ICAPE HOLDING
Limited liability company (*société anonyme*) with share capital of €3,235,272.80
Registered office: 33, Avenue du Général Leclerc - 92260 Fontenay-aux-Roses, France
Nanterre Trade and Companies Register no. 515 130 037

2023 ANNUAL FINANCIAL REPORT

This document is available free of charge at the Company's registered office, 33, avenue du Général Leclerc, 92260 Fontenay-aux-Roses, France, as well as in an electronic version on the Company's website (https://www.icape-group.com/).

WARNING

In this annual financial report, and unless otherwise indicated:

- the term "Annual Financial Report" refers to this annual financial report;

- the terms "Company" or "Icape Holding" means Icape Holding, whose registered office is located at 33, Avenue du Général Leclerc, 92260 Fontenay-aux-Roses, France, which is registered in the Nanterre Trade and Companies Register under number 515 130 037;

- the term "Group" or "Icape Group" means the group of companies formed by the Company as well as its direct and indirect subsidiaries and shareholdings;

- the term "Prospectus" means the prospectus prepared by the Company for the purposes of the admission of the Company's shares to trading on Euronext Growth, approved by the AMF on 21 June 2022 under number 22-229, which consists of (i) the Company's registration document, approved by the AMF on 19 April 2022 under number I.22-008 (the "Registration Document"), (ii) the supplement to the Company's registration document, approved by the AMF on 21 June 2022 under number I.22-028 (the "Supplement to the Registration Document"), (iii) the securities note (the "Securities Note") and (iv) the summary of the Prospectus (included in the Securities Note) (the "Summary").

Forward-looking statements and information

The Annual Financial Report contains information on the Group's outlook and areas for development. These indications are sometimes identified by the use of the future, conditional or forward-looking terms such as "consider", "contemplate", "think", "have for objective", "expect", "hear", "should", "ambition", "estimate", "believe", "wish", "could" or, as the case may be, the negative form of these same terms, or any other variant or similar terminology. This information is not historical data and should not be interpreted as a guarantee that the facts and data stated will occur. This information is based on data, assumptions and estimates considered as reasonable by the Company. They are likely to change or be modified due to uncertainties related in particular to the economic, financial, competitive and regulatory environment.

This information is mentioned in various chapters of the Annual Financial Report and contains data relating to the Group's intentions, estimates and objectives concerning, in particular, the market in which it operates, its strategy, growth, results, financial position, cash flow and forecasts. Forward-looking statements and information in the Annual Financial Report are given only as of the date of the Annual Financial Report.

The Group operates in a competitive and constantly changing environment. It cannot therefore anticipate all the risks, uncertainties or other factors likely to affect its business, their potential impact on its business or the extent to which the materialisation of a risk or a combination of risks could have materially different results to those mentioned in any forward-looking information. This forward-looking information is not a guarantee of actual results.

Risk factors

Investors are invited to read carefully the risk factors described in Chapter 3 ("*Risk factors*") of the Registration Document and in Chapter 2 ("*Risk factors*") of the Securities Note, as updated in section 6 of Chapter "*Management report*" of the Annual Financial Report, before making any investment decision. The occurrence of all or part of these risks is likely to have a material adverse effect on the Group's business, financial position, results or outlook.

In addition, other risks not yet identified or considered as insignificant by the Company at the date of this report could have a material adverse effect.

Rounding

Some figures (including financial data) and percentages presented in Annual Financial Report have been rounded. Where applicable, the totals presented in Annual Financial Report may show non-material differences to those that would have been obtained by adding the exact values (not rounded) of these figures.

Websites and hypertext links

References to any website and the content of hypertext links in the Annual Financial Report do not form part of the Annual Financial Report.

PERSON RESPONSIBLE

"*I hereby certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in the consolidation, and that the attached Management report presents a true and fair view of the evolution of the business, results and financial position of the Company and of all the companies included in the consolidation and describes the main risks and uncertainties to which they are confronted*."

Signed in Fontenay-aux-Roses, on April 5th 2024,

Yann Duigou, Chief Executive Officer.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

"Dear Shareholders,

The crisis in the components market during the pandemic, the shortage of containers, and various other factors pushed manufacturers to increase their orders to safeguard against potential shortages. Post-pandemic, 2023 was a year of general decline in activity for the global PCB market, largely due to this overstocking and slowing economy. Despite these adverse economic conditions, we managed to close the 2023 financial year with an improvement in the current operating margin. This performance, which reflects the deployment of purchasing synergies from the acquisitions made since 2021, was also observed at the operational level thanks to our strict cost control policy. Our main financial indicators show significant progress - proof of the adaptability and resilience of our model. Various signs suggest to us that the decline in activity seems to be over, therefore, we intend to reactivate the growth dynamic in 2024 while continuing to improve its profitability, in particular by intensifying the rationalisation of general operating costs. The Group's efforts will also focus on continuing to improve WCR to strengthen the generation of cash. In addition, in 2023 we recorded a growing number of new references, supporting our future growth. From this solid foundation, we are able to reiterate all of our growth and profitability objectives."

Yann Duigou, Chief Executive Officer of the Company.

INFORMATION ABOUT THE COMPANY

1. Legal and commercial name of the Company

The Company's corporate name is "Icape Holding".

The Group generally operates under the commercial name "Icape Group" or "Groupe Icape" in French.

2. Place of registration and registration number of the Company

The Company is registered in the Nanterre Trade and Companies Register under number 515 130 037.

Its LEI number is 969500SMJNIR6M3A8D61.

3. Date of incorporation and term

The Company was incorporated for a period of 99 years from its registration on 30 September 2009, except in the event of early dissolution or extension, in accordance with applicable laws and the Company's Articles of Association.

The financial year begins on 1 January and closes on 31 December each year.

4. The Company's registered office, legal form, legislation governing its activities

The Company's registered office is located at 33, Avenue du Général Leclerc - 92260 Fontenay-aux-Roses, France.

At the date of the Annual Financial Report, the Company is a public limited company (*société anonyme*) with a Board of Directors under French law.

The Company's contact details are as follows:

Address: 33, Avenue du Général Leclerc, 92260 Fontenay-aux-Roses, France.
Telephone: +33 (0)1 58 18 39 10

The address of the Company's website is: https://www.icape-group.com/

Information on the Company's website is not part of the Annual Financial Report.

5. Statutory Auditors

Principal Statutory Auditors

KPMG S.A.
Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* (The Versailles and Centre Institute of Statutory Auditors)
Represented by Rémi Toulemonde
Tour Eqho
2, Avenue Gambetta
92066 Paris La Défense Cedex, France

Appointed Statutory Auditor by decision of the General Shareholders' Meeting on 25 December 2020, for a term of six financial years, *i.e.* until the Ordinary Shareholders' Meeting called to approve the accounts for the financial year ended 31 December 2025.

BM&A SAS
Member of the *Compagnie Régionale des Commissaires aux Comptes de Paris* (The Paris Institute of Statutory Auditors)
Represented by Mr Eric Seyvos
11, rue Laborde
75008 Paris, France

Appointed Statutory Auditor by decision of the General Shareholders' Meeting on 30 June 2022, for a term of six financial years, *i.e.* until the Ordinary General Meeting called to approve the financial statements for the financial year ended 31 December 2027.

