may therefore vary year-on-year depending on the relative size of taxable income.

In 2022, a new tax consolidation group was set up with EXOSENS as the parent company. The following entities belong to this tax consolidation group:

- EXOSENS International (formerly Photonis International);
- Photonis France SAS;
- Photonis Infrared France;
- Imaging Sensors International SARL.

Note 13. Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period, excluding shares bought back by the Group and held as treasury shares.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to take account of the potentially dilutive effect of all equity instruments issued by the Company, including unvested performance shares. Following the conversion of the preference shares as described in Note 24, there are no potentially dilutive instruments at 31 December 2024.

	31 December 2024			31 December 2023		
	Average number of shares	**Net profit (loss)** (in €)	**Earnings per share** (in €)	Average number of shares	Net profit (loss) (in €)	Earnings per share (in €)
Ordinary shares	41,699,440			30,387,344		
Net profit (loss) before dilution	41,699,440	25,530,878	0.61	30,387,344	7,354,897	0.24
Net profit (loss) after dilution	**41,699,440**	**25,530,878**	**0.61**	**30,387,344**	**7,354,897**	**0.24**

The average number of shares outstanding during 2023 has been restated to include the effect of the reverse stock split that took place in 2024, as set out in Note 24 "Share capital and share premiums".

At 31 December 2023, the preference shares granted by the Company did not meet the conditions for conversion to ordinary shares and had no dilutive impact on the earnings per share calculation.

At 31 December 2024, the preference shares no longer existed.

(in € thousand)	**31 December 2024**	31 December 2023
Net profit (loss) for the period (A)	30,680	18,407
Preferential dividend attributable to A preference shares (B)	5,149	11,052
NET PROFIT (LOSS) ATTRIBUTABLE TO THE COMPANY (A-B)	**25,531**	**7,355**

(in € thousand)	**31 December 2024**	31 December 2023
Dividends proposed or passed prior to the authorisation to publish the financial statements, but not recognised as a distribution to the owners of the company, by share	0	0
Dividend recognised as distributions to the owners of the company, by share	0	0
Dividends proposed or passed prior to the authorisation to publish the financial statements, but not recognised as a distribution to the owners of the company	0	0

Note 14. Goodwill

ACCOUNTING POLICIES

In the course of its acquisitions, the Group identifies, measures and recognises intangible assets (such as brands and customer relationships) and determines their residual useful lives. The difference between the fair value of assets acquired and liabilities assumed, on the one hand, and the consideration transferred, on the other, represents goodwill, which is allocated to the CGU benefiting from the synergies expected to arise from the business combination. In performing the purchase price allocation, the Group takes into account the various strategic and operational objectives underlying the acquisition and relies on the expertise of valuation firms.

The future value of assets and liabilities recognised on business combinations may be impacted if judgements, estimates and key assumptions made at the time of the acquisition, such as the revenue growth rate, operating margin or discount rates, should differ from reality.

The recoverable amount of assets (goodwill, intangible assets or property, plant and equipment) is tested as soon as there is any indication of impairment. Whether there is an indication of impairment or not, an impairment test is performed annually for goodwill, intangible assets with an indefinite useful life and intangible assets not ready for use, by comparing their carrying amount with their recoverable amount.

At individual asset level, indications of impairment generally relate to a fall in market value, technical obsolescence or an anticipated change of use. The recoverable amount is equal to the higher of the value in use and fair value less costs of disposal.

Impairment tests are performed at cash-generating unit (CGU) level. A CGU is an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets.

The value in use of a CGU is determined by reference to the present value of future cash flows expected to be derived from these assets, in accordance with economic assumptions and operating conditions expected by Group executive management.

An impairment loss is recognised when this value is lower than the carrying amount.

Pursuant to IAS 36 "Impairment of Assets", an entity must assess at each reporting date the existence of any indication that an asset has been subject to impairment.

The recoverable amount is determined based on the value in use. In this context, the Group verified that the business plans prepared at the 2024 annual closing based on management assumptions in line with macro-economic forecasts, had not been materially called into question.

At 31 December 2024, the Group did not identify any indications of impairment of the cash-generating units (CGUs) requiring the performance of specific impairment tests.

Goodwill breaks down as follows:

(in € thousand)	Gross value	Impairment	Total
Amount at 31 December 2022	**139,644**	**0**	**139,644**
Translation adjustments	0	0	0
Changes in consolidation scope	34,700	0	34,700
Impairment, net	0	0	0
Other	0	0	0
Amount at 31 December 2023	**174,344**	**0**	**174,344**
Translation adjustments	65	0	65
Changes in consolidation scope	15,086	0	15,086
Impairment, net	0	0	0
Other	0	0	0
Amount at 31 December 2024	**189,495**	**0**	**189,495**

At 31 December 2024, goodwill is allocated to the CGUs as follows:

(in € thousand)	31 December 2024	31 December 2023
Amplification	94,041	94,041
Detection & Imaging	95,453	80,302
GOODWILL	**189,495**	**174,344**

At 31 December 2021, initial goodwill of €125.4 million relates to the acquisition of Photonis International by EXOSENS (formerly Photonis Group). It was allocated to the "Amplification" and "Detection & Imaging" segments based on the relative weight of each segment.

Goodwill of €14.3 million recognised in 2022 relates to the acquisition of the Xenics group by EXOSENS and was allocated in full to the "Detection & Imaging" CGU.

Goodwill of €34.7 million recognised in 2023 relates to the acquisition of Telops, El-Mul and ProxiVision and was allocated in full to the "Detection & Imaging" CGU.

Goodwill of €15.1 million recognised in 2024 relates to the acquisition of LR Tech and Centronic and was allocated in full to the "Detection & Imaging" CGU (see section "Transactions during the year 2024" under Note 3).

Impairment tests were performed based on the value in use calculated using forecast data (business plan) covering four or five years approved by Management and a terminal value determined by applying estimated growth rates for cash flows beyond four or five years. Impairment tests on CGUs use forecast data for the same timeframe (four years for impairment tests in 2023 and 2024). Long-term growth rates do not exceed long-term growth rates for the business sector in which the CGU operates. These flows reflect management's best estimate in the current economic climate.

Business growth and terminal value assumptions are founded on an approach specific to each sector taking account of capacity constraints, the introduction of new products and macro-economic trends in each market.

In particular, for the Amplification sector, account was taken of capital expenditure on the production facilities that has increased capacity, as well as the shift in the product mix towards the latest generation of higher price products to meet strong growth in user demand.

For the Detection & Imaging segment, assumptions include cross selling opportunities in fast-growing, high-end imaging markets, with a comprehensive portfolio offering a wider scope of application. The business strategy focuses on the power grid maintenance, SWIR imaging and semiconductors sectors, where there are few technological alternatives. Detectors benefit from the increase in the installed base on new machines, while in the nuclear industry, account is taken of the development of SMR reactors.

Discount rates and perpetual growth rates used to calculate terminal values in 2024 and 2023 were as follows:

	WACC		Perpetual growth rate	
(in %)	**2024**	2023	**2024**	2023
Amplification	8.2 %	8.4 %	1.8 %	1.8 %
Detection & Imaging	10.4 %	10.3 %	2.1 %	2.0 %

The Group also tested the sensitivity of the CGU values in use to changes in rates and cash flows.

	Sensitivity to rates				Sensitivity to cash flows	
At 31 December 2024	Cash flow discount rate		Cash flow perpetual growth rate		Change in forecast cash flows	
(in € million)	1%	(1%)	1%	(1%)	5%	(5%)
Amplification	160	(117)	140	(102)	45	(45)
Detection & Imaging	31	(40)	36	(27)	14	(14)

At 31 December 2023	Sensitivity to rates				Sensitivity to cash flows	
	Cash flow discount rate		Cash flow perpetual growth rate		Change in forecast cash flows	
(in € million)	1%	(1%)	1%	(1%)	5%	(5%)
Amplification	(95)	129	100	(74)	37	(37)
Detection & Imaging	(28)	36	29	(22)	11	(11)

Based on these sensitivity calculations, a 100-basis point change in rate assumptions or a change of +/-5% in forecast free cash flows would not have had a material impact on the Group's consolidated financial statements for the years ended 31 December 2024 and 31 December 2023.

The Group does not carry out sensitivity analyses for variations in electricity and raw material costs, as it limits its exposure to such variations through two mechanisms:

- negotiating predetermined prices directly with its main energy and supply providers;
- including price review clauses in the majority of its multi-year customer contracts, which take into account, directly or indirectly, changes in the cost of raw materials.

In addition, as part of its low-carbon strategy, the Group is implementing action plans to reduce its operational CO_2 emissions, accelerate innovation and broaden its use of eco-design. The potential impact of these plans on cash flows has been integrated into the business plans of the relevant CGUs for impairment testing purposes. Based on the analyses conducted as part of internal work on climate change, the Group has not identified any significant climate-related risks whose financial consequences could lead to a loss in the value of its assets.

Note 15. Intangible assets

ACCOUNTING POLICIES

Intangible assets are recorded at acquisition cost, or production cost for software developments (i.e., the cost of resources used plus direct costs and a fraction of indirect production costs). The cost of an intangible asset acquired as part of a business combination is its fair value at the acquisition date.

Intangible assets with an indefinite useful life are not amortised, but tested for impairment at least once a year. Assets with a finite life are amortised on a straight-line basis over their estimated useful life:

- software: 1 to 5 years;
- concessions, patents and similar rights: 8 to 15 years;
- customer relationships: 8 to 20 years.

Subsequent expenditure on intangible assets is capitalised if it increases the future economic benefits expected to be derived from their use and the cost can be reliably measured and allocated to the asset.

Brands

Only brands that have been acquired and are well known and individually identifiable are recorded in assets. They mainly consist of brands recognised as part of business combinations. Brands are valued primarily using the discounted forecast cash flow method or the margin differential method, applicable where it is possible to measure the difference in revenue generated by a branded product, compared to a similar unbranded product.

The Group's brands have an indefinite life and are not amortised. The following criteria are considered, in particular, when classifying a brand as having an indefinite useful life:

- the brand or trade name's overall positioning in its market expressed in terms of business volume, international presence and reputation;
- long-term profitability outlook;
- degree of exposure to changes in the economic environment;
- any major event within its business sector liable to compromise its future development;
- the age of the brand.

The economic life of the Photonis brand is considered indefinite because the brand has existed since 1937, enjoys significant visibility in its market and is highly appreciated by its main end-user customers. In addition, there is little competition in the market where the Photonis brands are sold. Significant amounts are invested annually to maintain and develop products through R&D and the Group's presence at trade fairs.

Costs incurred to develop an existing brand are expensed in the period.

Customer relationships

Customer relationships acquired as part of a business combination are recognised as intangible assets at their fair value at the acquisition date. They mainly comprise the value of customer bases and structured, long-standing sales relationships. These assets are amortised over an expected useful life set at between 8 and 20 years, depending on the characteristics of the market and the degree of customer loyalty to the Group.

Research and development costs

In accordance with IAS 38, Intangible Assets, internal research costs are expensed as incurred.

Internal development costs are recognised as intangible assets if, and only if, the Group can demonstrate all of the following:

- the technical feasibility of completing the development project;
- its intention to complete the project;
- its ability to use the intangible asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the project; and
- its ability to reliably measure the development expenditure.

These costs are amortised on a straight-line basis over the estimated useful life of each project, which is generally three to five years, commencing on the date they are put into service.

The recoverable amount of intangible assets is tested as soon as there is any indication of impairment. Whether there is an indication of impairment or not, an impairment test is performed annually on intangible assets by comparing the net carrying amount with the recoverable amount. Details of the impairment test are set out in Note 14" Goodwill".

Technologies

Technologies acquired as part of a business combination are recognised as intangible assets at their fair value at the acquisition date. They mainly comprise know-how, technical processes and innovations developed by the Group. The useful life of technologies is determined according to the technology lifecycle and their market relevance. It is generally between 5 and 15 years. These assets are amortised on a straight-line basis over their expected useful life, unless a re-evaluation of market prospects justifies an adjustment to their value or amortisation period.

The Group's intangible assets break down as follows:

(in € thousand)	Development costs and technologies	Software, concessions, patents	Customer relationships and brands	Other intangible assets	TOTAL
Gross amount at 31 December 2022	**59,482**	**4,796**	**128,351**	**4,835**	**197,465**
Changes in consolidation scope	10,425	37	17,422	1	27,885
Additions	8,606	891	0	2,606	12,103
Disposals	0	0	0	0	0
Translation adjustments	155	(177)	350	(2)	326
Transfers and other	(841)	(1,483)	0	1,282	(1,042)
Gross amount at 31 December 2023	**77,827**	**4,064**	**146,124**	**8,722**	**236,736**
Changes in consolidation scope	3,597	48	5,583	0	9,228
Additions	10,959	792	0	2,374	14,124
Disposals	0	0	0	0	0
Translation adjustments	235	301	310	(12)	833
Transfers and other	782	46	0	0	828
Gross amount at 31 December 2024	**93,400**	**5,250**	**152,016**	**11,084**	**261,751**

(in € thousand)	Development costs and technologies	Software, concessions, patents	Customer relationships and brands	Other intangible assets	TOTAL
Amortisation and impairment at 31 December 2022	**(7,106)**	**(713)**	**(8,700)**	**142**	**(16,377)**
Changes in consolidation scope	0	0	0	0	0
Amortisation	(7,370)	(796)	(7,351)	(111)	(15,628)
Impairment, net	(2,614)	0	0	0	(2,614)
Disposals	**0**	**1**	**0**	**0**	**1**
Translation adjustments	24	123	7	(11)	144
Transfers and other	(1)	(2)	0	92	89
Amortisation and impairment at 31 December 2023	**(17,068)**	**(1,387)**	**(16,043)**	**113**	**(34,386)**
Changes in consolidation scope	0	0	0	0	0
Amortisation	(9,757)	(842)	(9,235)	(295)	(20,129)
Impairment, net	(916)	0	0	(351)	(1,267)
Disposals	0	0	0	0	0
Translation adjustments	(91)	(234)	(84)	11	(397)
Transfers and other	(644)	0	0	0	(644)
Amortisation and impairment at 31 December 2024	**(28,476)**	**(2,463)**	**(25,362)**	**(522)**	**(56,822)**

Net amount at 31 December 2024	64,925	2,787	126,654	10,562	204,928
Net amount at 31 December 2023	60,759	2,676	130,081	8,834	202,351
Net amount at 31 December 2022	52,376	4,083	119,652	4,977	181,087

DEVELOPMENT AND TECHNOLOGY COSTS

At 31 December 2024, development and technology costs are recognised in the consolidated statement of financial position at a carrying amount of €64,925 thousand (31 December 2023: 60,759 thousand), of which €20,256 thousand concerns technology. The amount as a whole is linked to development projects for new products and services. Research and development costs not capitalised (net of grants and other tax credits related to research and development expenses) totalled €13,325 thousand in the year ended 31 December 2024 (31 December 2023: €7,691 thousand).

BRANDS

At 31 December 2024, brands are recognised in the consolidated statement of financial position at a carrying amount of €28,431 thousand (31 December 2023: €28,431 thousand) and comprise brands with an indefinite useful life. They mainly consist of brands recognised as part of business combinations, in particular EXOSENS International.

CUSTOMER RELATIONSHIPS

At 31 December 2024, customer relationships are recognised in the consolidated statement of financial position at a carrying amount of €97,657 thousand (31 December 2023: €101,215 thousand). They mainly consist of the value of customer lists recognised as part of business combinations, in particular EXOSENS International, Xenics, Telops, El-Mul and Centronic.

Note 16. Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment are measured at cost in the Group consolidated statement of financial position, less accumulated depreciation and, when applicable, impairment.

The gross carrying amount includes the acquisition or production cost and other costs directly attributable to the acquisition or production of the asset. Investment grants are initially accounted for as deferred income in the Group consolidated statement of financial position and are subsequently recognised as income over the useful life of the related asset.

Repair and maintenance costs are expensed as incurred. Other subsequent expenditure is included in the asset's carrying amount or recognised as a separate asset if the recognition criteria are met.

Property, plant and equipment are depreciated on a straight-line basis, except land, which is not depreciated. Depreciation of property, plant and equipment reflects the pattern in which the asset's future economic benefits are expected to be consumed.

The Group applies the following depreciation periods based on the expected useful lives of the respective assets:

- buildings: 30 to 50 years;
- fixtures and fittings: 10 years;
- specific installations: 10 years;
- industrial equipment: 10 to 15 years;
- vehicles: 5 years;
- IT equipment: 3 years;
- office furniture: 5 to 10 years;
- tooling: 3 to 5 years.

The useful lives of property, plant and equipment and their respective residual values are reviewed annually.

When assets are sold or otherwise removed from the consolidated statement of financial position, the difference between the net proceeds and the net carrying amounts of the assets is recognised in "Other operating profit and expenses".

The Group's main categories of property, plant and equipment at 31 December 2024 are as follows:

(in € thousand)	Land	Buildings	Technical installations	Other	PP&E under construction	TOTAL
Gross amount at 31 December 2022	**1,798**	**8,759**	**33,424**	**3,489**	**12,713**	**60,183**
Changes in consolidation scope	762	4,401	2,120	312	33	7,627
Additions	212	1,145	4,462	405	14,114	20,338
Disposals	0	(33)	(844)	(56)	(87)	(1,021)
Translation adjustments	0	(44)	(444)	(60)	(65)	(612)
Transfers and other	0	2,191	5,024	145	(6,823)	537
Gross amount at 31 December 2023	**2,772**	**16,419**	**43,742**	**4,235**	**19,885**	**87,053**
Changes in consolidation scope	0	2,778	1,479	147	0	4,404
Additions	0	603	2,851	925	21,459	25,838
Disposals	0	(335)	(649)	(423)	(69)	(1,475)
Translation adjustments	0	204	1,191	200	218	1,813
Transfers and other	26	2,443	9,875	1,158	(13,519)	(18)
Gross amount at 31 December 2024	**2,798**	**22,111**	**58,489**	**6,241**	**27,975**	**117,615**

(in € thousand)	Land	Buildings	Technical installations	Other	PP&E under construction	TOTAL
Depreciation and impairment at 31 December 2022		**(1,351)**	**(7,296)**	**(414)**	**0**	**(9,061)**
Changes in consolidation scope		0	0	0	0	0
Depreciation		(1,337)	(4,926)	(832)	0	(7,096)
Impairment, net		0	0	0	0	0
Disposals		33	581	64	0	678
Translation adjustments		26	396	55	0	477
Transfers and other		0	(1)	0	0	(1)
Depreciation and impairment at 31 December 2023		**(2,629)**	**(11,246)**	**(1,127)**	**0**	**(15,002)**
Changes in consolidation scope		0	0	0	0	0
Depreciation		(1,742)	(6,308)	(1,014)	0	(9,064)
Impairment, net		0	0	0	0	0
Disposals		313	557	357	0	1,226
Translation adjustments		(76)	(959)	(178)	0	(1,214)
Transfers and other		(12)	644	(632)	0	0
Depreciation and impairment at 31 December 2024		**(4,147)**	**(17,313)**	**(2,594)**	**0**	**(24,054)**

Net amount at 31 December 2024	2,798	17,964	41,177	3,647	27,975	93,561
Net amount at 31 December 2023	2,772	13,790	32,496	3,108	19,885	72,051
Net amount at 31 December 2022	1,798	7,408	26,128	3,075	12,713	51,122

Note 17. Right-of-use assets

ACCOUNTING POLICIES

A contract is, or contains, a lease if it conveys the right to use an asset for an agreed period of time in return for consideration. The Group assesses whether a contract is or contains a lease on the date of signature of the lease agreement, or if earlier, the date of commitment by the parties to the principal provisions of the lease.

The Group is the lessee in substantially all of its leases. Leased assets are mainly real estate assets and technological installations.

Lease liabilities

Lease liabilities correspond to the present value of future lease payments, excluding variable lease payments that do not depend on an index or a rate.

Where contracts include a lease component and non-lease components (such as services), only the lease component is taken into account in calculating the present value.

The interest rate implicit in the lease is used as the discount rate if it can be determined. If the implicit rate cannot be readily determined, each Group entity uses its incremental borrowing rate reflecting its specific credit risk, the currency of the lease and the weighted average maturity of the outstanding lease liability.

Over the term of the lease, the interest expense increases the lease liability while the lease payments reduce it.

The carrying amount of the lease liability and the corresponding right-of-use asset are adjusted to reflect any change in the lease term, any change in the assessment of an option to purchase the underlying asset, any change in the amount that the lessee expects to have to pay to the lessor under a residual value guarantee or any change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Right-of-use asset

Right-of-use assets corresponding to leased property, plant and equipment are initially measured at the present value of the outstanding lease payments at the inception date. Any lease payments made on or before the commencement date, any initial direct costs and an estimate of costs to be incurred by the Group in dismantling or restoring the underlying asset are also included in the value of the right-of-use asset, less any lease incentives.

The right-of-use asset is depreciated over the shorter of the lease term and the useful life of the leased asset if the transfer of ownership of the leased asset is uncertain or is not provided for in the contract.

Enforceable period

The enforceable period of a lease is determined by taking into account all the economic facts and circumstances (such as contractual terms and conditions compared with market rates, significant leasehold improvements, costs relating to the termination of the lease, such as negotiation costs, relocation costs, the costs associated with returning the underlying asset in a contractually specified condition or to a contractually specified location), and contractual options to extend or terminate the lease. Consequently, for leases that are automatically renewable and the 3/6/9-year commercial leases that are common in France, the enforceable period can be longer than the period to the contractual end date. This information is used to determine the most economically relevant end date for the lease. For real estate leases, the Group defines the reasonable end date of the lease, based on the enforceable period, in line with the asset's expected period of use. Accordingly, for leases with a residual term of more than ten years, the first enforceable exit option is chosen unless specific information and economic circumstances lead the Group to define a longer period.

Exceptions

Leases with a term not exceeding 12 months or concerning low-value assets (mainly computers, printers and tools) are not recognised in the consolidated statement of financial position, in accordance with the exemptions permitted by the standard. The payments related to these leases are expensed on a straight-line basis over the lease term. Variable lease payments are expensed in the period in which the trigger event or situation occurs.

Right-of-use assets break down as follows:

	IFRS 16 Right-of-use assets			
(in € thousand)	Buildings	Technological installations	Other	**Total**
Gross amount at 31 December 2022	**8,322**	**2,845**	**20**	**11,187**
Changes in consolidation scope	2,833	72	0	2,906
Additions	258	972	29	1,259
Disposals	(208)	(229)	0	(437)
Translation adjustments	(168)	(9)	(1)	(178)
Transfers and other	(21)	7	0	(14)
Gross amount at 31 December 2023	**11,017**	**3,658**	**48**	**14,723**
Depreciation and impairment at 31 December 2022	**(1,431)**	**(401)**	**(19)**	**(1,851)**
Changes in consolidation scope	0	0	0	0
Depreciation	(1,436)	(1,053)	(10)	(2,499)
Disposals	57	221	0	278
Translation adjustments	101	6	0	108
Transfers and other	0	0	0	0
Depreciation and impairment at 31 December 2023	**(2,709)**	**(1,227)**	**(28)**	**(3,964)**
Gross amount at 31 December 2023	**11,017**	**3,658**	**48**	**14,723**
Changes in consolidation scope	0	13	0	13
Additions	1,971	1,199	0	3,170
Disposals	(373)	(262)	0	(635)
Translation adjustments	593	24	2	619
Transfers and other	0	0	0	0
Gross amount at 31 December 2024	**13,208**	**4,633**	**50**	**17,891**
Depreciation and impairment at 31 December 2023	**(2,709)**	**(1,227)**	**(28)**	**(3,964)**
Changes in consolidation scope	0	0	0	0
Depreciation	(2,344)	(1,291)	(5)	(3,639)
Disposals	373	262	0	635
Translation adjustments	(345)	(17)	(1)	(363)
Transfers and other	0	0	0	0
Depreciation and impairment at 31 December 2024	**(5,025)**	**(2,273)**	**(34)**	**(7,332)**
Net right-of-use assets at 31 December 2024	**8,183**	**2,360**	**16**	**10,559**
Net right-of-use assets at 31 December 2023	**8,307**	**2,432**	**20**	**10,759**

Note 18. Investments in equity-accounted companies

(in € thousand)	Total
At 31 December 2022	**2,759**
Changes in consolidation scope	649
Acquisitions of equity investments	0
Net profit (loss) of equity-accounted companies	0
Translation adjustments	2
Impairment	0
At 31 December 2023	**3,410**
At 31 December 2023	**3,410**
Changes in consolidation scope	0
Acquisitions of equity investments	4
Net profit (loss) of equity-accounted companies	0
Translation adjustments	0
Impairment	0
At 31 December 2024	**3,414**

At 31 December 2024, investments in associates and joint ventures comprise a 49.0% stake in IGG Photonis night vision electronics and equipment repairs and testing LLC ("IGG"), an 11% stake in FBGS Technologies GmbH and a 10% stake in Think Deep AI SAS. No indications of impairment were identified at 31 December 2024.

The joint venture in which the Group holds an interest is structured as a separate company. Under the joint arrangement agreement, unanimous consent is required from all parties to the agreement for all relevant activities. The Group and its partner have rights to the net assets of the company under the terms of the contractual agreements.

IGG was dormant throughout 2024.