Alternate Statutory Auditor

None.

6. Crossing of thresholds (Article 9 of the Articles of Association)

Without prejudice to the applicable legal provisions:

(i) Any individual or legal entity, acting alone or in concert, holding, directly or indirectly, a fraction of the share capital or voting rights of the Company equal to or greater than (i) 1% or (ii) any multiple of this percentage up to the threshold of 4% (inclusive), or (iii) the legal thresholds provided for by the regulations for companies whose securities are admitted to trading on a regulated market, is required to inform the Company of the total number of shares and voting rights that it holds, by registered letter with acknowledgment of receipt sent to the registered office, within four (4) trading days from the date of crossing of one of these thresholds, or by any other equivalent means for shareholders residing outside France.

(ii) This disclosure obligation applies under the same conditions as those provided above each time the fraction of the share capital and/or voting rights held falls below one of the thresholds provided for above.

(iii) To determine the capital and voting rights thresholds for which the crossing is to be declared under the preceding paragraphs, the rules defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the AMF's General Regulations shall be applied.

(iv) In the event of non-compliance with the above stipulations, the shares exceeding the threshold giving rise to declaration shall be deprived of the voting right if this withdrawal is requested by one or more shareholders owning, together or separately, at least 5% of the share capital and/or the Company's voting rights, under the conditions set out in Article L. 233-7 VI of the French Commercial Code. In the event of regularisation, the corresponding voting rights may not be exercised until the expiry of the period provided for by the law or regulations in force.

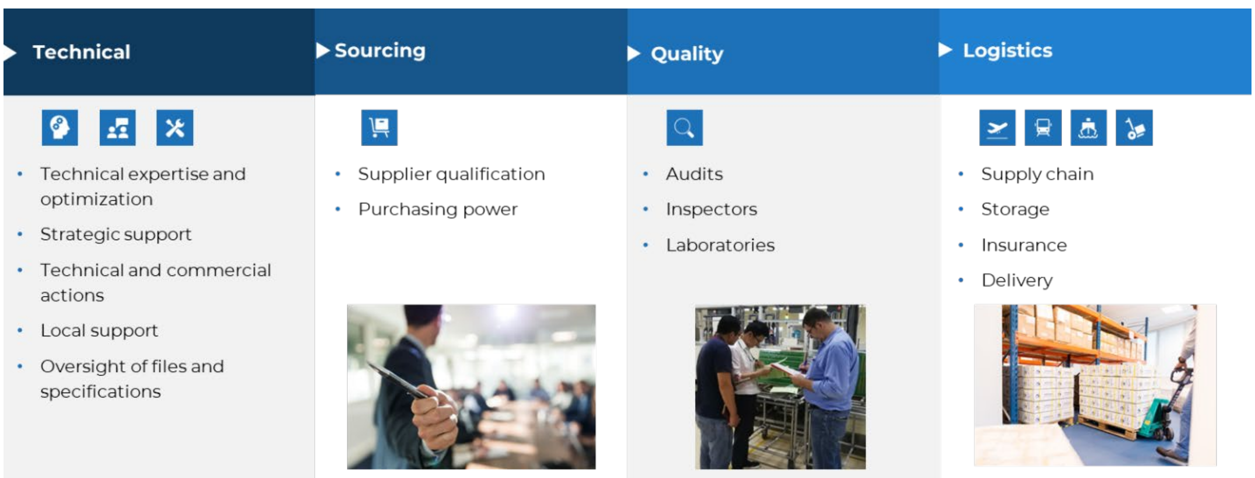
MANAGEMENT REPORT

1. PRESENTATION OF THE GROUP AND ITS BUSINESS

1.1. General overview

Founded in 1999, the Icape Group has become one of the world's leading players in the distribution of small and medium quantities of printed circuit boards, which are essential components of the electronics industry, used in and by the vast majority of sectors manufacturing products for daily use, such as the business, telecommunications, automotive, connected objects, home automation, e-mobility, medical, power, multimedia and IT industries, etc.

Its main business is to provide its customers with a complete, turnkey printed circuit boards service ("one-stop-shop"). The Icape Group thus acts as a single point of contact on behalf of its customers (purchasers of printed circuit boards and electronic subcontractors), by managing the entire distribution chain, including supplier selection and quality control, production monitoring, price optimisation, engineering and design support and assistance, manufacturing files control, the implementation of logistics and storage solutions, delivery and order management.



With 646 employees as at 31 December 2023 and a presence in 22 countries provided by 35 subsidiaries and 2 service offices in China[1], the Icape Group generated consolidated revenue of €179.5 million as at 31 December 2023, compared to the €219.6 million in 2022, and had more than 3,600 customers, as at 31 December 2023.

In a highly fragmented competitive environment, the Icape Group has built up over the years a structured global organisation in the printed circuit board distribution market, with, in particular, a services office in China that, to the best of the Company's knowledge, is among the most important supply and sourcing offices in the world for printed circuit boards, bringing together 258 employees at 31 December 2023 divided into six structures, and capable, thanks to its characteristics, to position itself as one of the major players in the current and future consolidation of this business sector.

[1] The two service offices in China cover the Group's teams (i) located in China, (ii) employed by the Group's subsidiary, Icape Dongguan Electronic, and (iii) whose main activity is providing the Group's subsidiaries, through the Group's two EIGs (Economic Interest Groups), with shared services such as purchasing, sourcing, technical support, engineering, quality control, logistics, order management and quotations.

The distribution of printed circuit boards ("ICAPE business") is the Group's main activity and accounted for 83% of its revenue in 2023. This activity includes: (i) the distribution of printed circuit boards in small and medium quantities, with a wide range of products and standard manufacturing lead times (4 to 5 weeks) ("HMLV business"), (ii) the express printed circuit board business dedicated to small quantities and prototypes manufactured in limited time (average production time of 5 days) with express delivery (48 hours) ("IQTS business") and (iii) the manufacture of printed circuit boards in-house. The HMLV business constitutes the bulk of ICAPE business and the core of the Group's "printed circuit boards" scope, with the other businesses still representing a marginal, but growing share of the Group's revenue.