Note 19. Taxes

DEFERRED TAX

Deferred tax is recorded in the consolidated statement of financial position as follows:

(in € thousand)	**2024**	2023
OPENING BALANCE	**(17,534)**	**(14,110)**
Deferred tax assets	44	282
Deferred tax liabilities	(17,578)	(14,392)
Deferred tax benefit/(expense)	(3,059)	3,030
Changes in consolidation scope	(1,921)	(6,394)
Translation adjustments	(11)	(174)
Other comprehensive income	(25)	20
Shareholders' equity	1,950	0
Other	0	94
CLOSING BALANCE	**(20,599)**	**(17,534)**
Deferred tax assets	0	44
Deferred tax liabilities	(20,599)	(17,578)

Deferred tax assets and liabilities at the end of the period, before netting, are as follows:

(in € thousand)	31 December 2024	31 December 2023
Purchase price allocation (PPA)	(39,058)	(40,335)
of which deferred tax on customer relationships	(25,943)	(27,020)
of which deferred tax on brands	(7,638)	(7,699)
of which deferred tax on technologies	(5,319)	(5,496)
of which deferred tax on the order book	(157)	(120)
Derivative financial instruments	40	(31)
Temporary differences	2,873	1,642
Investment acquisition costs	(3,820)	(3,475)
Provisions for post-employment benefits	1,391	1,381
Capitalised research costs	(8,674)	(7,487)
Recognised tax loss carryforwards	21,825	27,438
Deferred tax on share-based payments	0	0
Research tax credits	905	678
Intragroup profit in inventories	1,156	692
Other	2,764	1,962
NET DEFERRED TAX ASSETS (LIABILITIES)	**(20,599)**	**(17,534)**

Deferred tax assets have been recognised for tax loss carryforwards to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be offset, taking into account the restrictions applicable in local tax jurisdictions. The probability that unused tax losses will be utilised is assessed according to the entity and its taxable profit projections. These projections are prepared using assumptions that are consistent with the short- and medium-term budgets prepared by Group entities.

At 31 December 2024, tax loss carryforwards are recognised in the amount of €21.8 million (31 December 2023: €27.4 million). These mainly concern the French tax consolidation group (€18.9 million).

At 31 December 2024, all of the tax loss carryforwards for the French tax consolidation group were recognised as assets, taking account of the amount of deferred tax liabilities, the forecast taxable profits for the next few years and the applicable limits on the offset of tax losses. French tax losses can be carried forward indefinitely but may only be used to offset 50% of taxable profits above €1 million. Unrecognised tax losses amounted to €5.2 million at 31 December 2023.

Note 20. Inventories

ACCOUNTING POLICIES

Inventories are carried at the lower of cost and net realisable value.

The cost of raw materials supplies and purchased finished goods includes the purchase price and other costs directly attributable to the acquisition. The cost of work in progress and manufactured finished goods comprises direct labour costs, other direct costs and production overheads based on the normal capacity of production facilities. Borrowing costs are expensed as incurred.

Inventories of raw materials and bought-in goods are valued according to the FIFO (First In First Out) method.

Net realisable value is the estimated selling price less the estimated costs of completion and sale.

Inventories are carried at the lower of cost and net realisable value, which is assessed based on physical damage, obsolescence, slow-moving items, and market changes. An impairment loss for slow moving inventory is calculated taking account of (1) past consumption, (2) the existence or not of an order and (3) knowledge of the relevant market. Depending on these three factors, the amount of the write-down is generally between 25% and 100% of the gross value of the inventory in question.

Inventories break down as follows:

(in € thousand)	31 December 2024	31 December 2023
Raw materials	47,266	36,497
Work in progress	43,891	41,197
Finished goods	14,323	12,887
Bought-in goods	681	513
INVENTORIES – GROSS VALUE	**106,161**	**91,094**
Provision for obsolescence	(13,138)	(12,549)
INVENTORIES – NET VALUE	**93,024**	**78,544**

Note 21. Trade receivables

ACCOUNTING POLICIES

A trade receivable is an unconditional right to payment from a customer. Receivables are initially recognised at the amount unconditionally owed by the customer. At each reporting date, trade receivables are measured at amortised cost less impairment losses reflecting any risk of non-recovery.

The risk of non-recovery of receivables is estimated at each reporting date and an impairment loss is recognised where appropriate. The risk of non-recovery is calculated based on late payments and the debtor's ability to pay.

The Group applies the simplified approach permitted by IFRS 9 for trade receivables, which requires expected lifetime losses to be recognised from initial recognition. To measure expected credit losses, trade receivables are grouped based on shared credit risk characteristics.

Expected loss rates are determined based on historical expected loss rates observed by the entity adjusted for forward-looking information.

The carrying amount of trade receivables breaks down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
Trade receivables – gross value	61,446	62,692
Trade receivables – sales invoice accruals	10,051	6,883
Provisions for impairment of trade receivables	(520)	(386)
TRADE RECEIVABLES – NET	**70,977**	**69,189**

At 31 December 2024, the increase in trade receivables is mainly due to the increase in sales volume.

The provision for impairment of trade receivables is €520 thousand at 31 December 2024 (31 December 2023: € 386 thousand).

At 31 December 2024, the aged analysis of trade receivables is as follows:

			Past due but not impaired			
(in € thousand)	Total	Neither past due nor impaired	< 31 days	31 - 60 days	61 - 90 days	> 90 days *
Trade receivables, net	70,977	55,164	6,661	2,921	1,034	5,197

* Receivables more than 90 days past due mainly comprise long-standing debtors with no risk of non-recovery.

At 31 December 2023, the aged analysis of trade receivables is as follows:

			Past due but not impaired			
(in € thousand)	Total	Neither past due nor impaired	< 31 days	31 - 60 days	61 - 90 days	> 90 days
Trade receivables, net	69,189	58,537	4,716	2,412	660	2,864

At 31 December 2024 and 31 December 2023, most trade receivables more than 90 days past due concern customers for which the Group does not expect any risk of non-recovery.

Note 22. Current financial assets and other current assets

ACCOUNTING POLICIES

IFRS 9 sets out a single approach for the classification and measurement of financial assets based on the characteristics of the financial instrument and the Group's management intention. Accordingly:

- financial assets with cash flows that are solely payments of principal and interest are measured at amortised cost if they are held to collect these flows;
- in all other cases, financial assets are measured at fair value through profit and loss, except for equity instruments (e.g., equity investments) not held for trading. Changes in the fair value of these instruments may optionally be recognised in "other comprehensive income".

These principles lead to the recognition of financial assets in the Group consolidated statement of financial position as follows:

- loans and receivables are recognised at amortised cost and impaired in the event of expected credit losses or an objective indication of loss in value. Impairment is recorded as a financial expense and can be reversed subsequently if the conditions warrant;
- other financial assets are measured at fair value through profit or loss.

Current financial assets and other current assets break down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
VAT and other tax receivables	10,492	8,478
Income tax expense	12,744	10,141
Other receivables	9,593	8,351
Tax and employee-related receivables	96	2,326
Current financial assets	106	70
CURRENT FINANCIAL ASSETS AND OTHER CURRENT ASSETS	**33,031**	**29,366**

Note 23. Cash and cash equivalents

ACCOUNTING POLICIES

Cash and cash equivalents include cash, short-term and highly liquid investments with a maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and bank overdrafts.

At 31 December 2024, the Group has no cash subject to restrictions on use.

Cash and cash equivalents break down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
Cash and cash equivalents	95,943	15,444
Bank deposits subject to a notice period of up to three months	20,000	14
Accrued interest receivable	1,220	0
Cash and cash equivalents	**117,163**	**15,458**
Bank overdrafts	314	0
CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**116,849**	**15,458**

The difference between Note 23 and the total cash shown at the foot of the consolidated statement of cash flows reflects accrued interest of €1,220 thousand.

Note 24. Share capital and share premiums

ISSUED CAPITAL

At 31 December 2024, the Company's issued share capital amounts to €21,582,584 and consists of 50,782,552 shares with a par value of €0.425, subscribed and paid up in full.

These issues include total share premiums of €342,537 thousand.

HLD Europe is the majority shareholder.

RIGHTS, PREFERENCES AND RESTRICTIONS OF EACH SHARE CLASS

Class A and A' preference shares confer entitlement to a priority, cumulative and exclusive amount of distributions and liquidation net assets. The class A priority amount is equal to 9% per year of the subscription price calculated from the issue date on a daily basis and capitalised at each issue date anniversary.

Class R and O' preference shares confer entitlement to a specific share in distributions and liquidation net assets.

The following table presents outstanding ordinary and preference shares:

(thousands of shares)	Ordinary shares	A preference shares	R2 preference shares	R3 preference shares	R1 preference shares	O' preference shares	A' preference shares	Total
At 31 December 2022	**75,968**	**113,953**	**50**	**39**	**2,261**	**744**	**1,116**	**194,131**
Capital subscription	0	0	0	0	0	0	0	0
Increase	0	0	0	0	509	48	72	629
Decrease	0	0	0	0	0	0	0	0
At 31 December 2023	**75,968**	**113,953**	**50**	**39**	**2,770**	**792**	**1,188**	**194,760**

(thousands of shares)	Ordinary shares	A preference shares	R2 preference shares	R3 preference shares	R1 preference shares	O' preference shares	A' preference shares	Total
At 31 December 2023	**75,968**	**113,953**	**50**	**39**	**2,770**	**792**	**1,188**	**194,760**
Capital subscription	9,000	0	0	0	0	0	0	9,000
Increase	11,660	0	0	0	1,180	208	312	13,360
Decrease	45,846	113,953	50	39	3,950	1,000	1,500	166,337
At 31 December 2024	**50,783**	**0**	**0**	**0**	**0**	**0**	**0**	**50,783**

* *In accordance with the articles of association, the Company converted all 119,499,391 preference shares in connection with its IPO on 7 June 2024.*

In 2024, the Company carried out several share capital transactions in connection with its IPO on 7 June 2024:

15 March 2024:

- issue of 205,795 R1 preference shares.

6 June 2024:

- issue of 195,920 R1 preference shares;
- increase in the par value of ordinary shares from €0.01 to €0.17;
- cancellation of 45,581,016 ordinary shares and increase in the par value of ordinary shares from €0.17 to €0.425.

11 June 2024:

- issue of 208,000 O' preference shares, 312,000 A' preference shares and 778,348 R1 preference shares;
- issue of 63,145 new ordinary shares and cancellation of 992,149 A preference shares;
- issue of 264,059 new ordinary shares and cancellation of 264,526 ordinary shares;
- cancellation of all 119,499,391 existing preference shares and issue of a total of 11,332,529 new ordinary shares;
- issue of 9,000,001 new ordinary shares as part of the public offering.

The above transactions led to a total share capital increase at 31 December 2024 (including issue premiums) of €192,162 thousand, partially offset by a total share capital decrease of €18,043 thousand.

At 31 December 2024, the Company held 18,164 treasury shares under the liquidity agreement with Kepler Cheuvreux. This agreement was put in place on 8 July 2024 to enhance the liquidity of the Company's shares on Euronext Paris, for an amount of up to €2 million. It runs for an initial period to 31 December 2024 and is renewable by tacit agreement for successive periods of one year. These are the only treasury shares held by the Company.

Note 25. Financial liabilities

ACCOUNTING POLICIES

Financial liabilities mainly comprise bonds, senior term loans, revolving credit facilities, lease liabilities, bank overdrafts and miscellaneous financial liabilities.

All these financial liabilities are initially recognised at fair value less transaction fees, and are subsequently measured at amortised cost at each reporting date. Transaction fees, issuance premiums, redemption premiums and any other difference between the net proceeds from the issuance and the final redemption value are therefore amortised over the term of the debt instrument using the effective interest method. The effective interest rate is the rate that discounts exactly the future cash flows (principal and interest) over the term of the instrument to an amount that is equal to the initial carrying value of the instrument.

Interest expenses are recorded based on the effective interest rate and not the nominal interest rate.

Financial liabilities classified as non-current are liabilities for which the Group has an unconditional right to defer settlement for at least 12 months from the reporting date.

The carrying amount of financial liabilities breaks down as follows:

		31 December 2024			31 December 2023		
(in € thousand)	Note	**Total**	**Current**	**Non-current**	Total	Current	Non-current
Term Loan B[1]		246,893	0	246,893	0	0	0
Lease liabilities		10,899	2,724	8,174	10,043	2,360	7,683
Other financial liabilities[2]		2,769	1,875	895	6,166	1,565	4,601
Accrued interest[3]		265	265	0	1,127	1,127	0
A Bonds[4]		0	0	0	185,111	0	185,111
B Bonds[4]		0	0	0	9,840		9,840
2023 Bonds[4]		0	0	0	33,712	0	33,712
Senior Debt[4]		0	0	0	71,924	4,334	67,590
Bank overdrafts		314	314	0	0	0	0
FINANCIAL LIABILITIES		**261,140**	**5,178**	**255,962**	**317,922**	**9,386**	**308,537**
Derivative financial instruments (liabilities)	31	136	136	0	0	0	0
Derivative financial instruments (assets)	31	(6)	(6)	0	(152)	(152)	0
Derivative financial instruments (net)		**131**	**131**	**0**	**(152)**	**(152)**	**0**
Cash at bank and in hand	23	(95,943)	(95,943)	0	(15,444)	(15,444)	0
Bank deposits subject to a notice period of up to three months	23	(20,000)	(20,000)	0	(14)	(14)	0
Accrued interest receivable		(1,220)	(1,220)				
CASH AND CASH EQUIVALENTS		**(117,163)**	**(117,163)**	**0**	**(15,458)**	**(15,458)**	**0**
TOTAL FINANCIAL LIABILITIES, NET		**144,107**	**(111,855)**	**255,962**	**302,313**	**(6,224)**	**308,537**

(1) Term Loan B bears interest ranging from 1.50% to 2.50% +3month Euribor and consists of a gross amount of €250.0 million, less loan issuance costs of €3.5 million. The presentation of the liability takes account of the effective interest rate, in accordance with IAS 39.

(2) Other financial liabilities mainly concern various loans taken out by Xenics (€1.3 million), Photonis Germany (€0.4 million), Telops (€0.1 million), Centronics (€0.8 million) and Photonis Infrared France (€0.1 million).

(3) Accrued interest in 2024 mainly concerns the term loan. Interest is accrued and payable according to the contractual debt schedule.

(4) During 2024, the financial liabilities existing at 31 December 2023 (A Bonds, B Bonds, 2023 Bonds and Senior Debt) were repaid at the time of the IPO.

Pledges and commitments given by the Group in respect of financial liabilities are presented in Note 30 "Off-balance sheet commitments".

Changes in financial liabilities and derivative instruments are broken down by type of movement in the table below:

(in € thousand)	Opening balance at 1 January 2023	Cash flows: Inflows	Cash flows: Outflows	Non-cash movements: Accrued interest	Non-cash movements: Changes in consolidation scope	Non-cash movements: Other changes	Non-cash movements: Total non cash	31/12/2023
Bonds, loans and other	238,366	65,000	(1,752)	0	4,334	(5,105)	(771)	300,843
Lease liabilities	7,571	0	0	0	1,404	(1,282)	123	7,694
NON-CURRENT FINANCIAL LIABILITIES	**245,937**	**65,000**	**(1,752)**	**0**	**5,739**	**(6,387)**	**(648)**	**308,537**
Bonds, loans and other	5,374	801	(5,400)	0	72	6,180	6,252	7,026
Lease liabilities	2,063	0	(2,126)	0	0	2,423	2,423	2,360
Overdrafts	0	0	0	0	0	0	0	0
CURRENT FINANCIAL LIABILITIES	**7,436**	**801**	**(7,526)**	**0**	**72**	**8,603**	**8,675**	**9,386**
TOTAL FINANCIAL LIABILITIES	**253,374**	**65,801**	**(9,278)**	**0**	**5,811**	**2,216**	**8,026**	**317,923**
Derivative instrument assets	(4,968)	0	0	0	0	4,816	4,816	(152)
Derivative instrument liabilities	1,902	0	0	0	0	(1,902)	(1,902)	0
Net impact (inflows/outflows) in the consolidated statement of cash flows		56,523						

(in € thousand)	Opening balance at 1 January 2024	Cash flows: Inflows	Cash flows: Outflows	Non-cash movements: Accrued interest	Non-cash movements: Changes in consolidation scope	Non-cash movements: Other changes	Non-cash movements: Total non cash[(1)]	31/12/2024
Bonds, loans and other	300,843	246,500	(306,998)	0	0	7,440	7,440	247,785
Lease liabilities	7,694	0	0	0	0	481	481	8,175
NON-CURRENT FINANCIAL LIABILITIES	**308,537**	**246,500**	**(306,998)**	**0**	**0**	**7,922**	**7,922**	**255,961**
Bonds, loans and other	7,026	177	(5,490)	(862)	863	945	946	2,660
Lease liabilities	2,360	0	(2,795)	0	183	2,977	3,160	2,724
Overdrafts	0	314	0	0	0	0	0	314
CURRENT FINANCIAL LIABILITIES	**9,386**	**491**	**(8,285)**	**(862)**	**1,045**	**3,922**	**4,106**	**5,698**
TOTAL FINANCIAL LIABILITIES	**317,923**	**246,991**	**(315,283)**	**(862)**	**1,045**	**11,844**	**12,028**	**261,659**
Derivative instrument assets	(152)	0	0	0	0	146	146	(6)
Derivative instrument liabilities	0	0	0	0	0	136	136	136
Net impact (inflows/outflows) in the consolidated cash flow statement[(2)]		(68,292)						

(1) The other non-cash movements mainly include the accelerated amortisation of debt issue costs relating to debt repaid in the context of the IPO.

(2) The sum of the items cross-referenced to this Note 25 in the consolidated statement of cash flows differs by €3.7 million. This mainly concerns the fees of €3 million incurred for a financing arrangement that did not go ahead;

FINANCING STRUCTURE

As part of its IPO on 7 June 2024, EXOSENS put a Senior Credit Agreement in place, with a maximum total amount of €350 million split between two credit lines:

- a 5-year term loan of a maximum amount of €250 million, paying interest ranging from 1.50% to 2.50% + 3-month Euribor, repayable on maturity; and
- a 5-year revolving credit facility with a maximum amount of €100 million, paying interest ranging from 1.50% to 2.50% +3-month Euribor, not drawn at 31 December 2024.

FINANCIAL COVENANTS

The syndicated loan agreement contains a covenant whereby the Company must comply with a leverage ratio, calculated as the ratio of consolidated net debt to consolidated adjusted EBITDA.

At 31 December 2024, the leverage ratio had to be below 3.00 for Term Loan B.

The Group's leverage ratio at 31 December 2024 was 1.23 (unaudited figure).

The Group regularly monitors movements in its ratios. The Group did not breach these leverage ratio covenants in either 2023 or 2024.

There are no financial covenants based on Group consolidated equity.

Note 26. Provisions and other liabilities

ACCOUNTING POLICIES

Pursuant to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, the Group recognises provisions when it has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Provisions are classified as “Non-current provisions” where the settlement of the related obligation is not expected to occur within one year or the settlement date cannot be determined.

Contingent liabilities are not recognised but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources is remote.

The Group measures its provisions based on facts and circumstances relating to present obligations at the end of the reporting period, its experience in this area and its best knowledge available at the reporting date.

If the expected outflow of resources is offset by income, an asset is recognised when this income is virtually certain. Contingent assets are not recognised.

The Group recognises provisions for litigation when it is probable that there will be an outflow of resources and when a reliable estimate can be made of the obligation. Where the effect of the time value of money is material, such provisions are recognised for their discounted amount, i.e., the present value of the expenditures expected to be required to settle the obligation. To determine the present value of these commitments, the Group uses discount rates that reflect estimates of the time value of money and the risks specific to these commitments.

The increase in the provisions recorded to reflect the passage of time is recognised in "Other financial income” and “other financial expenses".

Provisions and other liabilities total €89,018 thousand at 31 December 2024 (31 December 2023: €76,948 thousand) and mainly comprise provisions for customer warranties, payroll tax liabilities and amounts payable to the State.

PROVISIONS

In the ordinary course of the Group’s business activities, the Company and its subsidiaries have entered into various warranty contracts that include compensation and guarantee provisions, especially in the case of product returns. The Group records a provision for these warranties, based on statistical product return rates. The Group recognises provisions for litigation when it is probable that present obligations arising from past events will give rise to an outflow of resources with no equivalent consideration and a reliable estimate can be made of the obligation. Provisions for risks and charges are also recognised when the Group identifies probable or certain obligations related to future obligations of which the amount and settlement date remain uncertain.

(in € thousand)	Provisions for disputes	Customer warranties	Other provisions	Total
Opening balance at 1 January 2023	**550**	**1,283**	**439**	**2,272**
Changes in consolidation scope	635	96	234	965
Charge	630	588	956	2,175
Reversal	(450)	(36)	(134)	(620)
Reclassification	0	240	(56)	184
Other movements	0	0	0	0
Translation adjustments	0	(10)	10	1
At 31 December 2023	**1,365**	**2,162**	**1,449**	**4,976**
Opening balance at 1 January 2024	**1,365**	**2,162**	**1,449**	**4,976**
Changes in consolidation scope	212	0	0	212
Charge*	120	969	5,239	6,329
Reversal	(285)	(1,167)	(1,135)	(2,586)
Reclassification	0	285	(351)	(67)
Other movements	0	0	0	0
Translation adjustments	(3)	14	(7)	5
At 31 December 2024	**1,410**	**2,264**	**5,195**	**8,869**

** The increase in other provisions of €5.2 million during the period mainly concerns provisions for the purchase of offset credits, contractual commitments and losses on completion.*

OTHER NON-CURRENT AND CURRENT LIABILITIES

Other non-current liabilities total €6,141 thousand (31 December 2023: €4,872 thousand) and mainly comprise research and development grants (€5,526 thousand) and current accounts in credit.

Other current liabilities break down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
Employee benefits tax liabilities	26,526	21,448
VAT and other taxes	16,342	9,940
Accrued expenses	8,836	7,583
Capital expenditure payables	1,382	2,755
Advances and down payments received on orders	11,422	19,394
Miscellaneous liabilities*	9,500	5,980
OTHER CURRENT LIABILITIES	74,007	67,099

** Miscellaneous liabilities mainly consist of liabilities to customers (€2.2 million), expenses payable (€2.1 million) and €1.7 million received in connection with a dispute which has not yet been recognised as income.*

At 31 December 2024, the increase in other current liabilities is mainly due to lower advances and down payments received on orders, partially offset by higher amounts payable to the State and payroll tax liabilities.

Note 27. Share-based payments

ACCOUNTING POLICIES

Share subscription and free share grant plans are recognised and measured in accordance with the provisions set out in IFRS 2 "Share-based Payment". The grant of free shares represents a benefit granted to their beneficiaries. As these grants do not give rise to monetary transactions, the benefits granted are expensed over the rights vesting period through a corresponding increase in equity. Benefits are measured by an external actuary based on the fair value of the equity instruments granted at the grant date.

The various free share plans are equity-settled.

Free share plans

Until 2023, free shares were granted to certain Group employees in France and abroad.

Legally, rights were subject to the beneficiary's continued employment by the Group during a one-year period from the grant date.

The fair value of the various instruments is equal to the value of one preference share, less any dividends discounted at the risk-free rate and the purchase value.

The assumptions underlying the fair value measurement of the instruments are set out below:

- the price of the instrument at the grant date is determined based on an independent valuer's report;
- the estimated maturity is equal to management forecasts of the most probable exit event, estimated at 31 December 2025;
- the dividend rate is determined at the grant date and based on past payments and management's future expectations.

On 7 June 2024, the EXOSENS IPO gave rise to the immediate vesting of all of the instruments and their conversion into ordinary shares. An expense of €2.9 million was recognised.

At 31 December 2024, the free share award plan authorised by the General Meeting of 31 May 2024 had not yet been put in place. It was subsequently approved by the Board of Directors on 28 February 2025. The terms are set out in Chapter 3, "Corporate Governance".

Movements in rights to free shares are as follows:

(in number of shares)	Number of rights to free shares outstanding
At 16 March 2021	**0**
Granted	5,148,188
Cancelled	(49,375)
Shares delivered	0
At 31 January 2021	**5,098,813**
Granted	817,937
Cancelled	0
Shares delivered	(4,121,375)
At 31 December 2022	**1,795,375**
Granted	533,250
Cancelled	0
Shares delivered	(628,562)
At 31 December 2023	**1,700,063**
Granted	0
Cancelled	0
Shares delivered	(1,700,063)
At 31 December 2024	**0**

Note 28. Post-employment benefit obligations

ACCOUNTING POLICIES

Certain employees are eligible for jubilee awards or long-term incentive bonuses, payable in cash when a required service period has been completed. All bonuses, jubilees, awards and other long term benefit plans are accrued over the vesting period, based on actuarial assumptions. These employee benefits are defined benefit plans under IAS 19 "Employee Benefits", under which the Group's obligation is to provide the agreed benefits to current and former employees. Actuarial risk (that benefits will cost more than expected) and investment risk fall, in substance, on the Group.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method based on assumptions relating to mortality rates, employee turnover and estimated future salary levels.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

The liability recognised in the statement of financial position at the end of each reporting period in respect of defined benefit plans is the present value of the defined benefit obligation adjusted for unrecognised past service costs. The present value of a defined benefit obligation is the probable present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Pursuant to IAS 19R, the Group recognises actuarial gains and losses in other comprehensive income.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises the costs of a restructuring within the scope of IAS 37 and involving the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

The Group has commitments under long-term employee benefit plans. Pursuant to IAS 19 "Employee Benefits", the obligation to provide benefits under defined benefit plans is determined by independent actuaries using the projected unit credit method of actuarial valuation.

At 31 December 2024, provisions for post-employment benefit obligations total €7,497 thousand (31 December 2023: €7,595 thousand).

They include provisions for retirement termination payment commitments and provisions for complementary pension commitments and primarily concern France.