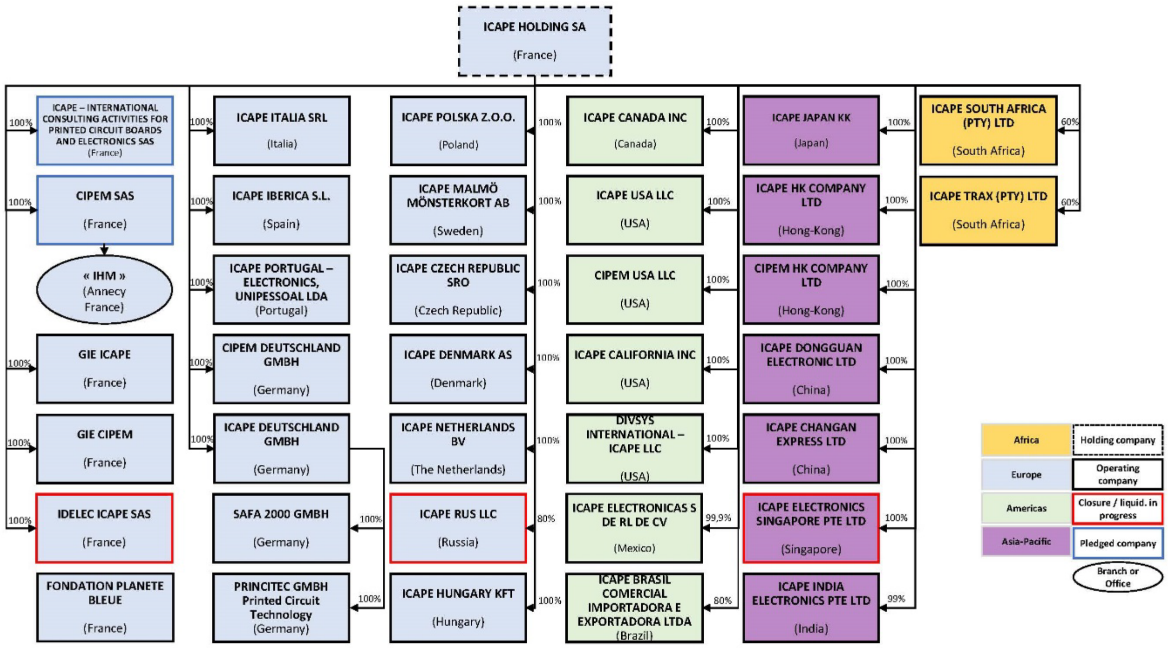
While the ICAPE business is its main activity, the Group has diversified its range of services and products with the distribution of customised electromechanical parts ("CIPEM business") which represents approximately 17% of the Group's revenue. This diversification of services and products offered by the Group aims to reach a growing number of customers and increase the revenues generated from the Group's existing customer base.

After 20 years of average annual organic growth of 19.1%[2], the Icape Group now wants to combine its organic growth model with an external growth policy, *via* the acquisition of medium-sized targets (*i.e.* whose revenue is generally less than €20 million), that are well established both commercially and locally, which complement the Group's global geographical coverage and which have synergies with it, with a view to achieving sustained organic growth from post-consolidation acquisitions. In 2023, on the basis of its new external growth strategy and with the support of its internal acquisitions department ("M&A"), the Group made seven acquisitions. This strategy is part of a context of consolidation in the sector that began several years ago and was accentuated by the global COVID-19 pandemic, which weakened the players in the distribution of printed circuit boards that do not benefit, like the Icape Group, from a permanent and stable presence in China.

[2] The Group's compound annual growth rate (CAGR) over the 2001-2021 period, calculated on the basis of the Group's revenue in 2021 excluding acquisitions.

1.2. Group organisation chart

The organisation chart below shows the legal organisation of the Company and its subsidiaries as of 31 December 2023. The percentages indicated correspond to the percentages of share capital ownership.



Notes on the organisation chart:
ICAPE India: This subsidiary is owned at 0.0002% by Mr Sameerasimha Jayasimha, director of the subsidiary.
ICAPE Mexico: This subsidiary is owned at 0.002% by Mr Maximiliano Ignacio Royo Rojas, director of the subsidiary.
ICAPE Brazil: This subsidiary is owned at 20% by Mr Paulo Eduardo Vandsberg de França.
ICAPE RUS: This subsidiary is owned at 20% by Ms Natalia Vadimovna Tarnavskaya, sales manager within the subsidiary.
ICAPE South Africa: This subsidiary is owned at 20% by Mr Daniel Lee Dock (director of the subsidiary) and at 20% by Mr Iegsan Khan (former director of the subsidiary).
ICAPE Trax: This subsidiary is owned at 20% by Mr Daniel Lee Dock (director of the subsidiary) and at 20% by Mr Iegsan Khan (former director of the subsidiary).
IDELEC ICAPE SAS was merged into ICAPE - INTERNATIONAL CONSULTING ACTIVITIES FOR PRINTED CIRCUIT BOARDS AND ELECTRONICS on 31 January 2024.

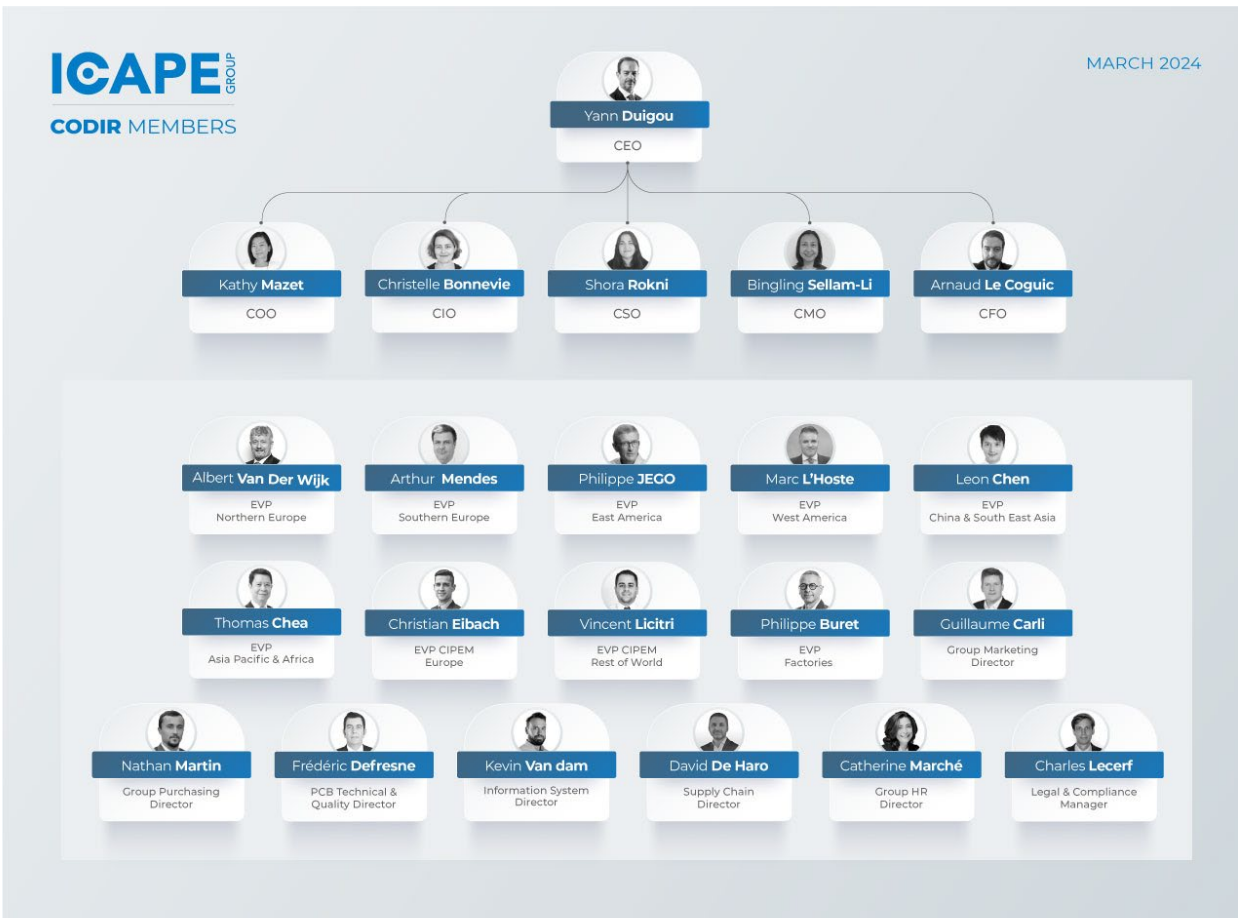
The organisation of the Group is now structured and agile, thanks to the specific distribution of roles and functions intended to ensure optimal efficiency, adapted to the continued acceleration of the Group's organic growth and the absorption of new targets as part of its external growth strategy.

The Group's strategy is defined by the Board of Directors of the Company, a collegial body created on 30 June 2021 when the Company was transformed into a public limited company. The Board of Directors is chaired by the founder of the Group, Mr Thierry Ballenghien, and comprises ten experienced directors and three non-voting members, nine of which are printed circuit experts. The Board of Directors also includes three independent directors.

The management team was also strengthened in 2023 with (i) the appointment, alongside the Company's new Chief Executive Officer (Mr Yann Duigou), of two new Deputy Chief Executive Officers respectively in charge of Finance and Administration (Mr Arnaud Le Coguic, CFO) and sales and marketing operations (Ms Bingling Li Sellam, CMO) and (ii) the extension of the assignments entrusted to Ms Shora Rokni, Deputy Chief Executive Officer, whose scope now covers the acquisitions and integration strategy (Ms Shora Rokni, CSO).

The Board of Directors and the management team ensure consistency in the definition and implementation of the strategy for the entire Group. The consistency and guarantee of the Group's business expertise is ensured by a group of nine "printed circuit boards" technical experts, each of whom is specialised in a category of technology. The consistency of risk management, internal control and the application of the Group's CSR policy is ensured by a team of six people covering the three pillars, namely governance, the environment and social.

The Group has an Executive Committee of 23 people, including nine executive vice-presidents broken down by geographical area, in particular in charge of (i) supervising and assisting the operational managers of the subsidiaries in their area and (ii) identifying and selecting potential targets for future acquisitions with these operational managers, their networks and local sales teams



The operational directors of the Group's subsidiaries, which operate as profit centres[3], lead the Group's sales engineers and sales activities in each country. They are supported by two economic interest groups (EIG) whose main functions (purchasing, sourcing, technical support, engineering, quality control, logistics, order management and preparing quotations) are provided by the two service offices in China (ICAPE and CIPEM). The Group's commercial activities are thus carried out locally in all the regions in which the Group is present,

[3] All of the Group's subsidiaries operate as profit centres, with the exception of Icape India Electronics, Icape Electronics Singapore and Icape California.

as close as possible to the Group's suppliers and customers.

The Group's purchasing and sourcing department also plays a central role in the Group's operations, as it is responsible for managing the suppliers for all Group subsidiaries: identifying and qualifying the best suppliers; preparing and updating, after validation by executive management, supplier matrices by product and technology; monitoring suppliers and compliance with their commitments; verifying compliance by the entire Group with the recommendations of the purchasing department; and implementing regular benchmarks to assess the Group's competitiveness and that of its competitors, etc.

1.3. Description of the Company's and Group's businesses

1.3.1. An established presence in the main geographical areas of the global printed circuit board market

The Icape Group, thanks to its geographical presence, has created a global platform to support its customers around the world.

The Group employs 646 people in 35 sales subsidiaries and two service offices in China. In 2023, the Group delivered its products to more than 3,600 customers and has a local presence in 22 countries as well as supplier networks made up of 77 qualified, approved and monitored suppliers (27 of which for ICAPE business and 50 for CIPEM business), which are constantly evolving in order to be able to offer customers increasingly competitive and quality-focused suppliers. The Group has a comprehensive and structured logistics organisation, including eleven logistics platforms/storage centres, positioned locally on all continents. It also offers its customers an express delivery offer for printed circuit boards and technical parts combined with e-commerce sites, and has two analysis, quality control and testing laboratories in China and the United States.

1.3.2. A wide range of products and services coupled with leading know-how and expertise

With the support of a group of printed circuit board experts, the Group provides its customers with a full range of printed circuit board distribution services ("one-stop-shop"), including (i) technical and technological support, (ii) engineering services and control of manufacturing files, (iii) supplier selection and networking, (iv) commercial negotiations and buying power, (v) quality control, local audits and inspectors, (vi) logistics, consolidation[4] and storage, (vii) local order management in China, (viii) quotation services, (ix) a local sales service and (x) two e-commerce sites.

The Group therefore stands out from its competitors thanks to the wide range of services, products and technologies it offers its customers, which can be grouped into two main families:

(i) the distribution of printed circuit boards of all technologies (HMLV and IQTS business): single-sided, double-sided, multi-layer, high-density, flexible, metal, rigid-flex, Teflon, etc., with HMLV business constituting the Group's core business;

(ii) distribution of off-plan electromechanical parts (CIPEM business): cables, connectors, keyboards, batteries, chargers, plastic parts, metal parts, transformers, remote controls, electronic assemblies, boxes, LEDs, LCDs, etc., which enrich the Group's product offering.

[4] By consolidating deliveries, orders placed by several customers can be combined into a single shipment, enabling them to benefit from more competitive transport prices.

The commercial success of the Icape Group is based on the following pillars: (i) a technically experienced team, recognised know-how and expertise, (ii) the trust of its customers and suppliers, based on the consistency of the fundamental and ethical principles of its management team since its creation, (iii) a strong presence in China, the world's largest producer of printed circuit boards, ideally located in Guangdong and Jiangxi, (iv) comprehensive services and, in particular, quality assurance, (v) efficient logistics and, in particular, the guarantee of deliveries on time, (vi) price competitiveness, (vii) support throughout the world, (viii) the responsiveness of local teams both on the customer side and on the supplier side, (ix) the diversity of products available, in particular thanks to CIPEM business.

1.3.3. Strategic positioning in the printed circuit board supply chain for both customers and suppliers

The Icape Group is a high value-added service provider linking customers around the world with suppliers mainly based in China: on the one hand, service offices in China and Chinese suppliers, selected, controlled and monitored by the Group's teams; on the other hand, technical sales engineers and sales subsidiaries that support and advise customers around the world, securing their supplies thanks to a significant local and international sales network.

For its customers, the Group offers a full range of services, with simple access to all ranges of printed circuit boards at competitive prices, while ensuring quality and logistics control. The range of services offered by the Group enables it to control the entire value chain and offer its customers the opportunity to:

(i) reduce costs associated with sourcing (supplier search), supply (ordering of parts), optimisation of the logistics chain, engineering, supplier control (audits and inspections), quality control, insurance, technical support, technical training, local storage, etc., services that the Group pools for the benefit of its customers, thus enabling them to optimise their expenditure on printed circuit boards and to concentrate the efforts of their purchasing teams on other components or raw materials;

(ii) benefit from favourable pricing and payment conditions, thanks to the Icape Group's position as an order aggregator, as well as its long-term relations of trust with its suppliers;

(iii) significantly shorten time to market for its customers, thanks to a large network of suppliers and the logistics solutions implemented by the Group;

(iv) benefit from compliance control and quality control processes, including physical and virtual audits of factories, the complete control of each file by the engineering department, the organisation of quality assurance, quality controls in supplier factories, analysis, quality control and testing laboratories in China, ageing tests and thermal cycles for approvals and reliability controls.