The weighted average duration of the defined benefit obligation is as follows:

Weighted average duration (years)	**31 December 2024**	31 December 2023
Retirement termination payments	11,2	11,4
Jubilee awards	8,6	6,8
Complementary pension plan	1,5	2,5

Expected disbursements over the next 10 years are as follows:

Expected disbursements over the next 10 years (in € thousands)	Retirement termination payments	Jubilee awards	Complementary pension	**Total**
31 December 2025	412	70	244	726
31 December 2026	117	68	359	545
31 December 2027	189	78	0	267
31 December 2028	198	99	0	297
31 December 2029	239	143	0	382
31 December 2030 - 31 December 2034	1,979	127	0	2,106

Actuarial assumptions underlying the calculation of obligations for French entities are as follows:

	31 December 2024	31 December 2023
Discount rate (retirement termination payments and jubilee awards)	3.35 %	3.20 %
Discount rate (complementary pension)	2.75 %	3.10 %
Mortality table	INSEE TD/TV 18-20 60% TGH/ 40% TGF 05	INSEE TD/TV 17-19 TGH/TGF 05
Employee turnover	**Based on observed resignations**	**Based on observed resignations**
Estimated future salary increase (retirement termination payments and jubilee)	2.50 %	2.70 %
Rate of salary increase (complementary pension)	2.50 %	2.70 %
Social security contribution rate (retirement termination payments)	38.70 %	38.40 %
Retirement age (management employees)	64	64
Retirement age (non-management employees)	64	64
Retirement age (complementary pension)	65	65

The net benefit expense recognised in the income statement breaks down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
Current service cost	359	340
Interest cost	209	240
Actual return on plan assets	0	(7)
Past service cost	(415)	(278)
Plan amendments	(213)	108
TOTAL	**(60)**	**403**

The total expense was included in Eemployee benefits expense" and "Other financial expenses" in the income statement.

The amount recognised in the statement of financial position breaks down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
Defined benefit obligation	(7,504)	(7,602)
Value of plan assets at the period end	7	7
ASSET/(LIABILITY) RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION	**(7,497)**	**(7,595)**

The change in defined benefit obligations during the period breaks down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
OPENING BALANCE	**(7,602)**	**(7,081)**
Changes in consolidation scope	0	(28)
Operating expense	(359)	(340)
Interest cost	(209)	(240)
Actuarial (gains)/losses	(194)	(80)
Past service cost	415	278
Plan amendments	213	(108)
Other changes	232	(4)
AT 31 DECEMBER	**(7,504)**	**(7,602)**

The change in the fair value of plan assets during the period breaks down as follows:

(in € thousand)	**31 December 2024**	31 December 2023
OPENING BALANCE	**7**	**0**
Changes in consolidation scope	0	0
Actual return on plan assets	0	7
Employer contributions	0	0
Benefits paid by the fund	0	0
AT 31 DECEMBER	**7**	**7**

An increase or decrease of 0.25% in discount rate assumptions would not have any material impact on the Company's consolidated financial statements.

Note 29. Trade payables

ACCOUNTING POLICIES

Trade payables represent liabilities for goods and services provided to the Group prior to the reporting date which are unpaid. These amounts are unsecured and are usually paid within 60 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(in € thousand)	31 December 2024	31 December 2023
Trade payables	17,644	24,703
Purchase invoice accruals	8,141	7,531
Notes receivable	239	70
TRADE PAYABLES	**26,025**	**32,304**

Trade payables represent approximately 53 days' cost of sales at 31 December 2024 (59 days at end 2023).

Note 30. Off-balance sheet commitments

At 31 December 2024	Type of commitment	Commitment given
EXOSENS SA	Pledge	Bank surety of €127,191 (BNP) covering the lease for EXOSENS' premises (signed on 22/07/2022; lease start date 01/07/2022 and end date 30/06/2031)
	Parent company guarantee	If a subsidiary borrows funds under the RCF (revolving credit facility), EXOSENS SA guarantees repayment of the loan.
EXOSENS International SAS	N/A	
Photonis France SAS	Guarantees given in respect of foreign export contracts	- AED 4,682k performance bond (CIC) - INR 500k guarantee to EMD (CIC) - AED 36k performance bond (SG) - €1,954k performance bond (SG + CIC + LCL + BNP) - €731k performance bond (CIC + LCL) - INR 2,000k performance bond (CIC) - €3,168k early payment guarantee (CIC + LCL + BNP) - €17k customs bond
Imaging Sensors International	Guarantees given in respect of foreign export contracts	€106k advance payment guarantee
Photonis Netherlands B.V.	Guarantees given in respect of foreign export contracts	Customer warranties of €439k
Photonis Germany	Personalised warranty	€10,000 bond in favour of the Darmstadt Custom Office (Zollamt Darmstadt) issued by Volksbank Kurpfalz
El-Mul	Guarantee issued for a real estate lease	Bank guarantee of ILS 1,442k with counter-guarantee issued by BNP
Telops	Guarantee given to banks	Guarantee given for the bank margin (EDC) of CAD 2,000k
	Sureties given to banks	Sureties given for ATA carnets of CAD 800K
	Other commitments	Commitments to purchase goods from various suppliers totalling USD 2.5 million and CAD 0.3 million

At 31 December 2024	Type of commitment	Commitments received
EXOSENS SA	RCF (revolving credit facility)	€100 million borrowing facility granted by a pool of banks - commitment expires June 2029

At 31 December 2023	Type of commitment	Commitment given
EXOSENS SAS	Pledge	Commitments given to lenders under the loan agreements of 20/07/2021
	Pledge	Commitments given to lenders on 22/12/2022 under the loan agreements of 20/07/2021
	Pledge	Commitments given to lenders on 18/07/2023 under the loan agreements of 20/07/2021
EXOSENS International SAS	Pledge	Guarantees given to banks (20/07/2021)
	Pledge	Guarantees given to banks (22/12/2022)
	Pledge	Guarantees given to banks (18/07/2023)
	Guarantees issued by CIC	In favour of HOLD-KEY - USD 60k warranty bond (Lot 4) expiring 31/08/2023 - USD 28k warranty bond (Lot 6) expiring 31/01/2024 - USD 69k warranty bond (Lot 7) expiring 30/01/2024
	Guarantees issued by CIC	In favour of TWOWAY - USD 44k warranty bond (Lot 5) expiring 30/04/2024
	Guarantees issued by CIC	In favour of TWOWAY - USD 60k warranty bond (Extension 1000) expiring 10/08/2024
	Guarantees issued by LCL	In favour of OPNET System Co. Ltd - USD 45k Minijol warranty bond expiring 13/07/2024 - USD 46k Minijol warranty bond expiring 20/11/2024
	Guarantees and surety granted to CIC	Guarantee and surety granted to CIC Entreprises under the Photonis Infrared France loan (formerly Device-Alab): - €83k direct guarantee/foreign market guarantee/holdback guarantee - USD 72k foreign market guarantee/holdback guarantee - USD 129k foreign market guarantee/performance guarantee
Photonis France SAS	Pledge	Guarantees given to banks (24/12/2021)
	Pledge	Guarantees given to banks (22/12/2022)
	Pledge	Guarantees given to banks (18/07/2023)
	Guarantees given in respect of foreign export contracts	- AED 4,682k performance bond (CIC) - INR 500k guarantee to EMD (CIC) - USD 38k performance bond (SG) - €1,686k performance bond (SG + CIC + LCL + BNP) - €1,306k performance bond (CIC + LCL) - INR 12,000k performance bond (CIC) - €3,022k early payment guarantee (CIC + LCL + BNP) - €49k tailored guarantee (SG)
Imaging Sensors International	Guarantees given in respect of foreign export contracts	- €106k performance bond - €106k advance payment guarantee - INR 2,000k guarantee covering a foreign export contract
Photonis Netherlands B.V.	Pledge	Guarantees given to banks (24/12/2021)
	Guarantees given in respect of foreign export contracts	Customer warranties of €439k
Photonis Holding Inc.	Pledge	Extensive pledge through a wide security agreement (28 January 2022) - non-exhaustive
	Pledge	Extensive pledge through a wide security agreement - non-exhaustive
Photonis Scientific Inc.	Pledge	Extensive pledge through a security agreement (28/01/2022)
Photonis Defense Inc.	Pledge	Extensive pledge through a security agreement (28/01/2022)
El-Mul	Guarantee issued for a real estate lease	Bank guarantee of ILS 1,442k with counter-guarantee issued by BNP
Telops	Guarantee given to banks	Guarantee given for the bank margin (EDC) of CAD 2,000k
	Sureties given to banks	Sureties given for ATA carnets of USD 1,000k
	Pledge	Guarantees given to banks of CAD 29,122k

Note 31. Financial risk management

RISKS

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

RISK MANAGEMENT SYSTEMS

The Group uses derivative financial instruments to manage foreign exchange risk and interest rate risk on borrowings.

Most of the financial instruments subscribed by the Group are interest rate caps and swaps and forward currency purchases and sales. These derivatives are subscribed to protect the Group against both an increase in interest rates and an adverse change in exchange rates. By offsetting market risks on underlying debts with derivatives, the Group manages risk concentration on financial liabilities.

In addition, to protect against counterparty risk on derivatives, the Group enters into contracts with several banks.

For all financial instruments, the carrying amount best represents the maximum exposure to credit risk.

The financial risk management policy and procedures defined by the Group are identical to those described in Note 33.1 "Financial risk management policy" to the consolidated financial statements for the year ended 31 December 2023.

Hedging instrument transactions entered into or unwound during 2024 do not significantly modify EXOSENS group's exposure to financial risks. The main risks (liquidity risk, foreign exchange risk, interest rate risk, credit risk and counterparty risk) are described in this note to the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023.

LIQUIDITY RISK

Liquidity risk arises from the Company not being able to meet its obligations. The Company mainly relies on long-term debt to fund its acquisitions and operational needs.

The Group forecasts cash flows and monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn credit facilities (Note 25).

Surplus cash held by operating entities in excess of the balance required to manage working capital is transferred the Group treasury. Group treasury invests surplus cash in interest-bearing current accounts and term deposits. At the reporting date, the Group had liquidity of €117,163 thousand.

CONTRACTUAL PAYMENT SCHEDULE FOR FINANCIAL LIABILITIES, INCLUDING INTEREST

Contractual payment schedule for financial liabilities (in € thousand)	**At 31 December 2024**			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Term Loan B*	12,632	296,118	0	308,750
Other financial liabilities	1,875	895	0	2,769
Accrued interest	265	0	0	265
TOTAL EXCLUDING DERIVATIVES	**14,771**	**297,012**	**0**	**311,784**
Caps/Floors	131	0	0	131
TOTAL	**14,902**	**297,012**	**0**	**311,914**

** The term loan is shown gross of the original issue discount, which is presented on the "Other financial liabilities" line.*

Contractual payment schedule for financial liabilities (in € thousand)	At 31 December 2023			
	Less than 1 year	1 to 5 years	More than 5 years	Total
A Bonds	13,110	236,348	0	249,458
Term Loan B	891	11,749	0	12,640
2023 Bonds	2,415	43,538	0	45,953
Senior Facility A1	4,830	11,192	0	16,022
Senior Facility A2	1,472	31,786	0	33,258
Senior Facility A3	1,412	32,288	0	33,700
Other financial liabilities	1,565	4,601	0	6,166
TOTAL EXCLUDING DERIVATIVES	**25,695**	**371,503**	**0**	**397,198**
Caps/Floors	(152)	0	0	(152)
TOTAL	**25,543**	**371,503**	**0**	**397,046**

EXCHANGE RATE

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. In 2024, 23% of the Group's sales were denominated in currencies other than the euro (2023: 24%), including 22% denominated in US dollars (2023: 15%). In addition, 100% of financial liabilities are denominated in euros (end 2023: 100%).

Based on the current scope of the EXOSENS group, foreign exchange risk generated by commercial transactions is very limited: Night Vision sales are mainly in euros, and the dollar portion is hedged by purchases in dollars of an equivalent amount. All sales by US entities are denominated in US dollars (2023: 99% of sales).

On 31 December 2024, if the various currencies used by the Group weakened/strengthened by 10% against the euro, all other things being equal, the impact on profit before tax and on the other components of equity for the year would have been as follows:

	At 31 December 2023			
	Impact on net profit before tax for the year		Impact on other components of equity	
(in € thousand)	10% increase	10% decrease	10% increase	10% decrease
Exchange rate (EUR/USD)	(1,266)	1,266	13,002	(13,002)
Exchange rate (EUR/CAD)	ns	ns	1,537	(1,537)
Exchange rate (EUR/ILS)	ns	ns	559	(559)
Exchange rate (EUR/SGD)	ns	ns	250	(250)
Exchange rate (EUR/CNY)	ns	ns	39	(39)
Exchange rate (CAD/USD)	332	(332)	ns	ns
Exchange rate (EUR/GBP)	ns	ns	ns	ns

	At 31 December 2024			
	Impact on net profit before tax for the year		**Impact on other components of equity**	
(in € thousand)	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
Exchange rate (EUR/USD)	(1,242)	1,242	13,759	(13,759)
Exchange rate (EUR/CAD)	(61)	61	2,246	(2,246)
Exchange rate (EUR/ILS)	ns	ns	824	(824)
Exchange rate (EUR/SGD)	ns	ns	258	(258)
Exchange rate (EUR/CNY)	ns	ns	44	(44)
Exchange rate (CAD/USD)	1,056	(1,056)	ns	ns
Exchange rate (EUR/GBP)	ns	ns	5,286	(5,286)

Only impacts of more than €50 thousand are stated.

INTEREST RATE RISK

The Group's interest rate risk arises on long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk on cash flows, which is partially offset by cash invested at variable rates. In 2023, the Group's variable-rate borrowings were denominated in euros.

In 2024, if average interest rates had been 100 basis points higher/lower with all other variables held constant, the impact on pre-tax net profit for the year would have been as follows:

	At 31 December 2023	
(in € thousand)	Impact on net profit before tax for the year	
	+100bp	-100bp
Additional interest expense (income)	1,200	(1,200)

	At 31 December 2024	
(in € thousand)	**Impact on net profit before tax for the year**	
	+100bp	-100bp
Additional interest expense (income)	1,211	(1,211)

CREDIT RISK

Credit risk arises on cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers in case of any potential risk of non-recovery. The risk of insolvency or customer default may result in non-payment of the amounts owed and consequently have a negative impact on the Group's income statement and cash flows.

The Group has set up procedures to manage and limit credit risk.

Trade receivables

The Credit department of each entity sets maximum payment periods and sets credit limits for customers to be applied by the operating entities. The Credit department manages and controls the credit activity, risks and results and is also responsible for managing trade receivables and their recovery.

DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy

Derivative financial instruments are initially recognised at fair value at the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are recorded in financial assets when the fair value is positive and in financial liabilities when the fair value is negative. Fair values are based on information provided by banks.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income (OCI).

For the purpose of hedge accounting, hedges are classified solely as cash flow hedges (no fair value hedges) where they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or a to highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the fair value of the hedged item or in the cash flows attributable to the hedged risk. These hedges must be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have in fact been highly effective throughout the financial reporting periods for which they were designated.

Derivative instruments are used as part of the overall strategy to manage exposure to market risks primarily associated with fluctuations in interest rates (mainly through combinations of cross currency swaps and caps) and foreign exchange rates. As a matter of policy, derivatives are not used for speculative purposes. Derivative instruments measured at fair value on a recurring basis are included in the line item "Derivative financial instruments" in the consolidated statement of financial position.

Financial instruments break down as follows:

	31 December 2024		31 December 2023	
(in € thousand)	**Assets**	**Liabilities**	Assets	Liabilities
CURRENT PORTION	**0**	**0**	**0**	**0**
Caps/Floors	6	0	152	0
TOTAL	**6**	**0**	**152**	**0**
NON-CURRENT PORTION	**0**	**0**	**0**	**0**
Caps/Floors	0	136	0	0
TOTAL	**0**	**136**	**0**	**0**

The carrying amount best represents the maximum exposure to credit risk for all derivatives subscribed by the Group (no collateral held as security, etc.).

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

At 31 December 2024, derivative financial instruments used by the Group break down as follows:

Entity	Instrument	Notional amount	Maturity	Bank
EXOSENS	SWAP	€25 million	31 December 2026	BNP
EXOSENS	SWAP	€25 million	31 December 2026	CIC
EXOSENS	SWAP	€25 million	31 December 2026	ARKEA
EXOSENS	CAP	€50 million	31 December 2025	BNP
EXOSENS	CAP	€50 million	31 December 2025	BNP
EXOSENS	CAP	€50 million	31 December 2025	CIC

FINANCIAL INSTRUMENTS AND FAIR VALUE ESTIMATION

Accounting policy

Pursuant to IFRS 13, the valuation techniques used for financial assets and liabilities must be ranked according to a hierarchy.

The categories are defined as follows:

- level 1: direct reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: valuation techniques based on inputs other than quoted prices that are observable, either directly or indirectly;
- level 3: valuation techniques based on non-observable inputs.

The fair value of financial assets and liabilities recognised at amortised cost is close to the carrying amount, except for debt.

The fair value of debt is determined for each borrowing by discounting future cash flows at a rate corresponding to the Euribor interest rate at the reporting date, adjusted for the Group credit risk (level 2).

The fair value of derivatives is measured using models commonly used to value these financial instruments (models integrating observable market inputs). The inclusion of counterparty default risk and the specific credit risk of the entity does not have a material impact on the fair value of derivatives.

Financial instruments break down as follows:

	31 December 2024	Financial instruments by category					Fair value assumptions			
(in € thousand)	Net carrying amount	Cash and cash equivalents	Loans and receivables	Other financial liabilities at amortised cost	Assets/ liabilities at fair value through profit or loss	Hedging financial derivatives	Fair value	Level 1[1]	Level 2[2]	Level 3[3]
Non-current financial assets	857		857				857	857		
Derivative financial instruments	6				6		6		6	
Trade receivables	61,446		61,446				61,446	61,446		
Other current assets	0		0				0	0		
Current financial assets	106		106				106	106		
Cash and cash equivalents	117,163	117,163					117,163	117,163		
TOTAL ASSETS	**179,578**	**117,163**	**62,409**	**0**	**6**	**0**	**179,578**	**179,572**	**6**	**0**
Loans and borrowings	261,660			261,660			261,660	261,660		
Derivative financial instruments	136				136		136		136	
Trade payables	17,644			17,644			17,644	17,644		
Other current liabilities[4]	19,010			19,010			19,010	19,010		
TOTAL LIABILITIES	**298,450**	**0**	**0**	**298,314**	**136**	**0**	**298,450**	**298,314**	**136**	**0**

(1) Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(2) Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(3) Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

(4) "Other current liabilities" mainly comprise purchase invoice accruals of €8.1 million, other liabilities of €9.4 million and capital expenditure payables of €1.4 million.

The fair value of debt is not materially different from its carrying amount as the debt was recently taken out.

Loans and borrowings include variable-rate loans from banks and fixed-rate shareholder loans which cannot be traded.

There is no material customer concentration risk.

CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development and growth of the business.

Note 32. Transactions with related parties

BUSINESS TRANSACTIONS WITH RELATED PARTIES

The Group's transactions with related parties mainly concern:

- compensation and benefits allocated to management bodies;
- business and financial transactions with unconsolidated subsidiaries and associates: the Group has no significant relationships with its unconsolidated subsidiaries and has no associates in its scope of consolidation.

Transactions with related parties are performed based on market prices.

There were no significant changes in the nature of transactions between the Group and related parties during 2024 compared to the year ended 31 December 2023.

MANAGEMENT BODIES

The Group Executive Committee has 12 members at 31 December 2024 (31 December 2023: 10).

The table below shows the remuneration and similar benefits granted by EXOSENS SAS and the companies it controls to persons who are (or who were during the financial year) members of the Group Executive Committee.

The corresponding amounts were expensed in 2024 and 2023 as follows:

(in € thousand)	**2024**	2023
Short-term employee benefits and severance pay*	3,779	3,260
Post-employment benefits(1)	60	(6)
Share-based payments*(2)	1,780	310

** Gross amounts excluding employer's contributions*

(1) The amount shown under this heading is determined in accordance with IAS 19 and the procedures described in Note 28 "Post-employment benefit obligations".

(2) The amount shown under this heading is determined in accordance with IFRS 2 and the procedures described in Note 27 "Share-based payments".

Total post-employment benefits for Executive Committee members amounted to €174 thousand for the year ended 31 December 2024 (year ended 31 December 2023: €115 thousand).

In addition, at 31 December 2024, certain members of the Executive Committee are entitled, in the event of termination of their employment contract and subject to certain conditions, to a contractual indemnity of a maximum aggregate amount of €1,209 thousand (off-balance sheet commitments) (31 December 2023: €1,572 thousand).

Note 33. Consolidated companies

Group legal entities ("the Entities") were fully consolidated or equity-accounted using the functional currencies presented below:

Fully consolidated companies at 31 December 2024	% interest	% control	Functional currency
EXOSENS		Parent company	EUR
EXOSENS International	100.0%	100.0%	EUR
Photonis France	100.0%	100.0%	EUR
Photonis Netherlands B.V.	100.0%	100.0%	EUR
Imagine Sensors International	100.0%	100.0%	EUR
Photonis Infrared France	100.0%	100.0%	EUR
Photonis Holding Inc.	100.0%	100.0%	USD
Photonis Scientific Inc.	100.0%	100.0%	USD
Photonis Defense Inc.	100.0%	100.0%	USD
Photonis Asia Pacific Pte Ltd	100.0%	100.0%	SGD
Photonis Shenzhen Technologies	100.0%	100.0%	CNY
Xenics NV	100.0%	100.0%	EUR
Xenics Inc.	100.0%	100.0%	USD
Sinfrared	100.0%	100.0%	EUR
Telops France	100.0%	100.0%	EUR
Telops Inc.	100.0%	100.0%	CAD
Telops USA Inc.	100.0%	100.0%	USD
El-Mul Technologies	100.0%	100.0%	ILS
Photonis Germany	100.0%	100.0%	EUR
LR Tech	100.0%	100.0%	CAD
EXOSENS UK	100.0%	100.0%	GBP
Centronic Limited	100.0%	100.0%	GBP
Centronic Holdings Limited	100.0%	100.0%	GBP
Centronic Group Limited	100.0%	100.0%	GBP
Equity-accounted companies	% interest	% control	Functional currency
IGG Photonis night vision electronics and equipment repairs and testing LLC	49.0%	49.0%	AED

Fully consolidated companies at 31 December 2023	% interest	% control	Functional currency
EXOSENS		Parent company	EUR
EXOSENS International	100.0%	100.0%	EUR
Photonis France	100.0%	100.0%	EUR
Photonis Netherlands B.V.	100.0%	100.0%	EUR
Imagine Sensors International	100.0%	100.0%	EUR
Photonis Infrared France	100.0%	100.0%	EUR
Photonis Holding Inc.	100.0%	100.0%	USD
Photonis Scientific Inc.	100.0%	100.0%	USD
Photonis Defense Inc.	100.0%	100.0%	USD
Photonis Asia Pacific Pte Ltd	100.0%	100.0%	SGD
Photonis Shenzhen Technologies	100.0%	100.0%	CNY
Xenics NV	100.0%	100.0%	EUR
Xenics Inc.	100.0%	100.0%	USD
Sinfrared	100.0%	100.0%	EUR
Telops France	100.0%	100.0%	EUR
Telops Inc.	100.0%	100.0%	CAD
Telops USA Inc.	100.0%	100.0%	USD
El-Mul Technologies	100.0%	100.0%	ILS
Photonis Germany	100.0%	100.0%	EUR
Equity-accounted companies	% interest	% control	Functional currency
IGG Photonis night vision electronics and equipment repairs and testing LLC	49.0%	49.0%	AED

Note 34. Post-balance sheet events

Acquisition of NVLS

On 21 October 2024, EXOSENS signed a definitive agreement for the acquisition of the Spanish company NVLS (Night Vision Laser Spain), a specialist in night vision equipment. The acquisition will be completed during the first half of 2025.

New contract with Senop

On 24 February 2025, EXOSENS announced the signing of a new contract with Senop, a Finnish supplier of high-tech optronics, including night vision binoculars. Senop has placed several major orders for Photonis 4G light intensifier tubes, which are expected to be delivered during the course of 2025.

New investment in production capacity

On 3 March 2025, EXOSENS announced a strategic investment of approximately €20 million aimed at boosting production capacity. This concerns not only Europe but also in United States, as the Group intends to establish its first US-based manufacturing site for image intensifier tubes.

Acquisition of Noxant

On 13 March 2025, the Group completed the acquisition of the French company Noxant for consideration of €40.6 million. Noxant specialises in the design and manufacture of high-performance cooled infrared cameras. Noxant reported revenue of €12 million for the period ended 30 June 2024 (French GAAP figures, audited).

Note 35. Statutory auditor fees

Statutory auditor fees borne by the Group for 2024 and 2023 are as follows:

YEAR 2024

	PRICEWATERHOUSECOOPERS AUDIT				Baker Tilly			
(in € thousand)	Statutory auditor		Network		Statutory auditor		Network	
Statutory audit and half-year review of the parent-company and consolidated financial statements	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Issuer	215	66 %	0	%	145	98 %	0	%
Fully consolidated companies	109	34 %	150	100 %	3	2 %	140	100 %
SUB-TOTAL	**324**	**100 %**	**150**	**100 %**	**148**	**100 %**	**140**	**100 %**
Audit of sustainability information (CSRD)								
Issuer	150	100 %	0	%	0	%	0	%
Fully consolidated companies	0	%	0	%	0	%	0	%
SUB-TOTAL	**150**	**100 %**	**0**	**%**	**0**	**%**	**0**	**%**
Other services								
Issuer*	553	99 %	11	11 %	92	100 %	0	%
Fully consolidated companies	3	1 %	93	89 %	0	%	0	%
SUB-TOTAL	**556**	**100 %**	**104**	**100 %**	**92**	**100 %**	**0**	**%**
TOTAL	**1,030**		**254**		**240**		**140**	

** including IPO-related fees of €553 thousand for PRICEWATERHOUSECOOPERS AUDIT and €92 thousand for Baker Tilly.*

YEAR 2023

	PRICEWATERHOUSECOOPERS AUDIT				Baker Tilly			
(in € thousand)	Statutory auditor		Network		Statutory auditor		Network	
Statutory audit and half-year review of the parent company and consolidated financial statements	Amount	%	Amount	%	Amount	%	Amount	%
Issuer	148	57 %	0	%	41	94 %	0	%
Fully consolidated companies	113	43 %	126	100 %	3	6 %	0	%
SUB-TOTAL	**260**	**100 %**	**126**	**100 %**	**44**	**100 %**	**0**	**%**
Other services								
Issuer	3	45 %	65	65 %	3	100 %	0	%
Fully consolidated companies	3	55 %	35	35 %	0	%	0	%
SUB-TOTAL	**6**	**100 %**	**100**	**100 %**	**3**	**100 %**	**0**	**%**
TOTAL	**266**		**226**		**46**		**0**	

6.2 Statutory auditors’ report on the consolidated financial statements

(For the year ended 31 December 2024)

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 Shareholders,
EXOSENS
18 avenue Pythagore
33700 Mérignac

Opinion

In compliance with the engagement entrusted to us by your Articles of Association and by the collective decision of your Shareholders, we have audited the accompanying consolidated financial statements of EXOSENS for the year ended 31 December 2024.