For its suppliers, the Icape Group also acts as an intermediary that creates added value, enabling them to:

(i) reach customers worldwide without having to set up an expensive global sales organisation and focus on production activities;

(ii) secure their relationship with the end customer by minimising the risk of litigation and payment delays or non-payments by customers without additional costs, by relying on the reputation of the Icape Group;

(iii) receive clear documentation (technical characteristics of the printed circuit boards ordered, etc.) thanks to the Icape Group's engineering department and, as a result, limit poor manufacturing and misunderstandings with customers;

(iv) know the needs of customers around the world through better communication and thanks to the multilingual local sales support provided by the Group; and

(v) aggregate significant order volumes in the HMLV segment (High Mix Low Volume) and optimise the production and logistics activities of suppliers.

2. HIGHLIGHTS

2.1 Significant events

2.1.1 Acquisitions

As part of the acceleration of its external growth strategy, the Group made several acquisitions in 2023.

(i) On 15 February 2023, *via* Icape Holding, the Group acquired 100% of the share capital of Fimor Electronics, a French manufacturer of human-machine interface solutions and distributor of customised technical parts, with revenue of €6.2 million in 2022 and a base of 350 active customers, mainly from the medical, automotive, high-tech and telecommunications sectors. Formerly a wholly-owned subsidiary of the Fimor Group, Fimor Electronics specialises in the trading of customised technical parts, an activity that represents 80% of its revenue. The company also has a factory specialising in the manufacturing of human-machine interface solutions, which is the company's second-largest activity and generates 20% of its annual revenue.

The acquisition of Fimor Electronics aims to consolidate the Group's positioning on the market for "customised" electromechanical parts and enhances the product offering of its Cipem entity. The Group also intends to take advantage of the existing commercial and purchasing synergies with Fimor Electronics to strengthen its growth in the technical parts market, and to pursue its industrial strategy with this acquisition by acquiring a new factory in Europe, which will be dedicated to local production for high value-added industrial sectors.

This acquisition was included in the Group's consolidated financial statements for the financial year ended 31 December 2023 from 1 January 2023.

(ii) On 26 May 2023, *via* its subsidiary Icape Deutschland, the Group acquired the assets of the German printed circuit board distributor Heissenberger Leiterplattentechnik (HLT). Based in the Baden-Württemberg Land, recognised for its industrial base specialising in automotive construction, HLT covers the printed circuit needs of around fifty renowned customers. With a network of six strategic suppliers and its own logistics capabilities, HLT provides a range of high value-added services in diverse segments including the automotive, home automation, telecommunications, aerospace and the medical industries. HLT is positioned in markets that demand a wide range of products in small and medium volumes ("High-Mix Low-Volume"). HLT generated revenue of €4.1 million in 2022.

Through its diversified customer portfolio and strategic location, HLT has advanced potential for synergies with the Group's German subsidiary. Through this acquisition, the Group strengthens its position as a leading player in one of the major markets for the distribution of printed circuit boards, in Europe and worldwide.

The HLT supplier portfolio and logistics platform also consolidate and optimise the global network structured by the Group, offering significant value creation potential.

This acquisition was included in the Group's consolidated financial statements for the financial year ended 31 December 2023 from 1 June 2023.

(iii) On 12 September 2023, the Group acquired all of the shares of Princitec *via* its subsidiary Icape Deutschland. Located near Düsseldorf, since 2004, Princitec has provided all services related to the distribution of printed circuit boards, from a technical, sourcing and quality standpoint. With a network of 11 Asian and European distributors, Princitec has a significant marketing capacity to meet the needs of a wide variety of industries within a very short timeframe thanks in particular to its wide variety of products. With a base of 35 active customers mainly located in Germany, Princitec generated revenue of €6.5 million in 2022.

With this acquisition, the Group aims to unlock significant synergy potential while continuing to diversify its sourcing, thus reinforcing its unique logistical capacity to deliver on time, anywhere in the world and at the best cost. Following the acquisition of the assets of HLT, this new acquisition also strengthens the Group's positioning in the German market, the main printed circuit board market in Europe.

This acquisition was included in the Group's consolidated financial statements for the financial year ended 31 December 2023 from 1 September 2023.

(iv) On 29 September 2023, through its subsidiary Icape USA LLC, the Group acquired the operating assets of the American companies PCB Solutions, Ustek lncorporated and Nujay Technologies Inc.

The three companies for which the assets have been acquired have specialised in trading in printed circuit boards in the United States for more than twenty years. PCB Solutions and Ustek lncorporated also trade in technical parts, which represents 10% of the business for the former and nearly 30% for the latter. In total, the three companies cover the needs of a portfolio of more than 180 North American customers, from a wide variety of industries, from medical device design to the automotive sector. In 2022, these three companies generated cumulative net annual revenue of more than $5 million.

Established in the United States through its subsidiary Icape USA for the distribution of printed circuit boards and its subsidiary CIPEM USA for services related to technical parts, the Group significantly strengthens its presence in this major market by acquiring a solid base of industrial customers as well as new, particularly local, distribution channels. The different locations of these new structures (in Ohio, California and Utah) also cover the entire American territory. Like previous acquisitions, and in line with the Group's external growth strategy, these assets have strong potential in terms of purchasing and commercial synergies with the Group's local subsidiaries and benefit from a high level of profitability.

This acquisition was included in the Group's consolidated financial statements for the financial year ended 31 December 2023 from 1 October 2023.

(v) On 24 November 2023, *via* its subsidiary Cipem Deutschland, the Group acquired all of the assets of the German company Bordan Electronic Consult, a supplier specialising in the design of "customised" technical parts.

Since 2002, Bordan Electronic Consult has been developing a range of services focused on the distribution of technical parts to around thirty customers, mainly based in Germany. Through sourcing partnerships, Bordan Electronic Consult offers its customers a wide range of products, nearly 80% of which are made to measure. In 2022, the company generated revenue of €0.9 million. Through this operation, the Group finalises the establishment in Germany of its CIPEM activity, dedicated to the distribution of "customised" technical parts, while at the same time consolidating its position as a technological expert in this strategic market. The long-term partnerships signed by Bordan Electronic Consult will make it possible to diversify the Group's sourcing with suppliers based in Germany, Japan and Taiwan. The integration of this new asset within the Group should also generate potential for purchasing, cost and sales synergies in the short and medium term.

This acquisition was included in the Group's consolidated financial statements for the financial year ended 31 December 2023 from 1 December 2023.

All acquisitions made during the financial year ended 31 December 2023 were financed entirely in cash, using the funds described below:

(i) the acquisition of the French company Fimor Electronics was carried out using the funds from the external growth line fully drawn down on 31 January 2023 from the former banking syndicate (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report);

(ii) the acquisition of the operating assets of the German company HLT was carried out using the Group's equity;

(iii) the acquisition of the German company Princitec was carried out using the funds from the loan concluded on 13 September 2023 with Crédit Industriel et Commercial (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report);

(iv) the acquisition of the operating assets of the American companies PCB Solutions, Ustek lncorporated and Nujay Technologies Inc. was carried out using the funds from the loan concluded on 22 June 2023 with BPI France (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report);

(v) the acquisition of the assets of the German company Bordan Electronic Consult was carried out using the Group's equity.

2.1.2 Strengthening of the Group's governance

In June 2023, the Group decided to strengthen its overall governance with the appointment of Yann Duigou as Chief Executive Officer of the Company to replace Cyril Calvignac, with:

(i) the extension of the scope entrusted to Shora Rokni, Deputy Chief Executive Officer in charge of acquisition and integration strategy (Chief Strategy Officer);

(ii) the appointment of Arnaud Le Coguic as Deputy Chief Executive Officer in charge of administrative and financial services (Chief Financial Officer);

(iii) the appointment of Bingling Li Sellam as Deputy Chief Executive Officer in charge of Group sales and marketing operations (Chief Marketing Officer), replacing Yann Duigou.

Executive management can also count on Christelle Bonnevie, Deputy Chief Executive Officer of the Company in charge of industrial development (Chief Industrial Officer) and Kathy Mazet, Deputy Chief Executive Officer of the Company in charge of operations (Chief Operating Officer).

Yann Duigou, aged 61, who was previously Chief Marketing Officer of the Group, has more than 30 years of experience in the electronics and printed circuit board industries. Before joining the Group in 2017 as Director in charge of e-commerce, he held various executive positions within the CIRE electronics group, including factory manager, then general manager for ten years, from 2002 to 2012. Yann Duigou is a graduate of the *Institut Supérieur de Gestion* (ISG Paris). He is also a director of Icape Holding.

This strengthening of the Group's Executive Management, which consists of a Chief Executive Officer supported by five Deputy Chief Executive Officers, aims to give the Group the means to pursue the ambitious objectives set during our IPO, with an experienced management team, composed of experts in the printed circuit board industry.

This strengthening of governance was also reflected within the Company's Board of Directors with:

(i) the appointment by co-option in June 2023 of Thomas Chea as a director, to replace Mr Calvignac, an appointment to be ratified by the next Ordinary Shareholders' Meeting; and

(ii) the appointment for a three-year term, in June 2023, of Arthur Mendes and Bingling Li Sellam as non-voting members on the Board of Directors.

2.1.3 Creation of a CSR Committee

On 28 March 2023, the Company's Board of Directors decided to amend its internal rules, in particular to harmonise them with the recommendations of the Middlenext Corporate Governance Code and to create an autonomous and fully-fledged CSR Committee.

Given that corporate social responsibility is an integral part of the Group's strategy, the CSR Committee was previously integrated in the Company's Strategy, Acquisitions and CSR Committee. In order to comply with the recommendations of the Middlenext Code and given the importance that the Group attaches to issues relating to corporate social responsibility, the Board of Directors has nevertheless decided to create an autonomous CSR Committee, chaired by an independent director, whose prerogatives are described in more detail in section 3.1.4 of Chapter "*Corporate Governance Report*" of the Annual Financial Report.

The amendment of the internal rules of the Board of Directors was also an opportunity to harmonise all the independence criteria for directors with those recommended by the Middlenext Code.

2.1.4 Financing

On 20 December 2023, the Group successfully set up a new bank loan with a syndicate of nine European banks, intended to refinance its existing debt and benefit from a new external growth line. The additional resources granted will thus enable the Group to strengthen its short- and medium-term acquisition momentum in accordance with its external growth strategy.

The banking syndicate consisted of Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Île-de-France (acting as agent, collateral agent and coordinator), Banque Palatine, Banque Populaire Rives de Paris and HSBC Continental Europe (as arrangers) and Banque Palatine, Banque Populaire Rives de Paris, BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile-de-France, Crédit Industriel et Commercial, Crédit Lyonnais, HSBC Continental Europe, Landesbank Saar and FCT Tikehau Novo 2020 (as lenders).

This new financing consists of:

(i) a refinancing loan (the "**Refinancing Loan**") for a total amount of €21 million, divided into three tranches, with a 1st tranche of €15.3 million repayable over six years, a 2nd tranche of €2.7 million with a 6.5-year term repayable at maturity, and a 3rd tranche of €3 million with a 7-year term repayable at maturity; this Refinancing Loan was used in full to repay the existing debt under the credit agreement entered into by the Company on 24 November 2022 with the former banking syndicate consisting of a refinancing loan of an amount in initial principal of €12.8 million and an external growth line fully drawn down on 31 January 2023 for a total principal of €10 million;

(ii) a confirmed external growth credit facility for a maximum amount of €20 million, divided into two tranches with a 1st tranche of €17 million repayable over six years and a 2nd tranche of €3 million with a 6.5-year term repayable at maturity;

(iii) subject to prior confirmation by the banking syndicate, an external growth line of credit for a maximum amount of €20 million.

Pursuant to the loan agreement entered into with the banking syndicate, the Company is subject to the obligation to comply with a financial leverage ratio (senior leverage ratio) on the consolidated financial statements (net financial debt[5] compared to consolidated EBITDA).

In addition, the pledge, in favour of the Group's former banking syndicate composed of BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile-de-France, HSBC Continental Europe and Societe Generale, of all shares in the subsidiaries Icape - International Consulting Activities for Printed Circuit Boards and Electronics, Cipem France and Idelec was maintained in favour of the new banking syndicate Banque Palatine, Banque Populaire Rives de Paris, BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile-de-France, Crédit Industriel et Commercial, Crédit Lyonnais, HSBC Continental Europe, Landesbank Saar and FCT Tikehau Novo 2020.

The Company had previously concluded:

(i) on 22 June 2023, with BPI France, a "*Growth loan*" loan agreement, with a total principal of €5 million, repayable over eight years with a grace period of two years, intended for the Group's external growth strategy;

(ii) on 13 September 2023, with Crédit Industriel et Commercial, a loan agreement for a total principal of €2 million, repayable over six years, intended to partially finance the acquisition of Princitec.

Lastly, since September 2023, the Group's subsidiaries Icape-USA and Cipem USA have a credit line with HSBC Bank USA with a maximum principal of $3 million. This credit line is intended to support the Group's activity in the US market, and was drawn down for an amount of $0.15 million at 31 December 2023.

2.1.5 Recovery Bonds

Concomitantly with the implementation of its new financing (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report), on 20 December 2023 the Group also successfully issued Recovery Bonds for a total amount of €6 million subscribed by Tikehau.

The Company thus issued two bonds with a total principal of €6 million, with a maturity of 8 years, repayable at maturity, and subordinated notes, consisting of:

(i) an issue of 54,702 "recovery" bonds, *i.e.* 90% of the total amount of the two bonds, with a nominal value of €100 each, fully subscribed by the *Fonds Obligations Relance France* - Compartment 2 (the "**Recovery Bonds**"); and

[5] Excluding financial debt in respect of the Recovery Bonds

(ii) an issue of 6,078 additional bonds, *i.e.* 10% of the total amount of the two bonds, with a nominal value of €100 each, fully subscribed by the *Fonds Obligations Relance France* - Tikehau Investment Management - Compartment 2 (the "**Additional Bonds**"). These bonds do not benefit from the guarantee of the French State and make it possible to meet the holding obligation referred to in Article 5-7° of the French Decree.