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 31 December 2024, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the “Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements” section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by 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 relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, 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. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Risk identified

As part of the development of its business, the Group has carried out targeted external growth operations and recognized various goodwill amounts. This goodwill, which corresponds to the difference between the acquisition price and the fair value of the assets acquired and liabilities assumed, is described in Note 14 "Goodwill" as representing the synergies expected from these business combinations. Goodwill is allocated to the cash generating units (CGUs) of the activities into which those acquired businesses were incorporated: the "Amplification" segment or the "Detection and Imaging" segment.

Every year, management verifies that the carrying amount of this goodwill, for which an amount of €189,495 thousand was recorded in the balance sheet of the consolidated financial statements at 31 December 2024, is lower than its recoverable amount and that there is no risk of impairment. Adverse developments in the expected return on businesses to which goodwill has been allocated, whether due to internal or external factors related to the economic and financial environment in which the Group operates, can have a significant impact on the recoverable amount and require the recognition of an impairment loss. In these circumstances, the appropriateness of all assumptions used to determine this amount and the reasonableness and consistency of the calculation inputs must be reassessed. The methods used to perform impairment tests and details of the assumptions used are described in Note 14 "Goodwill". The recoverable amount has been determined on the basis of a value-in-use calculation taking into account the four-year business plan approved by management, and on a terminal value by applying the estimated growth rates for cash flows beyond the four-year period.

Due to its material amount in the consolidated balance sheet, and because the determination of its recoverable amount involves relying on judgment, notably for cash flow projections taking into account business growth, capacity constraints, the introduction of new products and macro-economic trends in each market, we deemed the measurement of the recoverable amount of goodwill to be a key audit matter.

Our response

To cover the risk of recoverability of goodwill, we performed the following work:

- we assessed the compliance of the methodology applied by the Company with current accounting standards;
- we performed a critical assessment of the procedure for implementing this methodology with the support of our valuation experts, and:
  - assessed all the components of the carrying amount of the group of CGUs relating to the activities tested and the consistency of the determination of this amount with the way in which cash flow projections were determined for the value in use,
  - assessed that the assumptions made with respect to projected future cash flows are reasonable in terms of the economic and financial context of the CGU and, by assessing the reasons for differences between projected and actual performances, that the process by which the estimates were calculated is reliable,
  - assessed the consistency of cash flow projections with management's most recent estimates as presented to the Board of Directors as part of the budget processes,
  - assessed the reasonableness of the long-term growth rate and discount rate in light of market analyses and the consensus of the main players as well as their consistency with the cash flow projections to which they apply,
  - assessed the reasonableness of the forecasts made for previous periods in relation to the corresponding actual figures,
  - performed a sensitivity analysis to ensure that unfavourable changes in the main assumptions used would not cause the carrying amount of goodwill to exceed its recoverable amount;
- we assessed the appropriateness of disclosures provided in Note 14 "Goodwill" to the consolidated financial statements.

Capitalization and assessment of development costs

Risk identified

The balance sheet includes capitalized development costs under intangible assets, with a net book value of €44,669 thousand at 31 December 2024. The criteria for capitalizing these development costs are described under "Research and development costs" of the "Accounting policies" section of Note 15 - "Intangible assets" to the consolidated financial statements. The analysis of whether the various conditions for capitalizing these costs have been met requires management to exercise judgment over and estimate the way in which the assessment of these development costs will generate probable future economic benefits over their useful life.

The assessment of whether development costs meet the criteria for capitalization and the assessment of the recoverable amount of capitalized costs are based on management's judgment and the reliability of the procedures implemented in the Group's various businesses. In view of these factors, we considered the capitalization and valuation of development costs to be a key audit issue.

Our response

Our work primarily involved:

- assessing the compliance of the methodology applied by the Group with current accounting standards;
- examining and assessing, on a test basis, the internal control procedures in place at subsidiaries engaged in research and development, and at Group Finance level, to ensure that development costs are capitalized in accordance with the conditions for capitalization set out in the Group's accounting policies.

For a sample of developed projects capitalized in 2024, we have:

- assessed compliance with the conditions for capitalization in accordance with applicable accounting principles;
- reconciled accounting data with management data providing detailed project information;
- verified, based on a sample of expenses, the consistency of expenditure amounts included in internal project monitoring with the corresponding invoices;

- verified, based on a sample of employees:
  - the mathematical accuracy of the calculation of the average hourly rate; and reconciled, based on a sample, the data used for this calculation with the payroll items corresponding to the period,
  - the consistency of the number of assessed working hours with available internal documentation;
- carried out a critical review of the analyses performed by management, enabling us to conclude that there are no indications of impairment of current projects, and verified that these analyses are based on an appropriate justification of the assumptions used.

We also verified the appropriateness of the disclosures provided in Note 15 "Intangible assets" to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on 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.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have also verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of EXOSENS by your Articles of Association dated 16 March 2021 for PricewaterhouseCoopers Audit and by collective decision of your Shareholders on 30 December 2023 for Baker Tilly Strego.

At 31 December 2024, PricewaterhouseCoopers Audit and Baker Tilly Strego were in the third and second consecutive year of their engagement, respectively, of which one year since the Company's securities 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 preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of 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 expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to 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 of 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 taken by users on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain 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 Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

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 any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Toulouse and Nantes, 28 April 2025

The Statutory Auditors

PricewaterhouseCoopers Audit

Bertrand Cuq
Partner

Anne Parenty
Partner

Baker Tilly Strego

Jean-Marc Binson
Partner

François Pignon-Hériard
Partner

6.3 Parent company financial statements

6.3.1 Balance sheet

(in €)	Gross	Amortisation Impairment	**Net at 31 December 2024**	Net at 31 December 2023
ASSETS				
Uncalled share capital				
Intangible assets				
Establishment costs				
Research and development costs				
Concessions, patents and similar rights	751,049	247,700	503,349	588,668
Goodwill				
Other intangible assets	32,175		32,175	
Property, plant and equipment				
Land				
Buildings	7,078	1,136	5,942	6,650
Technical installations, equipment and tooling				
Other property, plant and equipment	336,486	89,949	246,537	223,867
PP&E under construction, advances & down-payments	4,704		4,704	
Non-current financial assets				
Participating interests and associated receivables	421,694,951		421,694,951	225,072,332
Other securities held for investment				
Loans	109,178,363		109,178,363	269,050,836
Other non-current financial assets	79,578		79,578	77,855
NON-CURRENT ASSETS	**532,084,383**	**338,785**	**531,745,598**	**495,020,208**
Inventories				
Raw materials and other supplies				
Work in progress – goods				
Work in progress – services				
Semi-finished and finished goods				
Bought-in goods				
Advances and down-payments				
Advances and down-payments paid on orders				4,151
Receivables				
Trade receivables	5,190,635		5,190,635	4,153,394
Receivables from suppliers	696		696	
Personnel	4,048		4,048	7,565
French State – Income tax	3,528,415		3,528,415	2,298,633
French State – Taxes on revenue	884,498		884,498	408,934
Other receivables	88,246,166		88,246,166	18,045,063
Cash and sundry				
Marketable securities	347,523		347,523	7,509
Cash and cash equivalents	5,295,938		5,295,938	1,098,439
Prepaid expenses	329,992		329,992	420,753
CURRENT ASSETS	**103,827,910**		**103,827,910**	**26,444,442**
Expenses deferred over multiple periods	3,122,292		3,122,292	265,108
Bond redemption premium				1,086,454
Currency translation differences	657		657	69,800
ADJUSTMENT ACCOUNTS	**3,122,949**		**3,122,949**	**1,421,362**
TOTAL ASSETS	**639,035,242**	**338,785**	**638,696,457**	**522,886,012**

(in €)	Net at 31 December 2024	Net at 31 December 2023
EQUITY & LIABILITIES		
Share capital	21,582,585	1,947,598
Issue, merger and contribution premiums, etc.	348,387,114	188,052,402
Revaluation differences		
Legal reserve	194,760	194,131
Reserves stipulated by articles of association or contracts		
Regulated reserves		
Other reserves		
Retained earnings	15,356,367	12,706,008
NET PROFIT (LOSS) FOR THE YEAR	(7,728,540)	2,650,988
Capital expenditure grants		
Regulated provisions	5,101,475	3,624,307
SHAREHOLDERS' EQUITY	**382,893,760**	**209,175,434**
Proceeds from the issue of equity interests		
Conditional advances		
OTHER EQUITY		
Provisions for risks	120,657	69,800
Provisions for charges		
PROVISIONS FOR RISKS AND CHARGES	**120,657**	**69,800**
Convertible bonds		
Other bonds		235,136,661
Bank borrowings	250,000,000	73,751,874
Miscellaneous borrowings and financial liabilities	40,833	961,503
Miscellaneous borrowings and financial liabilities – Shareholders	14,490	587,806
Advances and down-payments received on orders in progress		
Trade payables	2,571,174	1,517,478
Tax and employee-related payables	2,598,996	1,625,456
Capital expenditure payables		
Other accounts payable	206,375	60,000
Deferred income		
ACCOUNTS PAYABLE	**255,431,868**	**313,640,778**
Currency translation differences	250,172	
TOTAL EQUITY & LIABILITIES	**638,696,457**	**522,886,012**

6.3.2 Income statement

(in €)	**Period from 1 January 2024 to 31 December 2024 12 months**	Period from 1 January 2023 to 31 December 2023 12 months
Operating income		
Revenue from the sale of products and services	11,556,732	6,157,341
Net revenue	**11,556,732**	**6,157,341**
Operating grants	16,000	6,333
Other income	60,016	714,569
Total operating income	**11,632,748**	**6,878,243**
Operating expenses		
Other purchases and external expenses	13,453,302	9,433,855
Taxes, duties and similar charges	199,983	114,840
Wages and salaries	4,651,705	3,369,128
Social security and employee-related costs	2,166,617	1,437,468
Depreciation, amortisation and impairment charges	951,310	175,919
Other expenses	236,300	144,208
Total operating expenses	**21,659,219**	**14,675,420**
OPERATING PROFIT (LOSS)	**(10,026,471)**	**(7,797,176)**
Share of joint operations		
Financial income	26,081,799	26,327,570
Financial expenses	27,455,581	26,477,548
NET FINANCIAL INCOME (EXPENSE)	**(1,373,782)**	**(149,978)**
RECURRING PROFIT (LOSS) BEFORE TAX	**(11,400,253)**	**(7,947,154)**
Non-recurring income		1,069,151
Non-recurring expenses	13,742,440	2,141,076
NET NON-RECURRING INCOME (EXPENSE)	**(13,742,440)**	**(1,071,925)**
Income taxes	(17,414,153)	(11,670,067)
Total income	37,714,547	34,274,965
Total expenses	45,443,087	31,623,977
NET PROFIT (LOSS) FOR THE YEAR	**(7,728,540)**	**2,650,988**

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6.3.3 Notes to the parent company financial statements

NOTES TO THE BALANCE SHEET

Accounting policies

EXOSENS SA

EXOSENS was founded on 16 March 2021. Its registered office is at Domaine de Pelus, 18 Avenue de Pythagore, Axis Business Park Bât. 5E – 33700 Mérignac, France). The Company's object is to carry out the following activities, directly or indirectly, in France and in all countries:

- buying, subscribing for, holding, managing, selling or contributing shares or other securities in any company;
- all services and advice on management, human resources, IT, management, communication, finance, legal affairs, marketing and purchasing for its subsidiaries and direct or indirect holdings;
- the activities of a group finance company and, as such, the provision of any type of financial assistance to companies forming part of the group of companies to which the Company belongs; and
- more generally, any transactions, whether financial, commercial, industrial, civil, or concerning real estate or movable property that may be directly or indirectly related to the above object or to any similar or related purposes, or which may directly or indirectly promote the achievement of this object by the Company, its expansion, its development and its corporate assets.

Note 1. Key events of the financial year

1.1 MACROECONOMIC BACKGROUND

EXOSENS SA is a management and holding company whose business activity comprises the invoicing of management fees to subsidiaries.

The war in Ukraine has not impacted the preparation of these financial statements.

1.2 CHANGE OF LEGAL FORM

On 31 May 2024, EXOSENS was converted from a simplified joint stock company *(société par actions simplifiée*, SAS) to a public limited company *(société anonyme*, SA) ahead of its initial public offering on the Euronext Paris market on 7 June 2024. This change also served to align the Company's structure and governance with that expected by international investors and guarantee the transparency required by the financial market.

1.3 INITIAL PUBLIC OFFERING

On 7 June 2024, EXOSENS began operating as an independent listed company following its listing on Euronext Paris (ticker symbol "EXENS") by way of a private placement, including an over-allotment option representing a maximum of 15% of the cumulative number of New Shares and initial Sale Shares (i.e., a maximum of 2,625,002 Additional Sale Shares).

The opening price of EXOSENS shares (€20.00 per share) was confirmed by a notice issued by Euronext Paris on 7 June 2024. On 12 June 2024, the Over-Allotment Option covering all the shares placed under the IPO was exercised in full.

IPO costs totalled €12.2 million. The full amount is recognised in non-recurring expenses for the period.

1.4 SHARE CAPITAL TRANSACTIONS

The Company carried our several share capital transactions in the first half of 2024, as part of preference share plans and to prepare for its IPO on 7 June. In particular, it converted all preference shares to ordinary shares, terminating the free share grant plans.

Details of the transactions carried out are shown below.

1.5 DEBT REFINANCING

At the time of the IPO, the Group repaid all term loans (A1 Facility, A2 Facility, and Acquisition Facility) secured under the Senior Facility Agreement, cancelled all available commitments under the revolving credit facility and redeemed in full the A Bonds, B Bonds and Additional Bonds issued under the Bond Issue Agreement.

The early redemption of the bonds gave rise to early redemption costs of €856 thousand. Premiums and issue costs of €4,127 thousand were recognised in the income statement for the period in relation to these former borrowings.

To finance its development and external growth transactions, EXOSENS secured a Senior Credit Agreement in the first half of 2024, which provides two credit lines with a combined maximum amount of €350 million as follows:

- a euro-denominated five-year term loan of a maximum amount of €250 million, paying interest ranging from 1.50% to 2.50% +3-month Euribor, repayable on maturity;
- a five-year revolving credit facility of a maximum amount of €100 million, paying interest ranging from 1.50% to 2.50% +3-month Euribor, not drawn at 31 December 2024.

1.6 ACQUISITIONS OF NEW SUBSIDIARIES

The Group, via its subsidiary EXOSENS International, made the following acquisitions:

Acquisition of Centronic

On 31 July 2024, the EXOSENS group completed the acquisition of the UK-based company Centronic, a leader in radiation detection solutions.

The company was acquired for €24 million.

Acquisition of LR Tech

On 1 September 2024, the EXOSENS group completed the acquisition of the Canadian company LR Tech, a leader in spectroradiometry solutions.

The company was acquired for €6.6 million. An earn-out clause is provided for in the agreement. When valuing the interest in EXOSENS International at the reporting date, the earn-out clause was disregarded as its terms were unlikely to be met.

Note 2. Post-balance sheet events

Acquisition of NVLS

On 21 October 2024, EXOSENS signed a definitive agreement for the acquisition of the Spanish company NVLS (Night Vision Laser Spain), a specialist in night vision equipment. The acquisition will be completed during the first half of 2025.

New contract with Senop

On 24 February 2025, EXOSENS announced the signing of a new contract with Senop, a Finnish supplier of high-tech optronics, including night vision binoculars. Senop has placed several major orders for Photonis 4G light intensifier tubes, which are expected to be delivered during the course of 2025.

New investment in production capacity

On 3 March 2025, EXOSENS announced a strategic investment of approximately €20 million aimed at boosting production capacity. This concerns not only Europe but also the United States, as the Group intends to establish its first US-based manufacturing site for image intensifier tubes.

Acquisition of Noxant

On 13 March 2025, the Group completed the acquisition of the French company Noxant for consideration of €40.6 million. Noxant specialises in the design and manufacture of high-performance cooled infrared cameras. Noxant reported revenue of €12 million for the period ended 30 June 2024 (French GAAP figures, audited).

The acquisitions were made via the subsidiary EXOSENS International.

Note 3. Accounting policies, valuation methods and comparability of financial statements

The accounting policies and valuation methods used to prepare the financial statements for the year ended 31 December 2024 comply with Regulation no. 2014-03 of 5 June 2014, issued by the French Accounting Standards Authority (*Autorité des Normes Comptables* – ANC), as amended by various supplementary regulations as of the date of preparation.

Accounting conventions have been applied in a true and fair manner, on a prudent basis and in accordance with the following basic assumptions:

- going concern;
- consistency of accounting policies between periods;
- independence of financial periods;

and in accordance with the general rules for the preparation and presentation of financial statements.

The financial period is 12 months, from 1 January 2024 to 31 December 2024.

The historical cost method was adopted as the basic method of accounting.

Note 4. Information on balance sheet items

4.1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets are valued at the cost of acquisition where acquired for consideration, at the cost of production where produced by the Company, and at market value where acquired free of charge or by barter.

For the sake of simplicity, the depreciation or amortisation period is defined as the useful life of the assets that cannot be disaggregated on acquisition.

As at the reporting date, the company has formed the assessment, based on the internal and external information at its disposal, that there were no indications that any assets may have experienced a significant loss of value.

4.2 NON-CURRENT FINANCIAL ASSETS

Financial assets comprise long-term investments that provide control over the investee. These holdings are recognised at their cost of acquisition, including acquisition-related costs (stamp duties, advisory fees, etc.).

Expenses incurred on the acquisition of equity interests are capitalised. They are subject to accelerated amortisation over a period of five years. At 31 December 2024, tax amortisation of €5,101 thousand was recognised under capitalised acquisition costs.

Non-current financial assets break down as follows:

(in € thousand)	Gross amount at 31/12/2023	Increase	Decrease	Reclassification	Gross amount at 31 December 2024
EXOSENS International – equity interest	217,672				217,672
EXOSENS International – acquisition expenses	7,400				7,400
EXOSENS International – associated receivables	0			196,623	196,623
Participating interests and associated receivables	**225,072**	**0**	**0**	**196,623**	**421,695**
EXOSENS International – loan	198,790		2,167	(196,623)	0
Photonis Holding Inc. (US) – loan	30,300				30,300
Photonis Netherlands (NL) – loan	38,388				38,388
Telops (CA) – loan	579	21,866			22,445
EXOSENS UK (UK) – loan	0	17,395			17,395
Accrued interest on loans	995	651	995		651
Loans	**269,051**	**39,912**	**3,162**	**(196,623)**	**109,178**
TOTAL	**494,123**	**39,912**	**3,162**	**0**	**530,873**

The reclassification shown above concerns the loan granted to EXOSENS International, which is presented in the balance sheet under "Participating interests and associated receivables".

Loans to subsidiaries are entered into on the following terms:

- repayment on maturity in March 2029;
- interest at Euribor 3M + margin of 2% to 2.5%.

Impairment of non-current financial assets

Where the recoverable amount is lower than the carrying amount, an impairment charge is recognised in order to reduce the carrying amount to the recoverable amount at the reporting date.

The recoverable amount of equity investments is determined as follows:

- the historical cost is compared with the amount determined on the basis of the discounted future cash flows;
- an impairment loss is recognised if the amount determined on the basis of the discounted future cash flows is lower;
- impairment tests were performed based on the value in use calculated using data from the four-year forecast (business plan) approved by Management and a terminal value determined by applying estimated growth rates for cash flows beyond four years. These flows reflect management's best estimate in the current economic climate;
- no impairment losses were recognised on equity investments at 31 December 2024;
- the carrying amount of the shares held in EXOSENS International was €225,072 thousand. These shares are valued on the basis of the intrinsic value of the shares in subsidiaries and other equity interests of the EXOSENS group as a whole (whether held directly, or indirectly by EXOSENS International).

4.3 RECEIVABLES

Receivables are valued at their nominal value.

An impairment loss is recognised when the recoverable amount of the receivable is lower than its carrying amount.

The impairment of receivables is assessed on a case-by-case basis, taking into account difficulties in collecting the receivables.
"Other receivables" (€88,246 thousand) break down as follows:

(in € thousand)	Amount at 31 December 2024
Photonis France – tax consolidation group current account	4,614
Imaging Sensors International – tax consolidation group current account	0
Photonis US – current account	6,469
Photonis Netherlands – current account	2,626
EXOSENS International – current account	74,537

Current accounts between EXOSENS and subsidiaries, except in relation to the tax consolidation group, bear interest at the rates agreed with each entity, as follows:

- Euribor 3M or SOFR +0.75% for lending companies;
- Euribor 3M or SOFR +1% for borrowing companies.

4.4 FOREIGN CURRENCY TRANSACTIONS

Income and expenses in foreign currency are recognised at their equivalent value in euros on the transaction date. Payables, borrowings, receivables and cash in foreign currency are carried on the balance sheet at the closing rate.

Differences arising from the translation of foreign-currency payables and receivables at the closing rate are recognised in the balance sheet under "Currency translation differences". A provision for risks is set aside for unrealised losses that are not offset by unrealised gains.

4.5 CASH AND FINANCING

Financial liabilities

A €250 million credit facility has been drawn down under the terms described under "Key events of the financial year".

The agreement provides for a total available amount of €350 million, of which €100 million thus remains unutilised.

Loan issue costs

Following the refinancing, the loan issue costs in relation to the bonds and the historical Senior Debt were charged in full to profit or loss as at 30 June 2024. The total expense was €4,301 thousand.

The issue costs of the new borrowings (€3,500 thousand) are being amortised over the remaining term of the borrowings, as from the date on which the new funds were made available. This gave rise to an amortisation charge of €378 thousand in 2024.

(in € thousand)	31 December 2023	Increase	Decrease	31 December 2024
Convertible bonds – issue premiums	1,086	2,950	4,036	0
Loan issue costs	265	3,500	643	3,122
FINANCIAL LIABILITIES	**1,352**	**6,450**	**4,679**	**3,122**

** Fees of €2,950 thousand were incurred in relation to a loan that did not go ahead.*

4.6 SHARE CAPITAL

At 31 December 2024, the Company's issued share capital amounted to €21,582,584.60 and consisted of 50,782,552 ordinary shares with a par value of €0.425, which were subscribed and paid up in full.

The shares were issued with a share premium of €333 thousand and contribution premiums of €15 million.

HLD Europe is the majority shareholder.

The following transactions took place during the first half of 2024:

15 March 2024:

- issue of 205,795 R1 preference shares.

6 June 2024:

- issue of 195,920 R1 preference shares;
- increase in the par value of ordinary shares from €0.01 to €0.17;
- cancellation of 45,581,016 ordinary shares and increase in the par value of ordinary shares from €0.17 to €0.425.

11 June 2024:

- issue of 208,000 O' preference shares, 312,000 A' preference shares and 778,348 R1 preference shares;
- issue of 63,145 new ordinary shares and cancellation of 992,149 A preference shares;
- issue of 264,059 new ordinary shares and cancellation of 264,526 ordinary shares;
- cancellation of all 119,499,391 existing preference shares and issue of a total of 11,332,529 new ordinary shares;
- issue of 9,000,001 new ordinary shares as part of the public offering.

(thousands of shares)	Ordinary shares	A preference shares	R2 preference shares	R3 preference shares	R1 preference shares	O' preference shares	A' preference shares	Total
AT 31 DECEMBER 2023	**75,968**	**113,953**	**50**	**39**	**2,770**	**792**	**1,188**	**194,760**
Capital subscription	9,000							9,000
Increase	11,660				1,180	208	312	13,360
Decrease	45,846	113,953	50	39	3,950	1,000	1,500	166,338
AT 31 DECEMBER 2024	**50,782**	**0**	**0**	**0**	**0**	**0**	**0**	**50,782**

Liquidity agreement

At 31 December 2024, the Company held 18,164 treasury shares with a value of €348 thousand under the liquidity agreement put in place with Kepler Cheuvreux on 8 July 2004. These are the only treasury shares held by the Company. A total of €2,000,000 is allocated to the liquidity agreement, within the limit of €2,000,000 and in accordance with the conditions set by the AMF.

Treasury shares are classified as marketable securities and valued in accordance with the FIFO method. Realised gains and losses are recognised in financial income or expenses. In the year to 31 December, a net gain of €18.4 thousand was realised on sales of treasury shares.

Where an unrealised loss is recorded at the reporting date, a provision for loss of value is recognised.

At 31 December 2024, no unrealised losses were recorded.

4.7 REGULATED PROVISIONS

Regulated provisions of €5,101 thousand concern the amortisation of the costs incurred on the acquisition of EXOSENS International.

4.8 PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised to cover probable outflows of resources resulting from current obligations arising from past events.

At 31 December 2024, a provision of €120 thousand was recorded for the estimated risk of an ongoing legal dispute.

4.9 FREE SHARE PLAN

The free share plan was not renewed in 2024. However, a plan is currently being drawn up for 2025.