This additional financing, which aims to help accelerate the Group's investment and acquisition programme, benefits from the France Relance programme of the French Ministry of the Economy, Finance and Recovery. The Recovery Bonds correspond to a State guaranteed scheme and aim to strengthen the statement of financial position of French companies and the financial position of SMEs and mid-sized companies.

Pursuant to the terms and conditions of the Recovery Bonds and the Additional Bonds, the Company is subject to the obligation to comply with a financial leverage ratio (*OR leverage ratio*) on the consolidated financial statements (net financial debt in relation to consolidated EBITDA).

2.1.6 Divestment of the Group's activities in Russia

The Group has a subsidiary located in Russia, Icape Rus, a company incorporated under Russian law whose main activity is the marketing of printed circuit boards and off-plan technical parts in Russia and in the countries of the Eurasian Customs Union.

Given the worsening geopolitical situation in Ukraine and Russia, and after having initially suspended the Group's order intake and deliveries to customers in the Russian Federation, on 16 January 2023, the latter announced its decision to end its Russia-based activities and to halt order intake from 1 January 2023.

As the deadlines for obtaining the necessary administrative approvals to sell the shares of the Russian subsidiary are regularly postponed by the local authorities, the Group has decided to liquidate the company during the first half of 2024.

2.1.7 Transactions on the Company's share capital

Since the listing of the Company's shares on the Euronext Growth Paris market on 8 July 2022 (ISIN code: FR001400A3Q3 - ticker code: ALICA), no capital increases or decreases have been carried out.

As a reminder, the Company's IPO resulted in a capital increase of €17 million, *via* the issue of 1,003,000 new shares at the offer price, *i.e.* €16.95. In addition to this first capital increase and as part of its IPO, the partial exercise of the over-allotment option resulted in the issuance of 21,307 additional new shares, at the offer price (€16.95 per share), *i.e.* a capital increase of an additional €0.36 million.

As a result, the total number of Icape Holding shares offered as part of the admission of the Company's shares to trading on Euronext Growth, after the partial exercise of the over-allotment option, amounted to 1,024,307 new shares, bringing the size of the offering to €17.4 million.

At the date of the Annual Financial Report, the Company's share capital, in the amount of €3,235,272.80, is thus divided into 8,088,182 shares of the same class, with a par value of forty euro cents (€0.40) each, fully paid up. There are no dilutive instruments affecting the Company's share capital at the date of the Annual Financial Report.

On 22 June 2022, Icape Holding also entered into a liquidity and market monitoring agreement with Gilbert Dupont relating to its shares in accordance with the AMAFI Charter, which took effect on 10 August 2022 for a period of one year. This liquidity contract was entered into in accordance with the decision of the French Financial Markets Authority (*Autorité des Marchés Financiers*) No. 2021-01 of 22 June 2021, applicable since 1 July 2021, introducing liquidity contracts on equity securities under accepted market practice. The purpose of this agreement is to manage the Icape Holding share by Gilbert Dupont on the Euronext Growth multilateral trading facility in Paris. The Company made an additional contribution of €200,000, in respect of the resources allocated to the liquidity contract, on 2 January 2024.

2.2 Significant events after 31 December 2023

2.2.1 Acquisitions

As part of its external growth strategy, on 12 February 2024, the Group acquired the operating assets of the Italian distributor PCS and all the shares of the design company Studio E2. Although modest compared to previous acquisitions in Europe, these transactions consolidate the Group's strategic positioning in the printed circuit board value chain while offering the Group a new solid foothold in Lombardy, an Italian region recognised for its economic dynamism.

P.C.S. has a customer base of around 80 manufacturers representing all sectors of activity that drive this industrial area and with significant potential for synergies with the Group's Italian subsidiary, Icape Italia. The acquisition of Studio E2 enables the Group to integrate new expertise with high added value for the Group's local and international customers, namely the design of printed circuit boards. The integration of this additional activity allows the Group to reaffirm its role as a key technological intermediary for its customers.

2.2.2 Merger of Idelec France and Icape - International Consulting Activities for Printed Circuits Boards and Electronics

In order to streamline and simplify the Group's legal structure and lead to greater economic efficiency, on 31 January 2024, the Group carried out the merger by absorption of its subsidiary Idelec by its other subsidiary Icape - International Consulting Activities for Printed Circuit Boards and Electronics. As the merger constitutes a universal transfer of assets, all assets and liabilities of Idelec were transferred to Icape - International Consulting Activities for Printed Circuit Boards and Electronics, as they were on 31 December 2023.

In order to carry out this merger, the banking syndicate formed on 20 December 2023 lifted the pledge that existed, in its favour, on all the shares of Idelec.

2.2.3 Merger of Princitec GmbH Printed Circuit Technology and Icape Deutschland GmbH

With the same aim of streamlining and simplifying the Group's legal structure, on 1 March 2024, the Group carried out the simplified merger of its subsidiary Princitec GmbH Printed Circuit Technology by its other subsidiary Icape Deutschland GmbH. As the merger constitutes a universal transfer of assets, all assets and liabilities of Princitec GmbH Printed Circuit Technology were transferred to Icape Deutschland GmbH, as they were on 31 December 2023.

3. GROUP PROFIT (LOSS) AND FINANCIAL POSITION

The following information concerning the financial position and results of the Company and its subsidiaries should be read in conjunction with the Group's consolidated financial statements for the financial year ended 31 December 2023, as they appear in the Chapter "Consolidated Financial Statements" of the Annual Financial Report (the "Consolidated Financial Statements") and prepared in accordance with the International Financial Reporting Standards ("IFRS") as published by the IASB (International Accounting Standards Board), and adopted by the European Union on 31 December 2023.

The Statutory Auditors' report on the Consolidated Financial Statements is presented in section 2 of Chapter "*Consolidated Financial Statements*" of the Annual Financial Report.

It is also recalled that in accordance with IFRS as adopted by the European Union, the accounting standards applicable to the preparation of the consolidated financial statements for the financial year ended 31 December 2023, the Group's decision to sell its subsidiary Icape Rus and its circuit board assembly business operated by the factory of its subsidiary Divsys International-Icape, which are non-strategic assets, led to these assets being treated in accordance with the provisions of IFRS 5 "Non-current assets held for the purpose of sale and discontinued operations". As a result, these assets ceased to be depreciated as from their qualification as assets held for sale and are presented on a separate line of the balance sheet, without restatement of prior periods. A discontinued operation, sold or in the process of being sold, is defined as a component of an entity that represents a separate main line of business or region. The result of these activities is presented on a separate line of the income statement.

3.1 Segmentation

In accordance with IFRS 8, the Group has identified the following five segments to be presented:

- Trade in printed circuit boards (PCB) Americas: the Group covers the Americas region from its offices in the United States, Canada, Brazil and Mexico. As in all other regions, printed circuit boards are purchased from external suppliers, mainly in China.