4.10 FINANCIAL LIABILITIES

(in € thousand)	31 December 2023	Increase	Decrease	31 December 2024
Convertible bonds				
Other bonds	235,000		235,000	0
Bank borrowings	73,742	250,000	73,742	250,000
Accrued interest on borrowings	1,098	41	1,098	41
Miscellaneous borrowings and financial liabilities				
Other borrowings and similar liabilities				
FINANCIAL LIABILITIES	**309,840**	**250,041**	**309,840**	**250,041**

The repayment schedule by type of debt is as follows:

(in € thousand)	Gross	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds				
Other bonds				
Bank borrowings	250,000		250,000	0
Accrued interest on borrowings	41	41		
Miscellaneous borrowings and financial liabilities				
Other borrowings and similar liabilities				
FINANCIAL LIABILITIES	**250,041**	**41**	**250,000**	**0**

4.11 FINANCIAL COVENANTS

The financing agreement contains a clause for accelerated repayment in the event that the Company does not comply with a leverage ratio, calculated as the ratio of consolidated net debt to consolidated adjusted EBITDA.

At 31 December 2024, the maximum leverage ratio (net debt/ adjusted EBITDA) was 3.00.

At 31 December 2024, the Group's net debt/adjusted EBITDA ratio was 1.23. This amount was determined based on unaudited figures.

The Group regularly monitors movements in this ratio and, in an unstable macroeconomic environment, pays close attention to financing agreements that could present a short- or medium-term risk of non-compliance with financial ratios.

There are no financial covenants based on Group consolidated equity.

4.12 Financial instruments

The Group uses hedging instruments to reduce its exposure to the risk of changes in interest rates.

The carrying amount of the financial instruments best represents the maximum exposure to credit risk for all derivatives (caps and swaps) subscribed by the Group (no collateral held as security, etc.).

At 31 December 2024, the derivative financial instruments used by EXOSENS break down as follows (in €):

Company	Instrument	Notional amount	Variable rate	Notional amount (capital outstanding)	**Fair value**	Maturity	Bank
EXOSENS	SWAP	25,000,000	EURIBOR 3 MONTH	25,000,000	(6,845)	31 December 2026	BNP
EXOSENS	SWAP	25,000,000	EURIBOR 3 MONTH	25,000,000	(123,605)	31 December 2026	CIC
EXOSENS	SWAP	25,000,000	EURIBOR 3 MONTH	25,000,000	(5,864)	31 December 2026	ARKEA
EXOSENS	CAP	50,000,000	EURIBOR 3 MONTH	50,000,000	1,801	31 December 2025	BNP
EXOSENS	CAP	50,000,000	EURIBOR 3 MONTH	50,000,000	1,801	31 December 2025	BNP
EXOSENS	CAP	50,000,000	EURIBOR 3 MONTH	50,000,000	1,801	31 December 2025	CIC

Premiums are recognised as assets when paid and amortised through financial expenses over the lifetime of the hedge.

The various financial instruments serve to hedge part of the €250 million facility.

Note 5. Notes to the income statement

5.1 NET FINANCIAL INCOME (EXPENSE)

Breakdown of financial income

Financial income totalled €26,082 thousand, broken down as follows:

(in € thousand)	
Loan interest – EXOSENS International	15,192
Loan interest – Photonis Holding Inc. (US)	2,463
Loan interest – Photonis Netherlands (NL)	3,169
Loan interest – Telops (CA)	425
Loan interest – EXOSENS UK (UK)	253
Current account interest – EXOSENS International	2,520
Current account interest – Photonis Holding Inc. (US)	277
Current account interest – Photonis Netherlands (NL)	36
Current account interest – Photonis France	115
Interest received in relation to foreign exchange caps	981
Foreign exchange gains	516
Income from the liquidity agreement	65
Reversal of provision for foreign exchange risk	70

Breakdown of financial expenses

Financial expenses totalled €27,456 thousand, comprising:

(in € thousand)	
Interest on borrowings	23,272
Current account interest – EXOSENS International	20
Current account interest – Photonis Holding Inc. (US)	0
Current account interest – Photonis Netherlands (NL)	13
Foreign exchange losses	70
Amortisation of redemption premium	4,036
Liquidity agreement expenses	28

5.2 INCOME TAXES

Tax position

The corporate income tax rate for the 2024 financial year is 25%.

Since 1 January 2022, EXOSENS has been the lead company of the EXOSENS consolidated tax group, comprising five companies:

- EXOSENS (parent company);
- EXOSENS International;
- Photonis FRANCE;
- Imaging Sensors International SAS;
- Photonis INFRARED FRANCE.

No tax consolidation agreement has been drawn up. The tax group consequently uses the following method:

- each subsidiary owes the parent company an amount of corporate income tax equal to the amount it would have paid if it had not been a member of the tax group and had to settle its tax liability with the French Treasury;
- the parent company permanently retains the tax saving that results from deducting the losses of its loss-making subsidiaries.

Tax income of €17,414 thousand was consequently recognised for the year ended 31 December 2024. The tax group carried forward tax losses of €29,950 thousand. The EXOSENS International tax consolidation sub-group carried forward tax losses of €45,798 million. Losses can be carried forward indefinitely for offset against future profits, up to the limit of €1 million a year plus 50% of any losses above that limit.

EXOSENS also benefits from a research tax credit *(Crédit d'impôt recherche)* of €1,230 thousand arising at Photonis France (2024).

When determining the Group's taxable profit, the rules limiting the deductibility of financial expenses are applied. At 31 December 2024, the ceiling was 30% of EBITDA as calculated for tax purposes.

(in € thousand)	**31 December 2024**	31 December 2023
Corporate income tax for the financial year (total Group tax charge)	0	0
Corporate income tax borne in the absence of tax consolidation (sum of individual tax charges)	17,414	11,670
Corporate income tax saving for the period (*)	17,414	11,670

(*) the amounts shown in the above table do not take account of the potential tax credits awarded to companies in the consolidated tax group (e.g., Photonis France research tax credit)

5.3 NET NON-RECURRING INCOME (EXPENSE)

Non-recurring income and expenses include items categorised as exceptional in nature by French accounting law. If the nature of an expense or income item is listed among operating items in the French mandatory chart of accounts, it is only classified as exceptional if it is non-recurring in terms of its amount and/or frequency.

Non-recurring expenses amounted to €13,742 thousand, comprising:

(in € thousand)	
Other non-recurring expenses on operating transactions	
Carrying amounts of assets sold	
Accelerated amortisation of corporate acquisition costs	1,477
IPO costs	12,265

In the year ended 31 December 2024, the vast majority of non-recurring expenses are expenses incurred in relation to the IPO (€12,265 thousand).

Note 6. Other disclosures

6.1 OFF-BALANCE SHEET COMMITMENTS

Commitments given:

1. Bank surety of €127,191 (BNP) covering the lease for EXOSENS' premises (signed on 22 July 2022; lease start date of 1 July 2022 and end date of 30 June 2031).
2. If a subsidiary borrows funds under the revolving credit facility (RCF), EXOSENS SA guarantees repayment of the loan.

Commitments received

3. €100 million borrowing facility granted by a pool of banks - commitment expires June 2029.

6.2 POST-EMPLOYMENT OBLIGATIONS

The Group has commitments under long-term employee benefit plans.

The obligation in relation to this scheme is calculated in accordance with ANC Recommendation 2013-02 (projected unit credit method based on final salary at retirement).

The amounts are based on the following main assumptions:

- application of French accounting standards (ANC Recommendation no. 2013-02 of 7 November 2013 and Opinion no. 2004-05 of 25 March 2004 on jubilee awards;
- discount rate of 3.35%;
- turnover assumptions based on observed resignations;
- salary growth rate of 2.50%;
- mortality table: the tables used are the most recent male/female tables published by INSEE (TD/TV 18-20);
- social security surcharge of 50.59% for management staff and 41.28% for non-management staff (including payroll levies); the Group assumes that retirement is voluntary;
- retirement age (employees born before 1 January 1968): 62 years for non-management staff and 63 for management staff;
- retirement age (employees born on or after 1 January 1968): 64 years for non-management staff and management staff.

The net obligation at 31 December 2024 is €228,463.

6.3 RELATED PARTY DISCLOSURES

All transactions with related parties are entered into on arm's length terms.

6.4 KEY MANAGEMENT COMPENSATION

The compensation of members of the governing bodies is not shown as this would amount to a disclosure of individual compensation.

6.5 CLIMATE RISK

As set out in Section 2.2 “Climate change” in the CSR chapter of this report, EXOSENS SA has identified various impacts, risks and opportunities in relation to climate change in the course of its double materiality assessment, within the scope of the Group of which it is the parent company. Analysis of the short-, medium- and long-term physical risk and transition risk scenarios will commence in 2025, in order to describe the exposure and sensitivity of the Group’s assets and economic activities to climate change (which have not yet been identified). For the time being, the Group takes climate risks into account in its year-end assumptions on the basis of its current knowledge and incorporates their potential impacts in the financial statements.

The main risks identified concern physical risks such as flooding and hurricanes, as well as transition risks such as market uncertainties tied to potential taxes on fossil fuels, greenhouse gas emission reductions or the impact of the European taxonomy and sustainability regulations.

Most physical risks are covered by property and casualty insurance policies. In general, when an incident occurs, the negative effects (where not insured) are expensed in the period in question.

The main transition risks have also been reviewed to the best of our knowledge. Longer-term market changes related to the environmental transition are difficult to anticipate and quantify, but should not have a material impact on the useful life of Group assets. However, the consequences of climate uncertainties are taken into account in the financial statements. In 2024, the Group began work on defining its greenhouse gas reduction targets and the associated action plans for all scopes. Determined to have an impact both on the environment and on production, the Group plans to incorporate an eco-design approach into its product development and to optimise water and electricity consumption. It aims to implement eco-design criteria in all its new products by 2027.

Lastly, whenever necessary depending on the activity concerned, the Group includes a review of environmental risks in its external growth process, which is presented to the committees deciding on proposed acquisitions.

The Group is not subject to the European Union’s carbon trading scheme.

6.6 CONSOLIDATION

The financial statements of EXOSENS are included in the consolidated financial statements of the EXOSENS group, of which EXOSENS SA, Domaine de Pelus, 18 avenue de Pythagore, Axis Business Park – 33700 Mérignac, France is the parent company and the consolidating entity.

Non-current assets

TABLE OF NON-CURRENT ASSETS

(in €)	At start of period	Increase	Decrease	At end of period
Establishment and development costs				
Goodwill				
Other intangible assets	689,913	93,311		783,224
Intangible assets	**689,913**	**93,311**		**783,224**
Land				
Buildings on own land				
Buildings on third-party land				
General fixtures and fittings	7,078			7,078
Technical installations, machinery and tooling				
Sundry general fixtures and fittings	147,298	44,492		191,791
Vehicles				
Office and IT equipment, furniture	125,187	19,509		144,695
Reusable packaging and sundry				
Property, plant and equipment in progress				
Advances and down payments		4,704		4,704
Property, plant and equipment	**279,563**	**68,705**		**348,268**
Participating interests accounted for using the equity method				
Other participating interests	225,072,332	196,622,619		421,694,951
Other securities held for investment				
Loans and other financial assets	269,128,691	39,913,582	199,784,333	109,257,940
Non-current financial assets	**494,201,023**	**236,536,201**	**199,784,333**	**530,952,891**
NON-CURRENT ASSETS	**495,170,499**	**236,698,217**	**199,784,333**	**532,084,383**

Non-current financial assets

LIST OF SUBSIDIARIES AND PARTICIPATING INTERESTS

Figures in the table are in € thousand

(1) Share capital.
(2) Equity other than share capital.
(3) Percentage of share capital held.
(4) Gross carrying amount of equity interest.
(5) Net carrying amount of equity interest.
(6) Outstanding loans and advances granted by the Company.
(7) Guarantees and sureties given by the Company.
(8) Revenue in most recent financial year.
(9) Profit or loss in most recent financial year.
(10) Dividends received by the Company during the financial year.

(in € thousand)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A. DETAILED INFORMATION ON EQUITY INTERESTS										
Subsidiaries (interest above 50%)										
EXOSENS International SAS	386,629	(91,688)	100	225,072	225,072	271,159			(13,621)	
Participating interests (interest of 10-50%)										
B. OVERALL INFORMATION ON OTHER EQUITY INTERESTS										
Other French subsidiaries										
Other foreign subsidiaries										
Other French participating interests										
Other foreign participating interests										

DEPRECIATION AND AMORTISATION OF NON-CURRENT ASSETS

(in €)	At start of period	Increase	Decrease	At end of period
Establishment and development costs				
Goodwill				
Other intangible assets	101,245	146,455		247,700
Intangible assets	**101,245**	**146,455**		**247,700**
Land				
Buildings on own land				
Buildings on third-party land				
General fixtures and fittings	428	708		1,136
Technical installations, machinery and tooling				
Sundry general fixtures and fittings	19,098	16,265		35,362
Vehicles				
Office and IT equipment, furniture	29,520	25,067		54,587
Reusable packaging and sundry				
Property, plant and equipment	**49,046**	**42,039**		**91,085**
NON-CURRENT ASSETS	**150,291**	**188,494**		**338,785**

Current assets

TABLE OF ACCOUNTS RECEIVABLE

Accounts receivable at the period-end totalled €404,065,008 and break down by maturity as follows:

(in €)	Gross amount	Due in less than one year	Due in more than one year
Receivables recognised as non-current assets:			
Receivables from participating interests	196,622,619		196,622,619
Loans	109,178,363		109,178,363
Other	79,578		79,578
Receivables recognised as current assets:			
Trade receivables	5,190,635	5,190,635	
Other	92,663,822	92,663,822	
Subscribed capital – called up but unpaid			
Prepaid expenses	329,992	329,992	
TOTAL	**404,065,008**	**98,184,449**	**305,880,559**
Loans granted during the period	39,911,860		
Loans recovered during the period	3,161,714		

INCOME RECEIVABLE

(in €)	Amount
Accrued interest on loans	651,206
Payroll social security expenses – amounts receivable	4,048
TOTAL	**655,254**

Shareholders' equity

COMPOSITION OF SHARE CAPITAL

Share capital of €21,582,584.60, made up of 50,782,552 shares with a nominal value of €0.425 per share.

ALLOCATION OF NET PROFIT

Resolution of the General Meeting held on 13 May 2024.

(in €)	Amount
Retained earnings brought forward from previous period	12,706,008
Net profit for the previous period	2,650,988
Releases of reserves	
TOTAL SOURCES	**15,356,996**
Added to reserves	629
Distributions	
Other transfers	
Retained earnings	15,356,367
TOTAL ALLOCATIONS	**15,356,996**

The share premiums below include the contribution premiums of €15 million.

STATEMENT OF CHANGES IN EQUITY

(in €)	Balance at 1 January 2024	Allocation of earnings	Increase	Decrease	Balance at 31 December 2024
Share capital	1,947,598		19,757,331	122,345	21,582,585
Share premiums	188,052,402		178,255,679	17,920,967	348,387,114
Legal reserve	194,131	629	629		194,760
Retained earnings	12,706,008	2,650,359	2,650,359		15,356,367
Net profit (loss) for the period	2,650,988	(2,650,988)	(7,728,540)	2,650,988	(7,728,540)
Regulated provisions	3,624,307		1,477,168		5,101,475
TOTAL EQUITY	**209,175,434**	**0**	**194,412,626**	**20,694,300**	**382,893,760**

REGULATED PROVISIONS

(in €)	Provisions at start of period	Charge during period	Reversal during period	Provisions at end of period
Restoration of oil deposits				
For investments				
For price rises				
Accelerated depreciation and amortisation	3,624,307	1,477,168		5,101,475
Loans of equipment				
Other provisions				
TOTAL	**3,624,307**	**1,477,168**		**5,101,475**
Breakdown of charges and reversals:				
Operating				
Financial				
Non-recurring		1,477,168		

Provisions

TABLE OF PROVISIONS

(in €)	Provisions at start of period	Charge during period	Reversals utilised during period	Reversals not utilised during period	Provisions at end of period
Disputes					
Customer warranties					
Losses on forward and futures contracts					
Fines and penalties					
Foreign exchange losses	69,800	657	69,800		657
Pensions and similar obligations					
Taxes					
Replacement of non-current assets					
Major maintenance and overhaul					
Social security and tax charges on paid leave					
Other provisions for risks and charges		120,000			120,000
TOTAL	**69,800**	**120,657**	**69,800**		**120,657**
Breakdown of charges and reversals during period:					
Operating		120,000			
Financial		657	69,800		
Non-recurring					

Accounts payable

TABLE OF ACCOUNTS PAYABLE

Accounts payable at the period-end totalled €255,431,868 and break down by maturity as follows:

(in €)	Gross amount	Due in less than one year	Due in more than one year	Due in more than 5 years
Convertible bonds(*)				
Other bonds(*)				
Bank borrowings(1) and other liabilities to banks, comprising:				
with an original term of up to 1 year				
with an original term of more than 1 year	250,000,000		250,000,000	
Miscellaneous borrowings and financial debts(*)(**)	40,833	40,833		
Trade payables	2,571,174	2,571,174		
Tax and employee-related payables	2,598,996	2,598,996		
Capital expenditure payables				
Other accounts payable(**)	220,865	220,865		
Deferred income				
TOTAL	**255,431,868**	**5,431,868**	**250,000,000**	
(*) Borrowings taken up during the period	*250,000,000*			
(*) Borrowings repaid during the period	*308,741,885*			
(**) Including accounts payable to shareholders				

ACCRUED EXPENSES

(in €)	Amount
Invoice accruals	1,431,533
Accrued interest on other borrowings	40,833
Provision for paid leave	252,077
Provision for bonuses	514,560
Other accruals	538,027
Accrued expenses – travel expenses	718
Social security charges on paid leave	122,649
Accrued expenses – French State	3,609
Directors' compensation	181,400
TOTAL	**3,085,406**

Adjustment accounts

PREPAID EXPENSES

(in €)	Operating expenses	Financial expenses	Non-recurring expenses
Other advance expenses	329,992		
TOTAL	**329,992**	**0**	**0**

Workforce

Average workforce: 29 people, including 3 apprentices.

	Permanent	Temporary
Management staff	25	
Supervisors and technicians	1	
Administrative employees	3	
Workers		
TOTAL	**29**	

In 2023, the average workforce was 20 people, comprising 19 management staff, and 1 supervisor.

6.4 Statutory Auditors' report on the financial statements

(For the year ended 31 December 2024)

This is a free translation into English of the Statutory Auditors' report on the financial statements of the Company 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 Shareholders,
EXOSENS
18 avenue Pythagore
33700 Mérignac

Opinion

In compliance with the engagement entrusted to us by your Articles of Association and a decision of the shareholders, we have audited the accompanying financial statements of EXOSENS for the year ended 31 December 2024.

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 at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by 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 relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of shares

Description of risk

Shares are recorded in the balance sheet at their acquisition cost, including acquisition expenses. At 31 December 2024, the carrying amount of shares, including acquisition expenses, amounted to €225,072 thousand, representing one of the largest balance sheet items.

As stated in Note 4 *"Information on balance sheet items"* paragraph *"Impairment of non-current financial assets" of section 4.2"* Non-current financial assets" to the financial statements, impairment is recognized when the recoverable amount is lower than the carrying amount. The recoverable amount is estimated by Management as the value determined on the basis of discounted future cash flows.

Estimating the recoverable amount of these shares requires Management to make significant judgments concerning the choice of methodologies, assumptions and data used.

In view of the material nature of the equity interests and due to the sensitivity to Management's choices regarding the calculation methods and parameters, we considered the measurement of shares to be a key audit matter.

Our response

To assess the reasonableness of the estimated value in use of equity investments owned by EXOSENS, based on the information provided to us, our work consisted mainly in verifying that the estimated values determined by Management were based on an appropriate measurement method and data, and more specifically, we have:

- obtained from Management, the forecast future cash flows of the investees concerned, and assessed their consistency with the provisional data from the latest strategic plans;
- assessed the consistency of the significant assumptions used by Management to determine expected future cash flows, particularly with regard to past performances and the economic environment in which Group entities operate;
- assessed the reasonableness of the long-term growth rate and discount rate used, given the market analyses and the consensus of the key stakeholders, as well as their consistency with the projected cash flows to which they apply;
- assessed the reasonableness of the forecasts used for previous periods with actual results;
- examined whether i) the value in use of the equity investments and ii) any impairment was correctly determined on the basis of the method adopted by Management.

Lastly, we analysed the appropriateness of the disclosures provided in section 4.2 *"Non-current financial assets"* of Note 4 *"Information on balance sheet items"* to the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about the payment terms referred to in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

In accordance with the law, we draw your attention to the fact that, contrary to the provisions of Article L.22-10-10 6° of the French Commercial Code, the Company has not included in its corporate governance report a description of the procedure for regularly assessing whether agreements entered into on an arm's length basis meet these conditions, and how it is implemented.

Concerning the information given in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to compensation and benefits paid or awarded to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of EXOSENS by your Articles of Association on 16 March 2021 for PricewaterhouseCoopers Audit and by a decision of the shareholders on 30 December 2023 for Baker Tilly Strego.

At 31 December 2024, PricewaterhouseCoopers Audit and Baker Tilly Strego were in the third and the second consecutive year of their engagement, respectively, of which one year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of 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 expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to 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 of 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 taken by users on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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;
- obtain an understanding of the internal control procedures 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess 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 the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess 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 any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Toulouse and Nantes, 28 April 2025

The Statutory Auditors

PricewaterhouseCoopers Audit		**Baker Tilly Strego**	
Bertrand Cuq Partner	Anne Parenty Partner	Jean-Marc Binson Partner	François Pignon-Hériard Partner

Information about the Company, its share capital and its shareholders

7.1 Legal information

7.1.1 Company name

As at the date of this Universal Registration Document, the Company's name is "EXOSENS".

7.1.2 Registration place and number

The Company is registered on the Bordeaux Trade and Companies Register under number 895 395 101.

The Company's LEI (Legal Entity Identifier) is: 969500R3AKTPEDO9EG76

7.1.3 Date of incorporation and term of the Company

The Company was incorporated for a period of 99 years from the date of its registration on 16 March 2021, except in the event that it is wound up early or its term is extended by an extraordinary resolution of the shareholders passed at a General Meeting in accordance with the law and its Articles of Association.

The financial year begins on 1 January and ends on 31 December of each year.

7.1.4 Registered office, legal form and applicable legislation

The Company's registered office is at Domaine de Pelus, 18 Avenue de Pythagore, Axis Business Park Bat 5E, 33700 Mérignac, France. The telephone number of the registered office is 05 56 16 40 50.

At the date of this Universal Registration Document, the Company is a French *société anonyme* (public limited company) with a Board of Directors.

The Company's website address is www.exosens.com. The information on the Company's website does not form part of this Universal Registration Document.

7.1.5 Constitutional documents and Articles of Association

Objects

The Company's objects in France and abroad are as follows:

- buying, subscribing for, holding, managing, selling or contributing shares or other securities in any company;
- all services and advice on management, human resources, IT, management, communication, finance, legal affairs, marketing and purchasing for its subsidiaries and direct or indirect holdings;
- the activities of a group finance company and, as such, the provision of any type of financial assistance to companies forming part of the group of companies to which the Company belongs; and
- more generally, all financial, commercial, industrial and civil transactions, and all transactions involving immovable and movable property, which may be directly or indirectly related to the above objects or to any similar or related objects, and which may directly or indirectly promote the achievement of these objects by the Company, its expansion, its development and its corporate assets.

Provisions of the Articles of Association on administrative and management bodies

The description below summarises the main provisions of the Articles of Association and the Company's internal rules for the Board of Directors, in particular its operating methods and its powers.

Board of Directors (Articles 15, 17 and 18 of the Articles of Association and Articles 2, 3, 5 and 6 of the internal rules)

Composition of the Board of Directors

The Company is managed by a Board of Directors (the "**Board of Directors**") of at least three and no more than 18 members, subject to the exceptions provided for by law.

The Board of Directors may appoint one or more non-voting members, without the number of non-voting members sitting on the

Board of Directors exceeding two. Non-voting members are individuals or legal entities chosen from among or from outside the shareholders. Non-voting members are appointed for a term of four years, unless they resign or the Board decides to terminate their appointment early. The terms and conditions of the non-voting members' duties, including any remuneration, are determined by the Board of Directors. Non-voting members may be reappointed. They are invited to attend meetings of the Board of Directors, at which they may make observations but may not vote.

Lastly, the Board of Directors may appoint a lead director from among its individual members, who may not be the Chairman. If the functions of Chairman of the Board of Directors and Chief Executive Officer are combined, the Board of Directors must appoint a lead director. The powers of the lead director are defined in the Board of Directors' internal rules.

Appointment of directors

During the life of the Company, the directors are appointed, reappointed or dismissed in accordance with the conditions provided for in applicable laws and regulations.

Term of office of directors

A director's term of office is four years.

By way of exception, the shareholders at a General Meeting may, in order to introduce or maintain a principle of staggered renewal of the Board of Directors, appoint one or more directors for a different term of office not exceeding four (4) years or reduce the term of office of one or more directors in office to less than four (4) years. The term of office of any director so appointed or whose term of office is amended for a period not exceeding four (4) years shall expire at the close of the Ordinary General Meeting of shareholders called to approve the financial statements for the previous financial year and held in the year in which the term of office of that director expires.

Directors may be reappointed. They may be dismissed at any time by the shareholders at an Ordinary General Meeting.

Directors must not be over 70 years of age, it being specified that if this age limit is reached during a term of office, the director in question will continue to hold office until the end of the term, without being eligible for reappointment on expiry of the term. They are subject to the legislative and regulatory provisions applicable to multiple appointments.

In addition, the number of directors over the age of 70 may not exceed one third of the directors in office.

Identity of directors

Directors may be natural persons or legal entities. On appointment, legal entity directors must designate a permanent representative who is subject to the same conditions and obligations and who has the same liabilities as if they were a director in their own name, without prejudice to the joint and several liability of the legal entity they represent.

The permanent representative is appointed for the duration of the term of office of the legal entity they represent.

If the legal entity revokes the appointment of its permanent representative, it must notify the Company of this revocation and of the identity of its new permanent representative without delay by registered letter. The same applies in the event of the death, resignation or prolonged unavailability of the permanent representative.

Remuneration of directors

The shareholders at a General Meeting may allocate a fixed annual amount to the directors, by way of remuneration, which shall remain unchanged until a new resolution is passed. Its distribution between the directors is determined by the Board of Directors.

The directors may not receive any permanent or one-off remuneration from the Company for acting as directors other than the remuneration provided for by law.

Chairman of the Board of Directors

The Board of Directors elects a Chairman from among its individual members.

The Chairman is appointed for the duration of their directorship and may be dismissed by the Board of Directors at any time. They are eligible for reappointment.

The Chairman must not be over 70 years of age, it being specified that if this age limit is reached during their term of office, their duties will end at the close of the next Annual General Meeting.

Deliberations of the Board of Directors

The Board of Directors carries out the duties and exercises the powers conferred on it by law, the Company's Articles of Association and the Board of Directors' internal rules. The Board of Directors determines the direction of the Company's business, taking into account the issues referred to in Article L. 225-35 of the French Commercial Code, and oversees their implementation. Subject to the powers expressly granted to shareholders' meetings and within the limits of the Company's objects, it deals with any matter relating to the smooth running of the Company and settles all matters concerning the Company in the course of its meetings. The Board of Directors carries out the controls and verifications it deems appropriate.

The Board of Directors is convened (i) by the Chairman or (ii) at the request of at least two-thirds of its members on a specific agenda or (iii) in any circumstances by the lead director, when the functions of Chairman of the Board of Directors and Chief Executive Officer are combined or (iv) by the Chief Executive Officer or the lead director if the Chairman is unable to attend or is unable to act, as often as the interests of the Company so require, it being specified that the frequency and duration of Board meetings must be such as to allow in-depth examination and discussion of the matters falling within the Board's remit. The Chief Executive Officer may also ask the Chairman to convene a meeting of the Board of Directors on a specific agenda.

The Board of Directors may transact business, even where no Board meeting has been convened, if all its members are present or represented.

Executive Management (Article 19 of the Articles of Association)

Method of executive management

The Company's executive management is the responsibility of either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors may choose between these two methods of executive management at any time and, at least, whenever the term of office of the Chief Executive Officer expires or the term of office of the Chairman of the Board of Directors expires when the latter is also Chief Executive Officer of the Company.

Shareholders and third parties are informed of this choice in the manner required by law.

Where the Board of Directors chooses to separate the duties of Chairman and Chief Executive Officer, it appoints the Chief Executive Officer, sets their term of office, determines the remuneration of the Chairman and Chief Executive Officer and, where applicable, the restrictions on their powers.

When the executive management of the Company is assumed by the Chairman of the Board of Directors, the following provisions relating to the Chief Executive Officer apply. They are then appointed Chairman and Chief Executive Officer.

Deputy Chief Executive Officers

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The number of Deputy Chief Executive Officers may not exceed two.

The Chief Executive Officer and the Deputy Chief Executive Officers may not be over 65 years of age. When the Chief Executive Officer or a Deputy Chief Executive Officer reaches the age of 65, their duties end at the close of the next Annual General Meeting.

The term of office of the Chief Executive Officer or Deputy Chief Executive Officers is determined at the time of their appointment but may not exceed their term of office as a director.

Dismissal

The Chief Executive Officer may be dismissed at any time by the Board of Directors. The same applies, on the recommendation of the Chief Executive Officer, to the Deputy Chief Executive Officers.

If the Chief Executive Officer ceases to carry out, or is prevented from carrying out, their duties, the Deputy Chief Executive Officers shall retain their duties and powers until the appointment of a new Chief Executive Officer, unless the Board decides otherwise.

The Board of Directors determines the remuneration of the Chief Executive Officer and the Deputy Chief Executive Officers.

Powers

The Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in all circumstances. He exercises these powers within the limits of the Company's objects and subject to those powers expressly conferred by law on shareholders' meetings and the Board of Directors.

He represents the Company in its dealings with third parties. The Company is bound even by actions of the Chief Executive Officer that do not fall within the Company's objects, unless it can prove that the third party knew that the action exceeded those objects or that the third party must have been aware of that fact, in view of the circumstances. The mere publication of the Articles of Association shall not, however, constitute sufficient proof.

The powers of the Chief Executive Officer may be limited and certain decisions may be subject to the prior authorisation of the Board of Directors under the conditions set out in the Board of Directors' internal rules. Decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers conferred on the Deputy Chief Executive Officers. The Deputy Chief Executive Officers have the same powers in relation to third parties as the Chief Executive Officer.

The Chief Executive Officer or the Deputy Chief Executive Officers may, within the limits set by current legislation, delegate the powers they deem appropriate, for one or more specific purposes, to any agents, even those who are not Company employees, either individually or in a committee or commission, with or without the option of substitution, subject to the limits set by law. These powers may be permanent or temporary and may or may not include the power to substitute. Delegations of authority thus granted shall remain in full force and effect notwithstanding the expiry of the term of office of the person who granted them and they may be revoked at any time by the person who granted them or their successor.

Form, rights and obligations attached to the shares (Articles 10, 11, 12 and 13 of the Articles of Association)

Form of the shares

Fully paid-up ordinary shares may be held in registered or bearer form, at the shareholder's option, in accordance with current regulations.

As long as the Company's shares are admitted to trading on a regulated market, the Company is entitled to request the identification of holders of securities conferring immediate or future voting rights at its shareholders' meetings, as well as the quantities of securities held, under the conditions provided for by the laws and regulations in force.

Intermediaries registered as holders of securities on behalf of third parties are required (without prejudice to the reporting obligations of such third parties and the penalties incurred by them in the event of failure to comply) to make all the disclosures required by law and by the provisions of the Articles of Association in respect of all the shares in the Company for which they are the registered shareholder. Failure by the intermediary to make a declaration is subject to the sanctions set out in Article L. 228-3-3 of the French Commercial Code.

Rights and obligations attached to the shares

Each share entitles the holder to a proportionate share of the Company's profits and assets. In addition, each share entitles the holder to vote and be represented at General Meetings in accordance with the law and the Company's Articles of Association.

Each share carries the right to one (1) vote. However, double voting rights are granted to fully paid-up shares held in registered form by the same shareholder for at least two (2) years. In calculating this holding period, no account is taken of the period during which the Company's shares were held prior to the date of admission to trading on Euronext Paris.

Shareholders only bear losses up to the amount of their contributions.

The rights and obligations attached to the shares are transferred with title to the shares. Ownership of a share automatically entails acceptance of the Articles of Association and the resolutions passed at General Meetings.

Whenever it is necessary to own several shares in order to exercise any right, shares held singly or in a smaller number than that required do not give their owners any rights against the Company, shareholders having, in such cases, to arrange for the necessary number of shares to be held.

Indivisibility of shares – Usufruct

Shares may not be jointly owned from the Company's perspective.

Joint owners of undivided shares are represented at general meetings by one of their owners or by a single proxy. In the event of disagreement, the representative will be appointed by the court at the request of the most first joint owner to act.

If the shares are subject to usufruct, their registration in the account must show the existence of the usufruct. Unless an agreement to the contrary is notified to the Company by registered letter with acknowledgement of receipt, voting rights belong to the usufructuary at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

Transfer and sale of shares

Ordinary shares, whether in registered or bearer form, are freely negotiable, unless otherwise provided by law or regulations. They are recorded in an account and are transferred between accounts, in respect of the Company and third parties, in accordance with the procedures defined by the laws and regulations in force.

Changes in capital and rights attached to the shares (Article 8 of the Articles of Association)

The share capital may be increased, reduced or repaid in accordance with the law and the Articles of Association.

General Meetings (Article 21 of the Articles of Association)

Notice of meeting, venue

General Meetings are convened under the conditions, in the form and within the time limits laid down by law.

They are held at the registered office or at any other place indicated in the Notice of Meeting.

Agenda

The agenda for the Meeting is set out in the Notice of Meeting and is drawn up by the person issuing the Notice.

The General Meeting may only discuss matters appearing on its agenda but may, under any circumstances, remove one or more directors from office and replace them.

One or more shareholders representing at least the percentage of share capital provided for by law, and acting in accordance with the conditions and time limits laid down by law, may request that items and/or draft resolutions be included on the agenda.

Access to General Meetings

All shareholders have the right to attend General Meetings and to take part in the discussions in person or by proxy.

Any shareholder may take part in General Meetings, either in person or by proxy, under the conditions laid down by the regulations in force, by providing proof of their identity and of the ownership of their securities in the form of an accounting record of their securities in accordance with the conditions laid down by the laws and regulations in force.

If the Board of Directors decides to use telecommunication means, as published in the Notice of Meeting, shareholders who take part in the Meeting by video conference or by other means of telecommunication or teletransmission, including the internet, which enable them to be identified in accordance with the conditions laid down by the regulations in force, shall be deemed to be present for the purposes of calculating the quorum and majority.

Any shareholder may vote by post or appoint a proxy in accordance with the regulations in force, using a form drawn up by the Company and sent to it under the conditions laid down by the regulations in force, including by electronic or teletransmission means, as decided by the Board of Directors. This form must be received by the Company in accordance with the regulatory conditions in order to be taken into account.

Minutes of meetings are drawn up and copies are certified and delivered in accordance with the regulations in force.

The legal representatives of legally incompetent shareholders and individuals representing corporate shareholders may participate in General Meetings, whether or not they are shareholders in their own right.

Attendance sheet, officers, minutes

An attendance sheet containing the information required by law is kept for each Meeting.

Meetings are chaired by the Chairman of the Board of Directors or, in their absence, by a director appointed for this purpose by the Board. Failing this, the shareholders at the Meeting elect their own chairman.

The duties of scrutineers are performed by the two members of the Meeting present and accepting these duties, who themselves or as proxies have the greatest number of votes.

Officers designate the secretary may can be chosen from outside the shareholders.

The officers are responsible for checking, certifying and signing the attendance register, ensuring that the discussions are properly conducted, dealing with any incidents that may arise during the Meeting, checking and ensuring that votes are properly cast and ensuring that the minutes are drawn up.

Minutes are drawn up and copies or extracts of the discussions are issued and certified in accordance with the law.

Ordinary General Meeting

Ordinary General Meetings are called to pass all resolutions that do not amend the Articles of Association. An Ordinary General Meeting is held at least once a year, within six months of the end of each financial year, to approve the parent company financial statements for that year and the consolidated financial statements.

When convened for the first time, shareholders at the Meeting may only transact business if the shareholders present or represented or having voted by post hold at least one-fifth of the shares with voting rights. When convened for the second time, no *quorum* is required.

Resolutions are passed by the majority set out in the French Commercial Code.

Extraordinary General Meeting

Shareholders at Extraordinary General Meetings have sole authority to amend all provisions of the Articles of Association. Resolutions passed at Extraordinary General Meetings may not, however, increase shareholders' liabilities, except in the case of transactions resulting from a reverse share split that is properly carried out.

Shareholders at the Meeting may only transact business if the shareholders present, represented or having voted by post hold at least one quarter of the shares with voting rights, when convened for the first time, and one fifth of the shares with voting rights, when convened for the second time. If this quorum is not reached, the second Meeting may be adjourned to a date no more than two months after the date on which it was convened.

Resolutions are passed by the majority set out in the French Commercial Code.

Shareholders at the Extraordinary General Meeting may not, however, under any circumstances, except with the unanimous consent of the shareholders, increase the commitments of the shareholders, other than in connection with transactions resulting from a reverse share split that is properly carried out, or affect the equality of their rights.

Provisions allowing a change of control of the Company to be delayed, deferred or prevented

The Company's Articles of Association do not contain any provisions allowing a change of control to be delayed, deferred or prevented.

Crossing of thresholds set out in the Articles of Association (Article 14 of the Articles of Association)

As long as the Company's shares are admitted to trading on a regulated market, in addition to the declarations on crossing thresholds expressly provided for by the laws and regulations in force, any individual or legal entity who comes to own, directly or indirectly, alone or in concert, a fraction of the Company's share capital 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 (AMF)) equal to or greater than 0.5% of the share capital or voting rights, or any multiple of that percentage, including above the thresholds provided for by laws and regulations, must notify the Company of the total number of (i) shares and voting rights that they hold, directly or indirectly, alone or in concert (calculated in accordance with the rules set out in Article L. 233-9 of the French Commercial Code), (ii) securities giving future access to shares in the Company that it holds, directly or indirectly, alone or in concert, and the voting rights potentially attached thereto, and (iii) shares already issued that that person may acquire under an agreement or a financial instrument referred to in Article L. 211-1 of the French Monetary and Financial Code, without prejudice to the provisions of Articles 4 and 4 bis of Article L. 233-9 of the French Commercial Code. The same shall apply to the voting rights that this person may acquire under the same conditions. This notification must be sent by registered letter with acknowledgement of receipt within four trading days of the threshold being crossed.

The obligation to inform the Company also applies, within the same timeframe and under the same conditions, when the shareholder's holding of capital or voting rights falls below one of the aforementioned thresholds.

In the event of failure to comply with the aforementioned notification requirement, and at the request, recorded in the minutes of the General Meeting, of one or more shareholders representing at least 5% of the share capital or voting rights, the shares in excess of the fraction that should have been declared shall be stripped of their voting rights until the expiry of a period of two years following the date on which the notification is rectified.

The Company reserves the right to inform the public and shareholders either of the information notified to it or of any failure by the person in question to comply with the aforementioned obligation.

Specific clauses governing changes in share capital

With regard to changes in capital, the Company's Articles of Association do not contain any specific provisions that are stricter than the legal provisions.

History of the Company

In 1937, the Company started operating as a subsidiary of the Philips group under the name Hyperelec, specialising in the manufacture of optical measuring and recording instruments at its original offices in Brive-la-Gaillarde, France.

In 1998, the company left the Philips group and formed the Photonis Group in 2005 through a merger between Delft Electronic Products and Burle.

In 2021, the HLD Group took control of the Company.

In 2022 and 2023, the Group acquired several companies (Xenics, ProxiVision, El-Mul and Telops) to expand its portfolio of products. In September 2023, the Company changed its name to "EXOSENS".

The Company was listed on the stock exchange on 7 June 2024 in compartment A of the regulated market of Euronext Paris. The main purpose of the Company being listed was to enable the Group to reduce its indebtedness with a view to increasing its financial flexibility and supporting its growth. In 2024, the Group also carried out two new acquisitions, namely of Centronic and LR Tech, as part of its growth strategy.

KEY DATES FOR THE GROUP

1937	Hyperelec is created as a subsidiary of the Philips group
1998	Hyperelec leaves the Philips group
2005	Hyperelec merges with Delft Electronic Products and Burle to create Photonis
2007	New registered office in Mérignac
2021	HLD takes over control of the Company
End of 2022	Xenics is acquired
2023	ProxiVision, Telops and El-Mul are acquired The Company changes its name to EXOSENS
2024	Listing in compartment A of the regulated market of Euronext Paris Acquisitions of Centronic and LR Tech

7.1.6 Information that may have a material impact in the event of a public offer

No public offer has been made for the Company's share capital by a third party in either the previous or the current financial year.

Under Article L. 22-10-11 of the French Commercial Code, the following information may have a material impact in the event of a public offer:

Capital structure	See section 7.2.1 of this Universal Registration Document, which shows the breakdown of share capital and voting rights and the percentage of share capital and voting rights held by the main shareholders
Restrictions in the articles of association on exercising voting rights and transferring shares	See section 7.1.5 of this Universal Registration Document on the crossing of thresholds set out in the articles of association and transfers of shares
Direct or indirect shareholdings in the Company of which it is aware	See sections 7.2.1 and 7.2.2 of this Universal Registration Document
List of the holders of any securities conferring special rights of control and a description of those rights	There are no special rights of control over the Company
Control mechanisms provided for in any employee share ownership system, where the control rights are not exercised by the employees	Not applicable
Agreements between shareholders of which the Company is aware that may result in restrictions on transfers of shares and the exercise of voting rights	See section 7.2.3 of this Universal Registration Document, which describes the shareholders' agreement between HLD Europe and the Principal Individual Investors
Rules applicable to the appointment and replacement of members of the Board of Directors and amendments of the Company's articles of association	See section 3.1 of this Universal Registration Document, which describes the procedure for appointing and replacing members of the Board of Directors. There are no specific rules in addition to the laws and regulations that apply to amendments of the articles of association
Powers of the Board of Directors, in particular relating to the issue or buyback of shares	See section 7.3.2 of this Universal Registration Document, which contains details of the delegations of authority granted by the shareholders at General Meetings to the Board of Directors in these areas, and see section 7.1.5, which describes the powers of the Board of Directors
Agreements entered into by the Company that are amended or terminate on a change of control of the Company, save where such disclosure (except where required by law) would materially adversely affect its interests	See note 25 of section 6.1.2 of this Universal Registration Document and section 5.3.1 of this Universal Registration Document
Agreements providing for the payment of compensation to members of the Board of Directors or employees, if they resign or are wrongfully dismissed or if their employment is terminated as a result of a public offer	See section 3.3.1 of this Universal Registration Document, which contains details of the remuneration paid to corporate officers

7.2 Information about shareholders

7.2.1 Distribution of the share capital and voting rights

The table below shows how the Company's share capital and voting rights were distributed on 31 December 2024:

Shareholder	Number of shares	% of share capital	Number of voting rights	% of voting rights
HLD Europe SCA	21,016,089	41.38%	21,016,089	41.40%
Invest Prince Henri	3,353,623	6.60%	3,353,623	6.61%
Invest Gamma	2,408,726	4.74%	2,408,726	4.74%
HLD TOTAL(1)	**26,778,438**	**52.73%**	**26,778,438**	**52.75%**
Bpifrance Participations	2,285,260	4.50%	2,285,260	4.50%
Minority shareholders(2)	3,879,111	7.64%	3,879,111	7.64%
Treasury shares(3)	18,164	0.04%	-	-
Public	17,821,579	35.09%	17,821,579	35.11%
TOTAL	**50,782,552**	**100.00%**	**50,764,388**	**100.00%**

(1) HLD Europe SCA, Invest Prince Henri and Invest Gamma are managed by HLD Associés Europe and act in concert in relation to the Company.

(2) Including 945,526 shares held directly by Jérôme Cerisier, the Company's Chief Executive Officer.

(3) Treasury shares under the liquidity agreement entered into by the Company with Kepler Cheuvreux.

As far as the Company is aware, the table below shows how the Company's share capital and voting rights were distributed on 24 April 2025:

Shareholder	Number of shares	% of share capital	Number of voting rights	% of voting rights
HLD Europe SCA	14,644,884	28.84%	14,644,884	28.84%
Invest Prince Henri	2,337,869	4.60%	2,337,869	4.60%
Invest Gamma	1,678,492	3.31%	1,678,492	3.31%
HLD TOTAL(1)	**18,661,245**	**36.75%**	**18,661,245**	**36.75%**
Bpifrance Participations	3,677,453	7.24%	3,677,453	7.24%
Minority shareholders(2)	3,879,111	7.64%	3,879,111	7.64%
Treasury shares(3)	10,419	0.02%	-	-
Public	24,554,324	48.35%	24,554,324	48.36%
TOTAL	**50,782,552**	**100.00%**	**50,772,133**	**100.00%**

(1) HLD Europe SCA, Invest Prince Henri and Invest Gamma are managed by HLD Associés Europe and act in concert in relation to the Company.

(2) Including 945,526 shares held directly by Jérôme Cerisier, the Company's Chief Executive Officer.

(3) Treasury shares under the liquidity agreement entered into by the Company with Kepler Cheuvreux.

At the date of this Universal Registration Document, the Company's principal shareholder is HLD.

Founded in 2010 by a group of entrepreneurs, HLD is a European investment group with permanent capital and operations in Luxembourg, France, Switzerland, the Netherlands and Italy. HLD's mission is to support management teams in building companies that are leaders in their field. As such, HLD invests in companies with high potential and provides them with the human and financial resources to grow over the long term. Its approach is based on an entrepreneurial partnership and focuses on responsible operational development rather than financial leverage. With €4 billion in assets under management, HLD supports 22 companies that employ more than 96,000 people and that have enjoyed cumulative organic growth of more than 10%.

7.2.2 Crossing of thresholds

In 2024, the Company received the following declarations on crossing thresholds required by law and the Articles of Association:

Date on which threshold was crossed	Company	Threshold crossed (% of share capital)	Threshold crossed (% of voting rights)	Direction in which it was crossed
07/06/2024	Citadel Advisors LLC	0.5%	0.5%	Upwards
07/06/2024	Citigroup Inc.	0.5%	0.5%	Upwards
07/06/2024	Janus Henderson Group Plc	2.5%	2.5%	Upwards
07/06/2024	Millennium International Management LP	1.5%	1.5%	Upwards
11/06/2024	Bpifrance Participations	7.0%	7.0%	Upwards
11/06/2024	Caisse des Dépôts et Consignations(1)	10.5%	10.5%	Upwards
12/06/2024	BlackRock Inc.	1.0%	1.0%	Upwards
18/06/2024	Polar Capital LLP	0.5%	0.5%	Upwards
20/06/2024	BlackRock Inc.	1.5%	1.5%	Upwards
27/06/2024	Millennium International Management LP	2.0%	2.0%	Upwards
12/07/2024	LBP AM	2.0%	2.0%	Upwards
18/07/2024	Millennium International Management LP	2.0%	2.0%	Downwards
12/09/2024	LBP AM	2.5%	2.5%	Upwards
23/09/2024	BlackRock Inc.	1.5%	1.5%	Downwards
11/10/2024	Zürcher Kantonalbank	0.5%	0.5%	Upwards
14/10/2024	Zürcher Kantonalbank	0.5%	0.5%	Downwards
16/10/2024	Caisse des Dépôts et Consignations(1)	11.0%	11.0%	Upwards
29/10/2024	LBP AM SA	2.5%	2.5%	Downwards
07/11/2024	Amundi	3.0%	3.0%	Upwards
25/11/2024	BlackRock Inc.	1.5%	1.5%	Upwards
25/11/2024	Millennium International Management LP	1.5%	1.5%	Downwards
03/12/2024	LBP AM	2.5%	2.5%	Upwards
05/12/2024	Millennium International Management LP	1.0%	1.0%	Downwards
10/12/2024	Universal-Investment GmbH	0.5%	0.5%	Upwards
18/12/2024	Caisse des Dépôts et Consignations(1)	11.5%	11.5%	Upwards

(1) Including the combined direct shareholdings of Bpifrance Participations, CDC Croissance and CDC Tech Premium.

At the date of this Universal Registration Document, the Company had received, since 1 January 2025, the following declarations on crossing thresholds required by law and the Articles of Association:

Date on which threshold was crossed	Company	Threshold crossed (% of share capital)	Threshold crossed (% of voting rights)	Direction in which it was crossed
14/01/2025	HLD[(1)]	46.0%	46.0%	Downwards
14/01/2025	Caisse des Dépôts et Consignations[(2)]	12.0%	12.0%	Upwards
14/01/2025	DNCA Finance	2.0%	2.0%	Upwards
14/01/2025	Millennium International Management LP	1.0%	1.0%	Upwards
30/01/2025	LBP AM	3.0%	3.0%	Upwards
24/02/2025	Universal-Investment GmbH	0.5%	0.5%	Downwards
26/02/2025	DNCA Finance	2.5%	2.5%	Upwards
03/03/3035	BlackRock Inc.	2.0%	2.0%	Upwards
03/03/2025	Millennium International Management LP	1.0%	1.0%	Downwards
04/03/2025	BlackRock Inc.	2.0%	2.0%	Downwards
05/03/2025	Citadel Advisors LLC	0.5%	0.5%	Downwards
05/03/2025	Universal-Investment GmbH	0.5%	0.5%	Upwards
06/03/2025	Janus Henderson Group Plc	2.5%	2.5%	Downwards
10/03/2025	BlackRock Inc.	2.0%	2.0%	Upwards
10/03/2025	Millennium International Management LP	0.5%	0.5%	Downwards
11/03/2025	BlackRock Inc.	2.0%	2.0%	Downwards
14/03/2025	Citadel Advisors LLC	0.5%	0.5%	Upwards
17/03/2025	Citadel Advisors LLC	0.5%	0.5%	Downwards
18/03/2025	HLD[(1)]	39.5%	39.5%	Downwards
18/03/2025	BlackRock Inc.	2.0%	2.0%	Upwards
18/03/2025	Citadel Advisors LLC	0.5%	0.5%	Upwards
18/03/2025	Millennium International Management LP	0.5 %	0.5%	Upwards
21/03/2025	LBP AM	3.0%	3.0%	Downwards
24/03/2025	Universal-Investment GmbH	1.0%	1.0%	Upwards
26/03/2025	Citadel Advisors LLC	0.5%	0.5%	Downwards
04/04/2025	Edmond de Rothschild Asset Management	3.5%	3.5%	Upwards
07/04/2025	Millennium International Management LP	0.5%	0.5%	Downwards
07/04/2025	The Bank of New York Mellon Corporation	0.5%	0.5%	Upwards
08/04/2025	Millennium International Management LP	0.5%	0.5%	Upwards
08/04/2025	The Bank of New York Mellon Corporation	0.5%	0.5%	Downwards
09/04/2025	Citadel Advisors LLC	0.5%	0.5%	Upwards
09/04/2025	The Bank of New York Mellon Corporation	0.5%	0.5%	Upwards
09/04/2025	Universal-Investment GmbH	1.0%	1.0%	Downwards
10/04/2025	DNCA Finance	3.0%	3.0%	Upwards
10/04/2025	Millennium International Management LP	0.5%	0.5%	Downwards
10/04/2025	The Bank of New York Mellon Corporation	0.5%	0.5%	Downwards
11/04/2025	Citadel Advisors LLC	0.5%	0.5%	Downwards
15/04/2025	Citadel Advisors LLC	0.5%	05%	Upwards
17/04/2025	Universal-Investment GmbH	1.0%	1.0%	Upwards
18/04/2025	Columbia Threadneedle Investments	0.5%	0.5%	Upwards
23/04/2025	Bpifrance Participations	7.0%	7.0%	Upwards
23/04/2025	Caisse des Dépôts et Consignations[(2)]	12.0%	12.0%	Upwards

(1) Including HLD Europe SCA, Invest Prince Henri and Invest Gamma SCA, entities acting in concert in relation to the Company.

(2) Including the combined direct shareholdings of Bpifrance Participations, CDC Croissance and CDC Tech Premium.

7.2.3 Statement on the control of the Company

At the date of this Universal Registration Document, the Company is controlled by HLD.

Shareholders' agreement

As part of the Company's initial public offering, HLD Europe and certain minority shareholders of the Company, comprising certain executives and officers of the Company, including Jérôme Cerisier, the Company's Chief Executive Officer (directly and indirectly via his personal holding company) (the "Principal Individual Investors"), entered into a shareholders' agreement that took effect on the settlement-delivery date of the initial public offering, which occured on 11 June 2024, for the purpose of reaching agreement on a lock-up commitment to be made by the Principal Individual Investors in their capacity as shareholders of the Company.

The above-mentioned shareholders' agreement provides for:

- a specific lock-up commitment to be given by the Principal Individual Investors: the Principal Individual Investors will undertake, for a period expiring on the earlier of (i) the third (3^{rd}) anniversary of the settlement-delivery date of the initial public offering and (ii) the date on which HLD and its affiliated entities (together the "HLD Entities") hold less than 10% of the Company's share capital, not to issue, offer or sell options or agreements to purchase, purchase an option or agreement to sell, grant an option, right or a right to acquire, or transfer or dispose of, directly or indirectly, any shares or other equity securities or marketable securities conferring access to equity securities of the Company that they hold immediately following settlement-delivery of the initial public offering (the "Unavailable Securities"), or enter into any transactions involving derivatives or other transactions involving the Unavailable Securities with a similar economic effect, or publicly announce their intention to carry out any such transactions, subject to the following exceptions:

  (i) the transfer of Unavailable Securities by a Principal Individual Investor with the prior written consent of HLD;

  (ii) the transfer of Unavailable Securities as part of the administration of an estate in the event of death;

  (iii) subject to the prior written consent of HLD (which may not be unreasonably withheld or delayed), the transfer of Unavailable Securities by any individual Principal Individual Investor to a holding company;

  (iv) a gift by a Principal Individual Investor of Unavailable Securities to their spouse or to descendants;

  (v) the disposal of Unavailable Securities in connection with a takeover bid, exchange offer, alternative public offer or combined public offer; and

  (vi) a transfer of Unavailable Securities required under a legal or regulatory obligation.

For all these exceptions, the transferee of the Unavailable Securities must first accede to all the provisions of the shareholders' agreement in their capacity as a Principal Individual Investor.

- Tag-along rights: in the event of a transfer by an HLD Entity of some of its shares in the Company, subject to certain exceptions (including a transfer of shares in the Company between HLD Entities), the Principal Individual Investors may, notwithstanding the aforementioned lock-up commitment, freely dispose of a percentage of their Unavailable Securities equal to the percentage shareholdings transferred by the HLD Entities.
- Term of the shareholders' agreement: The shareholders' agreement shall expire on the fifth (5^{th}) anniversary of the settlement-delivery date of the initial public offering.
- Termination: The shareholders' agreement will be automatically terminated in advance of its expiry date (i) on the date on which HLD's direct and indirect shareholding in the Company (aggregated with that of its affiliates) falls below 5%, (ii) on the date on which the shareholding in the Company of any entity (other than an HLD Entity) exceeds 50% or (iii) on any other date agreed by the parties.

This shareholders' agreement does not establish a concert party within the meaning of Article L. 233-10 of the French Commercial Code.

7.2.4 Agreements that may result in a change of control

As at the date of this Universal Registration Document, there are no agreements the implementation of which could result in a change of control of the Company.

7.2.5 Commitments given to governments relating to the governance of certain Group entities

Commitments made by HLD Europe to the French Government

When it took control of the Group in 2021, HLD made various commitments to the French government. These commitments were made in accordance with regulations governing the control of foreign direct investment in France (Articles L.151-3 and R.151-1 et seq. of the French Monetary and Financial Code), as the Group is involved in activities that fall within the scope of the aforementioned provisions of the French Monetary and Financial Code, and in particular activities relating to national defense (the "Sensitive Activities"). In this respect, HLD has committed to ensuring that (i) the Group maintains its Sensitive Activities in France, (ii) the Group complies with an information compartmentalisation plan to protect data and information relating to these Sensitive Activities, and (iii) EXOSENS International, the parent company of the French subsidiaries that carry out the Sensitive Activities, establishes a security committee whose role is to ensure the continuity of the Sensitive Activities in France.

HLD remains subject to these commitments for as long as it controls the Group's companies within the meaning of Article L.233-3 of the French Commercial Code.

Commitments made by HLD Europe to the US Government

On 17 August 2017, Photonis Technologies (now EXOSENS International) and Photonis USA Pennsylvania, Inc. (now Photonis Defense Inc.), which operates the Lancaster site in the United States under U.S. Government clearance as a Cleared Facility, entered into a Special Security Agreement ("SSA") with the U.S. Department of Defense ("DoD"). Following the acquisition of the Group in 2021, HLD became a party to the SSA Agreement. The purpose of the SSA is to enable the U.S. Government to ensure that Photonis Defense Inc., a Cleared Facility owned by a non-U.S. entity, is protected from the control and influence of its foreign parent and can continue to operate without any adverse effect on U.S. security interests. The SSA is also intended to protect the United States against the unauthorised disclosure of national security information. The SSA also aims to protect against unauthorised access to classified information subject to U.S. export control regulations.

The specific clearance granted by the DoD also enables Photonis Defense Inc. to participate in classified US government programmes.

The SSA also provides a framework for the operation of Photonis Defense Inc. and contains, among other things, provisions relating to its governance. Within this framework, Photonis Defense Inc. has undertaken to put in place a strict organisational structure and specific procedures to ensure the protection of classified information and information relating to export controls which it holds as a result of its activities. To this end, Photonis Defense Inc. has set up a permanent committee, the Government Security Committee, reporting to its Board of Directors, to oversee and monitor compliance with export control and national security requirements. The SSA also requires Photonis Defense Inc.'s board of directors to include at least three outside directors, and the number of outside directors must exceed the number of inside directors. It is specified that these outside directors, as well as the officers of Photonis Defense Inc., must be resident citizens of the United States and benefit from DoD clearance. The SSA was entered into for an initial term of five years. It was renewed on 10 September 2024 for an additional term of five years.

On 6 July 2021, (i) HLD Europe S.C.A., (ii) PH Holding SAS (now EXOSENS), a subsidiary of the HLD group, (iii) Photonis International SAS (now EXOSENS International), (iv) Photonis Defense Inc., (v) Photonis Scientific Inc. and (vi) Photonis Holding Inc. entered into a National Security Agreement (the "NSA I", which was amended on 12 August 2022) with the U.S. Government, represented by the U.S. Department of Defense (DoD), the U.S. Department of Energy (DOE) and the U.S. Department of the Treasury. The NSA I was entered into as part of HLD's indirect acquisition of the entire share capital of Photonis International SAS, the parent company holding the equity interests of the Group's US operating subsidiaries. The NSA I provides for a number of undertakings relating to the Group's U.S. operations. In particular, the Group undertakes, for a renewable period of five years from the date of the NSA I, to supply, directly or indirectly, certain products (covered products) and services (covered services) of the Group's U.S. subsidiaries to the U.S. Government. The NSA I also governs the operations of the Group's U.S. subsidiaries, and in particular requires the appointment within these companies of a Security Officer responsible for ensuring compliance with the NSA I. Finally, the Group is also required to provide the U.S. Government with access and inspection rights to the facilities and equipment of its U.S. subsidiaries.

On 18 September 2023, (i) HLD Europe S.C.A., (ii) Photonis Group SAS (now EXOSENS), (iii) Telops Inc. and (iv) Telops USA Inc. entered into a national security agreement (the "NSA II") with the U.S. Government, represented by the U.S. Department of Energy (DOE) and the U.S. Department of the Treasury. The NSA II was entered into in connection with the Group's direct acquisition of all the shares and voting rights of Telops Inc. (see Section 5.2.2 "External growth transactions" of this Universal Registration Document). The NSA II Agreement sets out a number of obligations relating to Telops' US operations. In particular, the Group's shareholders, Telops Inc. and Telops USA Inc. have undertaken, for a period of three years from the date of the NSA II, to supply, directly or indirectly, certain Telops products (covered products) and services (covered services) to the U.S. Government. The NSA II also provides a framework for Telops' operations, requiring in particular (i) the appointment of a Security Officer within Telops, responsible for ensuring compliance with the NSA II, and (ii) the submission of an Annual Compliance Report to the U.S. Government. Finally, Telops is also required to provide the U.S. Government with a right of access and inspection of the facilities and equipment managed by Telops.

Commitments made by EXOSENS to the UK Government

The Final Order issued by the Chancellor of the Duchy of Lancaster pursuant to the National Security and Investment Act 2021 documents the restrictions placed by the UK Government on the acquisition by EXOSENS UK Limited of shareholdings in Centronic Group Limited, Centronic Holdings Limited and Centronic Limited. Certain sensors manufactured by Centronic are considered to be essential to the UK nuclear submarine fleet. The principal risk identified by the UK government was the relocation outside the United Kingdom of Centronic Limited's business and facilities, which would pose a risk to the country's defense capabilities, in particular its naval nuclear capabilities. The Final Order requires the relevant parties to maintain sensitive business activities in the United Kingdom for as long as the UK government continues to finance goods or services linked to the naval nuclear capabilities provided by the parties. This obligation entails a requirement to properly manage confidential information and intellectual property linked to the United Kingdom's naval nuclear capabilities. The parties must also provide the Chancellor of the Duchy of Lancaster with information or declarations confirming that they have complied with the terms of the Final Order.

Commitments made by EXOSENS to the French Government

The acquisition by EXOSENS International of the entire share capital of, and all the voting rights in, Noxant is subject to a number of conditions that seek to guarantee the continuity of Noxant's critical business activities and compliance with applicable French and non-French laws on export controls. The conditions principally require any sensitive business activities and industrial capabilities to remain in France, an audit to be carried out to verify any exposure to non-French laws and the introduction of training and information security initiatives and controls on intellectual property rights. The document also requires an Operating Contact Point (OCP) with defense clearance to be appointed to oversee compliance with these obligations and liaise with the Competent Authorities. The procedures for issuing notifications, exchanging information and carrying out annual monitoring (in the form of a detailed report and a financial statement) have also been defined and enable regular checks to be carried out on compliance with the imposed conditions.

7.2.6 Employee shareholdings

Options to subscribe for and purchase shares and awards of free shares

The Company has introduced a free share plan for the 2025-2026 period, described in paragraph 3.3.1.4(c) of this document.

Profit-sharing and incentive agreements

Profit-sharing agreements

Employees of Photonis France, a Group subsidiary located in France, are entitled to a share of profits based on results, in accordance with the conditions laid down by law.

Incentive agreements

Employees of Photonis France and Photonis Netherlands B.V. (a Group subsidiary based in the Netherlands) and EXOSENS SA benefit from an incentive scheme based on performance indicators.

7.2.7 Information on transactions in the Company's shares by corporate officers and similar persons

No transactions referred to in Article L. 621-18-2 of the French Monetary and Financial Code were carried out in the 2024 financial year.

7.3 Information about the share capital

7.3.1 Share capital subscribed for

At the date of this Universal Registration Document, the Company's share capital was €21,582,584.60, divided into 50,782,552 ordinary shares each with a par value of €0.425, fully paid up and all of the same class.

7.3.2 Delegations of authority and authorisations granted to the Board of Directors

The shareholders at the Combined General Meeting held on 31 May 2024 approved the following financial delegations of authority:

Nature of the delegation	Maximum duration	Maximum nominal amount
Authorisation granted to the Board of Directors to carry out transactions in the Company's shares (treasury shares)	18 months	Up to 10% of the total number of shares comprising the share capital
Authorisation granted to the Board of Directors to reduce the share capital by cancelling treasury shares	26 months	Up to 10% of the share capital per 24 months
Delegation of authority to the Board of Directors to increase the share capital by capitalisation of reserves, profits, premiums or any other amount	26 months	€4,250,000 of share capital
Delegation of authority to the Board of Directors to increase the share capital, disapplying shareholders' preferential subscription rights, by issuing ordinary shares as part of a public offer	12 months	€9 million
Delegation of authority to the Board of Directors to increase the share capital, disapplying shareholders' preferential subscription rights, by issuing ordinary shares as part of a public offer referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code	12 months	€9 million Up to 20% of the share capital
Delegation of authority to the Board of Directors, disapplying shareholders' preferential subscription rights, to issue ordinary shares in the Company to Bpifrance Participations	12 months	€9 million
Delegation of authority to the Board of Directors to increase the share capital, with preferential subscription rights, by issuing marketable securities conferring access to equity securities to be issued	26 months	€10,625,000 of share capital €500 million for debt securities
Delegation of authority to the Board of Directors to increase the share capital, disapplying shareholders' preferential subscription rights, by issuing shares and/or marketable securities conferring access to equity securities to be issued, with a compulsory priority period, through public offers other than those referred to in Article L. 411-2 of the French Monetary and Financial Code	26 months	€4,250,000 of share capital(1)
Delegation of authority to the Board of Directors to increase the share capital, disapplying shareholders' preferential subscription rights, by issuing shares and/or marketable securities conferring access to equity securities to be issued, with an optional priority period, through public offers other than those referred to in Article L. 411-2 of the French Monetary and Financial Code	26 months	€2,125,000 of share capital(1) €500 million for debt securities
Delegation of authority to the Board of Directors to increase the share capital, disapplying shareholders' preferential subscription rights, by issuing shares and/or marketable securities conferring access to equity securities to be issued, through public offers referred to in Article L. 411-2 of the French Monetary and Financial Code	26 months	€2,125,000 of share capital(1) €500 million for debt securities
Authorisation granted to the Board of Directors, in the event of an issue on which shareholders' preferential subscription rights are disapplied, through public offers, to set the issue price in accordance with the procedure decided by the shareholders at the General Meeting, limited to 10% of the shares capital per year	26 months	€2,125,000 of share capital(1) €500 million for debt securities
Delegation of the necessary powers to the Board of Directors to increase the share capital by issuing shares and/or marketable securities conferring access to equity securities to be issued, in consideration for contributions in kind	26 months	€2,125,000 of share capital(1) €500 million for debt securities
Delegation of authority to the Board of Directors to increase the share capital, disapplying shareholders' preferential subscription rights, by issuing ordinary shares in the Company restricted to members of a company savings plan	26 months	€637,500 of share capital(1)
Delegation of authority to the Board of Directors to increase the share capital, disapplying shareholders' preferential subscription rights, by issuing ordinary shares to a specific category of beneficiaries	18 months	€637,500 of share capital(1)
Authorisation granted to the Board of Directors to award shares in the Company to officers and employees of the Company and related companies, automatically requiring shareholders to waive their preferential subscription rights	38 months	€10,625,000 of share capital Limited to 20% of the overall budget

(1) The maximum aggregate nominal amount of the capital increases that may be carried out under this authorisation is €10,625,000.

On 6 June 2024, the Board of Directors used the following delegations of authority:

- decision, as part of the Initial Public Offering, to increase the Company's share capital in consideration for cash, disapplying shareholders' preferential subscription rights, as part of a public offer referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code;
- decision, as part of the Initial Public Offering, to increase the Company's share capital, disapplying shareholders' preferential subscription rights in favour of Bpifrance Participations, subject to the condition precedent of Settlement-Delivery.

On 4 July 2024, the Board of Directors used the following delegation of authority:

- approval and authorisation to introduce a share buyback programme - entry into a liquidity agreement.

7.3.3 Changes to the Company's share capital

CHANGES IN THE COMPANY'S SHARE CAPITAL OVER THE LAST THREE FINANCIAL YEARS

Date	Type of transaction	Share capital before transaction	Number of shares before transaction	Number of shares after transaction	Par value	Capital after transaction
16 March 2021	Incorporation of the Company	N/A	N/A	10,000	€0.01	€100
22 July 2021	Capital increase of €1,899,999	€100	10,000	190,009,900	€0.01	€1,900,099
22 July 2022	Capital increase of €24,051.25 through the capitalisation of additional paid-in capital under a free share plan	€1,900,099	190,009,900	192,415,025	€0.01	€1,924,150.25
15 September 2022	Capital increase of €17,162.50 through the capitalisation of additional paid-in capital as part of a free share plan	€1,924,150.25	192,415,025	194,131,275	€0.01	€1,941,312.75
19 May 2023	Capital increase of €5,791.87 through the capitalisation of additional paid-in capital under the free share plan	€1,941,312.75	194,131,275	194,710,462	€0.01	€1,947,104.62
13 July 2023	Capital increase of €493.75 through the capitalisation of additional paid-in capital under the free share plan	€1,947,104.62	194,710,462	194,759,837	€0.01	€1,947,598.37
15 March 2024	Capital increase of €2,057.95 through the capitalisation of additional paid-in capital under the free share plan	€1,947,598.37	194,759,837	194,965,632	€0.01	€1,949,656.32
6 June 2024	Capital increase of €1,959.20 as a result of the exercise of 195,920 class "R1" preference share warrants	€1,949,656.32	194,965,632	195,161,552	€0.01	€1,951,615.52
6 June 2024	Capital increase of €12,154,937.60 by capitalising an issue premium as a result of increasing the par value of the ordinary shares	€1,951,615.52	195,161,552	195,161,552	€0.01 (preference shares) €0.17 (ordinary shares)	€14,106,553.12
6 June 2024	Reverse split of ordinary shares	€14,106,553.12	195,161,552	149,580,536	€0.425 (ordinary shares) and €0.01 (preference shares)	€14,106,553.12
11 June 2024	Capital increase of €12,983.48 by capitalising the amount of "issue premiums"	€14,106,553.12	149,580,536	150,878,884	€0.425 (ordinary shares) and €0.01 (preference shares)	€14,119,536.60
11 June 2024	Capital increase as a result of share conversions and mergers	€14,119,536.60	150,878,884	41,782,551	€0.425	€17,757,584.175
11 June 2024	Completion of capital increases following the initial public offering	€17,757,584.175	41,782,551	50,782,552	€0.425	€21,582,584.60

7.3.4 Share buybacks and liquidity agreement

Share buyback programme

At the General Meeting held on 31 May 2024, the shareholders authorised, for a period of 18 months from the date of the meeting, the Board of Directors, with powers to subdelegate within the law and regulations, in accordance with the provisions of Articles L. 22-10-62 et seq. and L. 225-210 et seq. of the French Commercial Code, to purchase, on one or more occasions and at such times as it shall determine, a number of shares in the Company which may not exceed 10% of the total number of shares comprising the share capital at any time, or 5% of the total number of shares comprising the share capital in the case of shares acquired by the Company with a view to their retention and subsequent remittance in payment or exchange in connection with a merger, demerger or contribution, it being stipulated that the number of shares held by the Company may under no circumstances result in the Company holding more than 10% of the shares comprising its share capital at any time.

Shares may be acquired, at the discretion of the Board of Directors, in order to:

- ensure liquidity and market-making in the Company's securities through an investment services provider acting independently under a liquidity agreement that complies with the market practice accepted by the AMF;
- allocate to corporate officers and members of staff of the Company and Group entities under (i) the employee profit-sharing plan, (ii) any stock option plan involving the Company's shares, in accordance with the provisions of Articles L. 225-177 et seq. and L. 22-10-56 et seq. of the French Commercial Code, (iii) any savings plan in accordance with the provisions of Articles L. 3331-1 et seq. of the French Labour Code, or (iv) any free share allocation plan in accordance with the provisions of Articles L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code, in addition to performing all hedging transactions related to these operations, under the conditions laid down by the market authorities and at the times that the Board of Directors or the person acting under a delegation granted by the Board of Directors deems appropriate;
- deliver shares in the Company on the exercise of rights attached to marketable securities providing an entitlement, directly or indirectly, by redemption, conversion, exchange, presentation of a warrant or in any other way to the allotment of shares in the Company within the framework of the regulations in force, and to carry out any hedging transactions relating to these operations, under the conditions laid down by the market authorities and at the times that the Board of Directors or the person acting under a delegation granted by the Board of Directors deems appropriate;
- hold the Company's shares and subsequently remit them in payment or exchange in connection with any acquisitions, mergers, demergers or asset-for-share exchanges;
- cancel the Company's shares as part of a capital reduction;
- implement any market practice that would be accepted by the AMF and, more generally, carry out any transaction permitted by law.

The maximum unit purchase price, excluding costs, may not exceed €40.00.

The Board of Directors may, however, in the event of transactions affecting the Company's share capital, including a change in the par value of the shares, a capital increase by capitalisation of reserves followed by the creation and free allocation of shares, or a stock split or reverse stock split, adjust the aforementioned maximum purchase price to take account of the impact of such transactions on the value of the Company's shares.

The acquisition, sale or transfer of these shares may be carried out and paid for by any means permitted by the regulations in force, on a regulated market, on a multilateral trading facility, with a systematic internaliser *(internalisateur systématique)* or over-the-counter *(gré à gré)*, in particular by means of the acquisition or sale of blocks of shares, through the use of options or other derivative financial instruments, or warrants or, more generally, marketable securities providing an entitlement to shares in the Company, at such times as the Board of Directors shall see fit, excluding periods in which the Company's shares are the subject of a takeover bid.

The Board of Directors shall have full powers, with powers to subdelegate in accordance with the law and regulations, in order, in compliance with the relevant legal and regulatory provisions, to make any permitted reallocations of shares purchased for any of the objectives of the programme, for one or more of its other objectives, or to sell them on or off the market.

At the date of this Universal Registration Document, the Board of Directors had not used this delegation of authority.

The shareholders at the Company's General Meeting to be held on 23 May 2025 will be asked to renew the authorisation granted to the Board of Directors by the shareholders at the General Meeting held on 31 May 2024 described above, subject to the same conditions.

Liquidity agreement

On 8 July 2024, the Company entered into a liquidity agreement with Kepler Cheuvreux to provide liquidity and market-making in the Company's shares. This liquidity agreement took effect on 18 July 2024 for an initial term of 12 months, tacitly renewable for successive twelve-month periods. As part of the implementation of this liquidity agreement, €2.0 million was initially credited to the liquidity account.

Under this liquidity agreement, over the period beginning on 18 July 2024 and 31 December 2024, the total number of shares traded was:

- in terms of purchases, 276,135 shares for a total of €5,428,851.53 (2,022 transactions); and
- in terms of sales, 257,971 shares for a total of €5,099,797.38 (1,697 transactions).

At 31 December 2024, the Company held 18,164 treasury shares under this liquidity agreement.

7.3.5 Securities not representing the share capital

As at the date of this Universal Registration Document, the Company has not issued any securities not representing capital.

7.3.6 Other securities giving access to the share capital

As at the date of this Universal Registration Document, the Company has not issued any securities giving access to the share capital other than the ordinary shares described in Section 7.3 (Share capital subscribed for) of this Universal Registration Document.

7.3.7 Conditions governing any acquisition rights and/or obligations attached to share capital that is subscribed for but not paid up

None.

7.3.8 Share capital of any Group company which is under option or an agreement to be put under option

None.

7.4 The market in the securities

7.4.1 Listing venue and indices

EXOSENS' shares have been listed on compartment A of the Euronext Paris regulated market since 7 June 2024 and are eligible for the deferred settlement service.

SHARE PROFILE – EXOSENS

ISIN code	FR001400Q9V2
Ticker	EXENS
Listing venue	Continuous trading on Compartment A (Large Cap) of Euronext Paris
Eligibility of the shares	Deferred settlement Service (SRD), Share Savings Plans (PEAs)
Listing currency	Euro
Number of shares admitted	50,782,552
Par value	€0.425
Indices	SBF 120, CAC Mid 60, CAC Mid & Small, CAC All-Tradable, CAC All-Shares, MSCI France Small Cap, FTSE Total-Cap, FTSE Micro Cap, Euro STOXX Total Market, Euronext Tech Croissance, Euronext Tech Leaders
ICB classification	50202025 (*Electronic Equipment: Gauges and Meters*)
Listing date	7 June 2024

7.4.2 Stock market data

At 31 December 2024, the EXOSENS share price was €19.43, while its price at the time of its initial public offering was €20.00.

Movements in the EXOSENS share price since it was listed on Euronext Paris on 7 June 2024 are set out below:

Date	Number of trading sessions	Highest price (in euros)	Lowest price (in euros)	Average closing price (in euros)	Monthly volume	Share capital traded (in euros)
June 2024	16	24.945	19.400	21.397	3,988,576	91,662,155
July 2024	23	22.600	19.420	21.228	459,491	9,832,911
August 2024	22	20.960	18.860	19.676	469,824	9,330,486
September 2024	21	21.895	19.300	20.161	768,544	15,672,364
October 2024	23	22.205	18.894	20.506	660,819	13,527,132
November 2024	21	20.980	18.040	19.668	1,438,298	28,206,681
December 2024	20	19.600	16.842	18.305	828,442	15,177,092
January 2025	22	23.875	18.952	21.304	1,579,100	33,258,343
February 2025	20	25.980	21.465	23.292	1,186,791	28,097,279
March 2025	21	36.200	29.000	32.948	4,083,021	133,369,450

Source: Euronext.

7.4.3 Investor relations

The Investor Relations department is responsible for the Company's financial communications and its relations with the financial community as a whole, including financial analysts, institutional investors and the Company's shareholders.

Since its initial public offering on Euronext Paris on 7 June 2024, the Company has maintained regular contact with the financial community to ensure that the market is provided with the most recent and complete information about its activities, its strategy and its results and outlook, in line with best market practices and in strict compliance with stock market rules.

The Company's financial results are presented to the financial community (i.e. financial analysts and investors) via conference calls and audio webcasts (live and then in recordings), organised each quarter and led by the Company's Chief Executive Officer and Chief Financial Officer.

In addition to these regular communications, the Company participates to roadshows and conferences in France and abroad throughout the year in order to meet its current shareholders and new investors.

COVERAGE OF THE STOCK BY FINANCIAL ANALYSTS

Company	Analyst
Bernstein	Aleksander Peterc
BNP Paribas Exane	Laurent Gelebart
Citi	Charles Armitage
J.P. Morgan	David Perry
Kepler Cheuvreux	Aymeric Poulain
Oddo BHF	Aurélien Sivignon
Stifel	Alexander Wahl
TP ICAP	Veneta Nikolova

7.4.4 Other information

Management of registered share register

UPTEVIA

90-110, Esplanade du Général de Gaulle, 92931 Paris La Défense Cedex – France

Website: www.uptevia.com

Management of the liquidity agreement

KEPLER CHEUVREUX

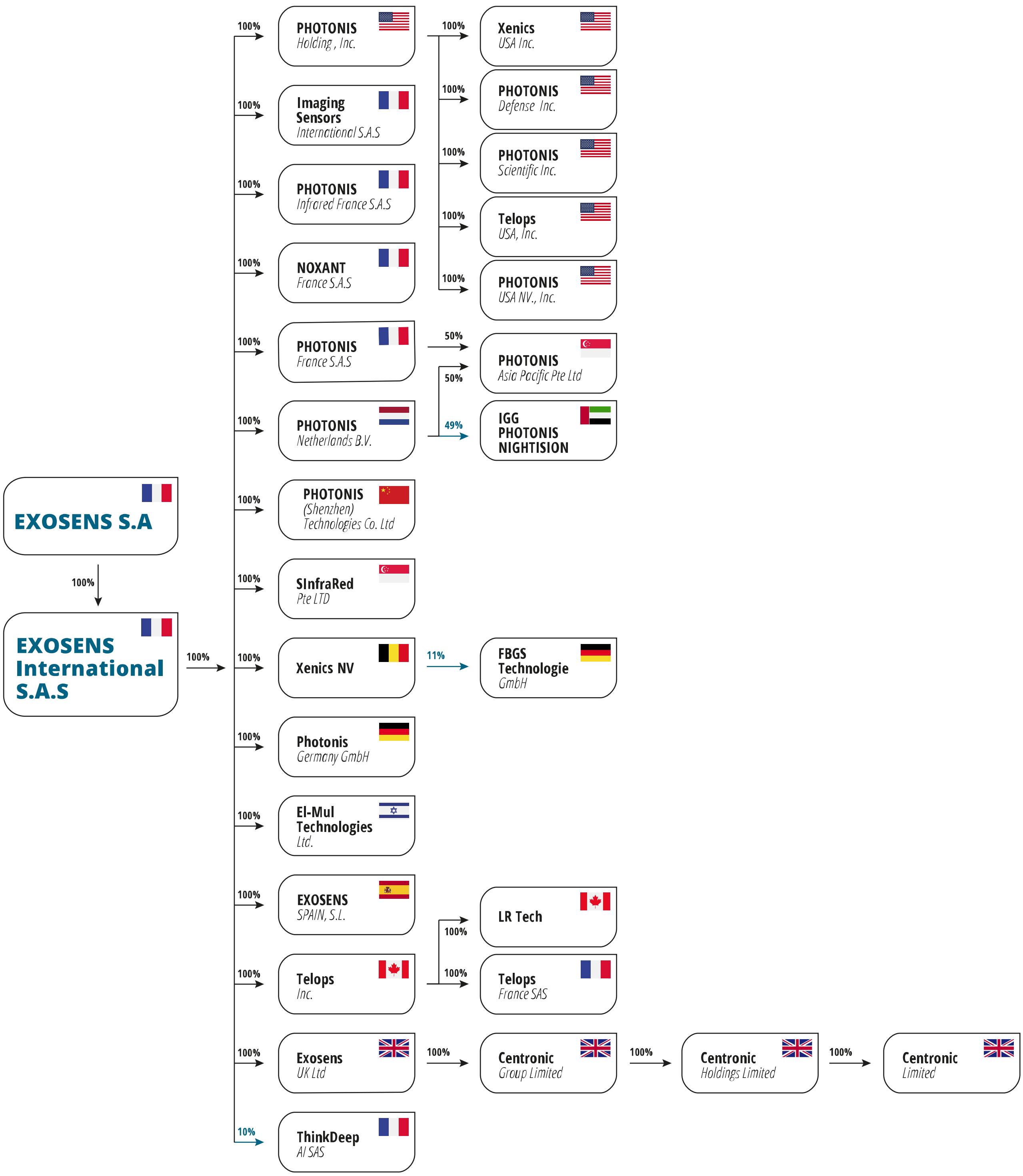
112, Avenue Kléber, 75116 Paris – France

Website: www.keplercheuvreux.com

7.5 Subsidiaries and affiliates

7.5.1 Simplified Group structure chart

The simplified structure chart set out below shows the legal structure of the Group and its consolidated subsidiaries at 31 December 2024:



07

7.5.2 Subsidiaries and affiliates

Main subsidiaries

The main direct or indirect subsidiaries of the Company (all wholly-owned in share capital and voting rights) at 31 December 2024 are described below:

- **EXOSENS International SAS** is a French *société par actions simplifiée* (simplified company limited by shares) with share capital of €386,628,523, whose registered office is at Domaine de Pelus, 18 Avenue de Pythagore, Axis Business Park Bat 5^{e}, 33700 Mérignac, France, and registered in the Bordeaux Trade and Companies Register under number 534 190 913;
- **Photonis France** is a French *société par actions simplifiée* (simplified company limited by shares) with share capital of €10,000,000, whose registered office is at Avenue Roger Roncier, 19100 Brive, France, and registered in the Brive Trade and Companies Register under number 383 300 597;
- **Photonis Netherlands** is a company incorporated under Dutch law, with share capital of €101,627,546, whose registered office is in Roden, the Netherlands, and registered in the Roden Trade and Companies Register under number 820734883;
- **Photonis Defense Inc.** is a US corporation with share capital of USD 130,205,316, whose registered office is at 1000 New Holland Avenue, Lancaster, Pennsylvania, and registered in the State of Pennsylvania under number 976175.
- **Photonis Scientific Inc.** is a US corporation with share capital of USD 8,813,497, whose registered office is at 660 Main Street, Sturbridge Park, Sturbridge, Massachusetts, and registered in the State of Delaware under number 3031581.

The internal rules of the Board of Directors provide that a certain number of important decisions relating to the Group's subsidiaries must be authorised in advance by the Company's Board of Directors, acting by a two-thirds majority of its members present or represented (see also Section 19.2.2 (Provisions of the Articles of Association relating to administrative and management bodies – Internal rules of the Board of Directors) of this universal registration document).

The internal rules are available in the section Investors/Regulated information/Legal documents on the Company's website (https://www.exosens.com).

Recent acquisitions

The Group's recent acquisitions and disposals are described in section 5.1 (Acquisitions) of this Universal Registration Document.

Further information

8.1 Persons responsible

8.1.1 Person responsible for the Universal Registration Document

Jérôme Cerisier, Chief Executive Officer.

8.1.2 Statement of the person responsible

“I certify that the information contained in this registration document is, to my knowledge, accurate and contains no omission that might alter its meaning. I certify that, to the best of my knowledge, the annual financial statements and the consolidated financial statements have been prepared in accordance with the relevant accounting standards and give an accurate and fair view of the assets and liabilities, financial position and profit or loss of the issuer and all the companies included in the consolidation, and that the management report, consisting of the sections referred to in the cross-reference table in section 8. 4 of this universal registration document, presents an accurate view of the development of the business, the results and the financial position of the issuer and of all the companies included in the consolidation, as well as a description of their main risks and uncertainties, and that it has been prepared according to applicable sustainability reporting standards. "

Jérôme Cerisier,
Chief Executive Officer of the Company.

8.1.3 Third party information, experts’ reports and declarations of interest

This Universal Registration Document contains information about the Group’s markets and its position in them, including information about the size of these markets, their competitive environment and dynamics, as well as their growth prospects. Other than the estimates made by the Group, the elements on which the Group bases its statements are taken, in each case specifically indicated in this Universal Registration Document, from studies carried out at the request of the Company by Roland Berger and Renaissance Strategic Advisors, studies and statistics from independent third parties and professional organisations, as well as figures published by the Group's customers, competitors and suppliers.

To the best of the Company’s knowledge, this information has been accurately reproduced and no facts have been omitted that would make this information inaccurate or misleading. The Company cannot guarantee that a third party using different methods to gather, analyse or calculate data on these markets would obtain the same results.

8.2 Person responsible for auditing the financial statements

PricewaterhouseCoopers Audit

Member of the Compagnie régionale des commissaires aux comptes de Versailles et du Centre

Represented by Bertrand Cuq
1, place Occitane
BP 28036
31080 Toulouse Cedex 06

Appointed in the Articles of Association dated 16 March 2021 for a term of six financial years, i.e., until the Ordinary General Meeting called to approve the financial statements for the period ending 31 December 2027.

Baker Tilly Strego

Member of the Compagnie régionale des commissaires aux comptes Ouest Atlantique

Represented by Jean-Marc Binson and François Pignon-Hériard
4, rue Papiau de la Verrie
BP 70948
49009 Angers Cedex 01

Appointed by collective decision of the shareholders on 22 December 2023 to replace Société Fiduciaire Nationale de Révision Comptable FIDAUDIT, which resigned from its position as Joint Statutory Auditor, for the remainder of its term of office, i.e., until the Ordinary General Meeting called to approve the financial statements for the period ending 31 December 2027.

8.3 Documents available to the public

The Company’s Articles of Association, minutes of General Meetings and other corporate documents, as well as any valuation or statement drawn up by an expert at the Company’s request that must be made available to shareholders, in accordance with applicable legislation, may be consulted at the Company’s registered office.

Regulated information as defined in the General Regulation of the AMF is also available on the Company's website (www.exosens.com).

8.4 Cross-reference tables

8.4.1 Cross-reference table with the sections of Annex 1 of Commission Delegated Regulation (EU) 2019/980

The cross-reference table below identifies the pages of this Universal Registration Document on which information relating to the main headings required by the Regulation is mentioned.

Information		Chapters
1	**Persons responsible, third party information, experts' reports and competent authority approval**	
1.1	Persons responsible for the information	8.1.1
1.2	Statement of the person responsible	8.1.2
1.3	Statements by experts and declarations of interest	8.1.3
1.4	Third-party information	8.1.3
1.5	Statement that the registration document has been approved by the competent authority	Cover page
2	**Statutory auditors**	
2.1	Information on the statutory auditors	8.2
2.2	Information on the possible resignation or non-reappointment of the statutory auditors	8.2
3	**Risk factors**	4
4	**Information about the issuer**	
4.1	Legal and commercial name of the Company	7.1.1
4.2	Place of registration of the Company, its registration number and legal entity identifier	7.1.2
4.3	Date of incorporation and length of life of the Company	7.1.3
4.4	Registered office, legal structure and regulations applicable to the Company	7.1.4
5	**Business overview**	
5.1	Principal activities	1.1 and 1.3
5.2	Principal markets	1.2
5.3	Important events in the development of the Company's business	1.4.2 and 5.1
5.4	Description of the strategy and objectives	1.4.2
5.5	Extent of dependence on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	1.5
5.6	Basis for any statements made by the issuer regarding its competitive position	1.2.1
5.7	Investments	5.7
5.7.1	*Description of the Company's material investments*	*5.7*
5.7.2	*Description of any investments of the Company that are in progress or for which firm commitments have already been made, including their geographic distribution*	*5.7*
5.7.3	*Provide information relating to the joint ventures and undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses*	*5.7*
5.7.4	*Describe any environmental issues that may affect the Company's utilisation of its tangible fixed assets*	*5.7*
6	**Organisational structure**	
6.1	Description of the Group	7.5.1
6.2	List of significant subsidiaries	7.5.2
7	**Operating and financial review**	
7.1	Financial condition	5.2 and 5.3
7.1.1	*Description of business for the periods presented*	*5.2*
7.1.2	*Explanations on the Company's likely future development and activities in the field of research and development*	*1.5 and 5.8*
7.2	Operating results	5.2
7.2.1	*Events that have impacted the issuer's income from operations*	*5.2*
7.2.2	*Reasons for material changes in net sales or revenues*	*5.2*

Information		Chapters
8	**Capital resources**	
8.1	Information concerning the Company's capital resources	5.3.1
8.2	Sources and amounts of and a narrative description of the issuer's cash flows	5.3.2
8.3	Information on the borrowing requirements and funding structure of the issuer	5.3.1 and 5.3.4
8.4	Information regarding any restrictions on the use of capital resources that could materially affect the issuer's operations	5.3.1
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments	5.3.1
9	**Regulatory environment**	
9.1	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, the issuer's operations	1.7
10	**Trend information**	
10.1	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year Significant change in the financial performance of the Company	5.8.1
10.2	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	5.8.1
11	**Profit forecasts or estimates**	5.8.2
12	**Administrative, management and supervisory bodies and senior management**	
12.1	Members of the administrative and management bodies	3.1
12.2	Administrative, management and supervisory bodies and senior management conflicts of interests	3.1.3
13	**Remuneration and benefits**	
13.1	Amount of remuneration paid and benefits in kind	3.3.2 and 3.3.3
13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	3.3.6
14	**Board practices**	
14.1	Date of expiration of the current term of office	3.1.1
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer	3.3
14.3	Information about the issuer's audit committee and remuneration committee	3.1.5
14.4	Statement of corporate governance compliance	3.1.2
14.5	Potential impacts on the corporate governance, including future changes in the board and composition of committees	3.1.1 and 3.1.5
15	**Employees**	
15.1	Number of employees	2.5.8
15.2	Shareholdings and stock options	7.2.6
15.3	Arrangements for involving the employees in the capital of the issuer	7.2.6
16	**Major shareholders**	
16.1	Shareholders holding more than 5% of the capital	7.2.1
16.2	Existence of different voting rights	7.2.1
16.3	Issuer ownership or control	7.2.1
16.4	Arrangements the operation of which may result in a change in control of the issuer	7.2.4
17	**Related party transactions**	
17.1	Details of related party transactions	3.4
18	**Financial information concerning the Company's assets and liabilities, financial position and profits and losses**	
18.1	Historical financial information	6.1 and 6.3
18.2	Interim and other financial information	N/A
18.3	Auditing of historical annual financial information	6.2 and 6.4
18.4	*Pro forma* financial information	N/A
18.5	Dividend policy	5.9
18.6	Legal and arbitration proceedings	5.10
18.7	Significant change in the issuer's financial or trading position	5.5

Information		Chapters
19	**Additional information**	
19.1	Share capital	7.3
19.1.1	*Amount of subscribed capital and information relating to each class of share capital*	*7.3.1*
19.1.2	*Number and main characteristics of shares not representing capital*	*7.3.5*
19.1.3	*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*	*7.3.3*
19.1.4	*Amount of any convertible securities, exchangeable securities or securities with warrants*	*7.3.6*
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*	*7.3.7*
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*	*7.3.8*
19.1.7	*History of share capital for the period covered by the historical financial information*	*7.3.3*
19.2	Memorandum and Articles of Association	7.1.5
19.2.1	*The trade and company register and the entry number therein, and a brief description of the Company's objects and purposes*	*7.1.1 and 7.1.2*
19.2.2	*Description of the rights, preferences and restrictions attaching to each class of existing shares*	*7.1.5*
19.2.3	*Provisions that would have an effect of delaying, deferring or preventing a change in control of the issuer*	*7.2.4*
20	**Material contracts**	5.6
21	**Documents available**	8.3

8.4.2 Cross-reference table for the information required in the management report

The cross-reference table below helps to identify the information that makes up the management report in this Universal Registration Document in accordance with the applicable legislative and regulatory provisions, notably Article L. 232-1 of the French Commercial Code.

Topics		Chapters
1	**Information on the Company's activity**	
1.1	Presentation of the activity (notably progress made and difficulties encountered) and the results of the Company, each subsidiary and the Group	5.2
1.2	Analysis of business developments, results, the financial position and, in particular, indebtedness of the Company and Group	5.2; 5.3
1.3	Foreseeable development of the Company and/or Group	5.8
1.4	Key financial and non-financial indicators of the Company and Group	5.2
1.5	Important events for the Company and Group after closing	5.11
1.6	Indications of the Company's objectives and policy concerning the hedging of each main category of forecast transactions for which hedge accounting is used, as well as its exposure to price, credit, liquidity and cash flow risks. These indications include the Company's use of financial instruments	6.1 Note 31
1.7	Description of the main risks and uncertainties of the Company and Group	4.1
1.8	Indicators of the financial risks associated with the impact of climate change and a presentation of the measures the Company is taking to reduce them by applying a low-carbon strategy to all aspects of its activity	2.2
1.9	Company and Group R&D information	1.5
1.10	Note of existing branches	7.5
1.11	Activity and results of the whole Company, the Company's subsidiaries and the companies it controls by activity sector	5.2
1.12	Information on essential intangible resources, how the business model depends on these resources	1
2	**Information relating to the presentation of the annual accounts and profit/loss allocation for the financial year**	
2.1	Amount of non-tax-deductible expenses and charges	5.12
2.2	Profit/loss for the financial year and proposed allocation of profit/loss	6.6
2.3	Amount of dividends distributed for the previous three financial years	5.9
2.4	Results table for the last five financial years	5.12
3	**Information relating to significant shareholdings or takeovers**	
3.1	Significant equity investments during the financial year in companies with their registered office in France *(thresholds of 5%, 10%, 20%, 1/3, 50%, 2/3)*	6.3 Note 1.6
3.2	Any direct or indirect, exclusive or joint takeover (L.233-3) of a company with its registered office in France	6.3 Note 1.6

Topics		Chapters
4	**Company capital information**	
4.1	Breakdown, identity of persons and changes in share ownership	7.2
4.2	Name of controlled companies holding treasury shares in the Company and percentage of capital they hold	N/A
4.3	Disclosure of holding more than 10% of the capital of another joint-stock company; disposal of cross-shareholdings	N/A
4.4	Purchase of own shares	7.3.4
4.5	Issue of securities giving access to capital • Indication of calculation factors for the adjustment and • the results of this adjustment	N/A
5	**Information on employee share ownership**	
5.1	Acquisition and transfer by the Company of its own shares with a view to allocating them to its employees (share buyback)	7.3.4
5.2	Status of employee share ownership and proportion of capital represented by shares held by staff of the Company and related companies within the meaning of Article L. 225-180 of the French Commercial Code	7.2.6
5.3	Securities acquired by employees as part of a management buyout	N/A
6	**Information on company officers**	
6.1	Summary of transactions by managers and related persons involving the Company's securities	7.2.7
6.2	In the event of stock option allocation, indication of the information on which the board of directors based its decision: • either to prohibit managers from exercising their options before they leave office; • or to require them to retain in their name until they leave office all or some of the shares resulting from options already exercised (specifying the fraction set)	N/A
6.3	In the event of free share allocation, indication of the information on which the board of directors based its decision: • either to prohibit managers from selling the shares allocated to them free of charge before they leave office; • or to set the quantity of these shares that they are required to keep in their name until they leave office (specifying the fraction set)	N/A
6.4	Information on regulated agreements whose effects continue over the financial year	3.4
7	**Other information**	
7.1	Information on facilities classified as hazardous	N/A
7.2	The amount of loans granted by the Company with a term of less than two years, ancillary to its main activity, to "micro-enterprises", SMEs or mid-cap companies with which it has justified business links	N/A
7.3	Information on payments made to the authorities of each State or territory in which the Company conducts the following activities: exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metallic ores, stones, sands and clays, chemical minerals and mineral fertilisers, peat, salt or other mineral resources or exploitation of primary forests	N/A
7.4	Information on CICE tax credit use	N/A
7.5	Special report on stock options granted to company officers and employees	N/A
7.6	**Presentation of sustainability information**	2
7.7	The impact of the Company's activities in the prevention of tax evasion	2.4.2.6
7.8	Actions to promote the link between the Nation and its armed forces and to support involvement in the "Garde Nationale" reserves	5.12
7.9	Vigilance plan: • risk mapping to identify, analyse and prioritise risks; • procedures to regularly assess the situation of subsidiaries, subcontractors or suppliers with whom an established business relationship is maintained, with regard to risk mapping; • appropriate actions to mitigate risks or prevent serious harm; • a warning and reporting mechanism for risks, established together with the trade unions representing the Company's staff. • a system for monitoring the measures taken and evaluating their effectiveness	N/A
7.10	Opinion of the works committee on changes to the financial or legal organisation	N/A
7.11	Payment period and breakdown of the balance of trade payables and receivables by due date	5.12
7.12	Injunctions or financial penalties for anti-competitive practices	N/A

Pursuant to Article 19 of EC Regulation No. 2017/1129, the following information is included by reference in this Universal Registration Document:

- the consolidated financial statements for the financial years ending 31/12/2022 and 31/12/2023, the accompanying notes, the statutory auditor's report and the operating, financial and capital resources review for these financial years, presented in the universal registration document filed with the *Autorité des marchés financiers* on 22 May 2024 under number I.24.010..

8.4.3 Cross-reference table for the information required in the annual financial report

The cross-reference table below helps to identify the information in this Universal Registration Document that makes up the annual financial report as per Articles L. 451-1-2 of the Monetary and Financial Code and 222-3 of the General Regulations of the Autorité des marchés financiers.

Topics		Chapters
1	**Statement by natural persons assuming responsibility for the annual financial report**	**8.1**
2	**Management report including the report on sustainability information**	**2.5**
2.1	Independent third party report on sustainability information	2.10
3	**Financial statements and reports**	
3.1	Parent company financial statements	6.3
3.2	Statutory auditors' report on the parent company financial statements	6.4
3.3	Consolidated financial statements	6.1
3.4	Statutory auditors' report on the consolidated financial statements	6.2

8.4.4 Cross-reference table for the information required in the report on corporate governance

The cross-reference table below helps to identify the information that makes up the management report in this Universal Registration Document in accordance with the applicable legislative and regulatory provisions, notably Articles L. 225-100 et seq. of the French Commercial Code.

Topics		Chapters
1	List of offices held and duties performed in any company by each company officer during the financial year	3.1.1
2	Agreements entered into, directly or through an agent, between one of the company officers or one of the shareholders with more than a 10% shareholding and another company in which the former directly or indirectly holds more than half of the capital	3.4
3	Summary table of delegations currently in force granted at the General Meeting of Shareholders in respect of capital increases and showing the use made of these delegations during the financial year	7.3.2
4	Choice regarding Management methods	3.2
5	**Remuneration policy for company officers (Art. L. 22-10-9 I)**	
	• Total remuneration and benefits of any kind paid during the financial year or allocated for the financial year to each company officer	3.3.1
	• Relative proportion of fixed and variable remuneration	3.3.1.4
	• Use of the option to request repayment of variable remuneration	N/A
	• Commitments of any kind made by the Company for the benefit of its company officers (only those who also hold a position in a listed company in the same group), corresponding to components of remuneration, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties or subsequent to the performance of these duties, notably pension commitments and other lifetime benefits	3.3.2
	• Remuneration paid or allocated by a company within the scope of consolidation as defined in Article L. 233-16 of the French Commercial Code	N/A
	• Explanation of how the total remuneration complies with the remuneration policy, including how it contributes to the long-term performance of the Company and how the performance criteria have been applied	3.3.1.4
	• Way in which the vote of the last Ordinary General Meeting of Shareholders provided for in II of Article L. 22-10-34 has been taken into account	3.3.1.3
	• Divergence in relation to the procedure for implementing the remuneration policy and any exemption	N/A
	• Application of the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code (suspension of remuneration in the event of non-compliance of the composition of the board)	N/A

Topics		Chapters
6	**Remuneration policy for managers and directors (Say on Pay)**	
	• Ex-ante voting: Draft resolutions drawn up by the board of directors relating to the mandatory prior vote by shareholders on the remuneration of directors and executives, and the components of said remuneration	3.3.1.3
	• Decision-making process to determine remuneration and criteria for the distribution and allocation of fixed, variable and exceptional components of total remuneration and benefits of any kind payable to managers	3.3.1.4
	• Criteria for distributing the fixed annual sum allocated by the General Meeting of Shareholders to the directors	3.3.1.3
	• Ex post vote on the variable or exceptional remuneration components paid or awarded during the past financial year	3.3.2
7	**Remuneration ratios**	
	• Ratio between the remuneration of each executive company director and the average and median remuneration of the Company's employees	3.3.5
	• Annual changes in remuneration, company performance, the average remuneration of company employees and the above-mentioned ratios over the last five financial years.	3.3.5
8	Composition and conditions for preparing and organising the board's work	3.1.4
9	Any limitations that the board of directors may place on the powers of the Chief Executive Officer	3.2
10	Choice of corporate governance code and any provisions of the code that may have been omitted	3.1.1
11	Specific conditions for participation in General Meetings of Shareholders	7.1.5
12	Description of the procedure, and its implementation, to regularly assess whether agreements relating to current operations and entered into under normal conditions meet said conditions	3.4
13	Main characteristics of the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information	4.2.1
14	Information on factors likely to have an impact in the event of a takeover bid	7.1.6
15	Description of the diversity policy applied to members of the board of directors/supervisory board, as well as the objectives of this policy, its implementation and the results obtained during the past financial year	3.3.2.1
16	SC observations on the Management Board's management report and accounts for the financial year	N/A

Graphic design and production

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REVEAL THE INVISIBLE

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