- Trade and production in printed circuit boards (PCB) - Northern Europe: the Group covers the Northern Europe region from its offices in Germany, Sweden, Netherlands, Denmark, Czech Republic, Hungary and Poland.

- Trade in printed circuit boards (PCB) – Southern Europe: the Group covers the Southern Europe region from its offices in France, Italy, Portugal and Spain.

- Trade and production of printed circuit boards (PCB) - Asia and the rest of the world: the Group covers the Asia region and the rest of the world from its offices in China, India, Japan and South Africa.

- Trade and production of technical parts (Tech Parts): the Group supplies its range of technical parts *via* the Group's CIPEM entities.

3.2 Basis of preparation of the consolidated financial statements

The Consolidated Financial Statements have been prepared in accordance with IFRS international accounting standards, as adopted by the European Union as at 31 December 2023. The Consolidated Financial Statements were approved by the Board of Directors of the Company on 26 March 2024.

3.3 Main factors affecting the Group's results

Certain key factors as well as certain past events and transactions have had, and may continue to have, an impact on the Group's business, financial position and results presented in this section 3 of Chapter "*Management report*". The risk factors liable to have an impact on the Group's business are described in Chapter 3 (*Risk factors*) of the Registration Document and in Chapter 2 (*Risk factors*) of the Securities Note, as updated in section 6 of Chapter "*Management report*" of the Annual Financial Report.

The main factors that have recently had and may continue to have an impact on the Group's results include the Group's ability to (i) continue its organic growth, (ii) continue its external growth policy, (iii) improve its gross sales margin and (iv) control the impact of exchange rate changes. In addition, in response to the invasion of Ukraine by the Russian Federation, the Group announced on 16 January 2023 its decision to end its Russia-based activities and to halt its order intake from 1 January 2023 (see section 2.1.8 of Chapter "*Management report*" of the Annual Financial Report).

3.3.1 Maintaining the organic growth momentum

The Group's revenue amounted to €179.5 million at 31 December 2023, down by around 18% compared to the 2022 financial year. This decrease is correlated with the net decline in the worldwide distribution of printed circuit boards resulting from (i) the decline in overall demand, (ii) an unfavourable impact on selling prices and (iii) the normalisation of our customers' inventories.

Nevertheless, the Group has demonstrated its ability to continue and maintain a sustainable organic growth strategy, achieving a compound annual growth rate (CAGR) of 15.7% between 2019 and 2022. In the medium and long term, the scaling up of the investment strategy will help to strengthen the Group's economic performance. In the short term, investments related to the recruitment of new talent, which is necessary for this organic growth, will have an impact on the Group's results and will be financed by its own funds.

To continue its organic growth, the Group relies, in particular, on the effectiveness of its sales force and the long-term relationships of trust established with its customers (almost 70% of the Group's customers have ordered at least once a year for more than five years). The Group's organic growth strategy is described in more detail in section 5.2.1 of Chapter "*Management report*" of the Annual Financial Report.

3.3.2 External growth transactions

As part of its external growth strategy (see in particular section 5.2.3 of Chapter "*Management report*" of the Annual Financial Report), the Group intends to continue its development by making targeted acquisitions, particularly in strategic countries, in order to expand its geographical presence and enrich its offering. In recent years, the Group has made targeted acquisitions that have significantly contributed to the growth of its activities and the development of its product and service offering. The acquisitions made by the Group in 2023 are described in section 2.1.1 of Chapter "*Management report*" of the Annual Financial Report.

3.3.3 Price trends and control of structural costs

Printed circuit boards are a product composed of several different raw materials, the prices of which depend mainly on the price of oil, copper, gold, silver and tin.

Electricity generation in China was historically and predominantly based on coal. The energy mix transformations underway to ensure that China meets its international commitments (gradual substitution of coal by gas and nuclear energy) have meant electricity production in China has been affected by restrictions, strong tensions and price increases. In particular, coal is being replaced by gas and nuclear power. Changes in gas prices will therefore also have a greater impact on prices in the coming years.

The price of printed circuit boards is also closely linked to labour costs in China and the USD/CNY exchange rate.

These changes could have a negative impact if they are not sufficiently controlled or not passed on by the Group to sales prices, which would impact the cost of sales and therefore the Group's gross sales margin.

For more information, please refer to section 3.2 (*Risks related to prices and/or shortages of raw materials among suppliers*) of the Registration Document.

3.3.4 Changes in the exchange rate

The currency mainly used in the printed circuit board market is the US dollar (USD).

Exposure to operational currency risk arises from purchases and sales made in currencies other than the functional currencies of the Group's subsidiaries. However, this risk is limited due to the fact that sales and purchases of goods are mainly denominated in dollars, thus allowing natural hedging supplemented by the use of bank accounts in foreign currencies.

The Group had not used foreign exchange risk hedges as at 31 December 2023 (see note 4.15.4 "*Foreign exchange risk*" of the Consolidated Financial Statements).

However, although the Group monitors exchange rate trends on a regular basis, fluctuations in the exchange rates of the Group's functional currencies, and in particular fluctuations in the dollar, may have a significant impact on the Group's results and cash flows, the value in euros of its assets and liabilities, and its equity and, consequently, its financial position.

Below is a table showing the sensitivity of the Group's revenue and net income (loss) from continuing operations to changes in the dollar and renminbi (yuan): The negative changes correspond to a depreciation in the euro compared to the currency and the positive changes correspond to an appreciation in the euro compared to the currency.

Sensitivity of all currencies USD/CNY	In millions of euros	Currency / EUR (-10%)	Currency / EUR (-5%)	Currency / EUR (0%)	Currency / EUR (+5%)	Currency / EUR (+10%)
	Revenue	166.7	173.2	179.5	185.8	192.3
	Net income (loss) from continuing operations	8.4	8.7	8.9	9.2	9.4

3.3.5 Seasonality

Due to the Chinese New Year and the closure of factories for three weeks in February each year, the seasonality of revenue is impacted downwards during the first quarter.

3.4 Methodological note on the main income statement items and indicators

3.4.1 Revenue

The Group's revenue is broken down into two product categories:

- trade in printed circuit boards (PCB - Printed Circuit Board), driven by the ICAPE entities;
- trade in technical parts (Tech Parts), such as cables and connectors, adapters, batteries, keyboards, screens, remote controls, etc., carried by the CIPEM entities.

Revenue is considered to be realised upon the transfer of control of the goods delivered as defined during the commercial transaction (International Commercial Terms - Incoterms).

Product prices are fixed amounts (i) with no variable compensation (no discounts, reductions or rebates are granted), and (ii) without a significant financing component, with payments for services once delivery has been made.

3.4.2 Cost of sales

The cost of sales is an alternative performance indicator, consisting of items presented in the Group's profit and loss account and notes to the financial statements, and includes the following items: (i) consumables purchased, (ii) transport costs (included in "external expenses" in the profit and loss account) and (iii) remuneration of agents' fees (included in "external expenses" in the profit and loss account).

Consumables purchased mainly correspond to purchases of printed circuit boards and technical parts for resale, purchases of raw materials in the normal course of the Group's business, adjusted for changes in goods stocks.

Transport costs and remuneration of agents' fees are included in the cost of sales.

These items are also presented in the Consolidated Financial Statements (income statement and note 3.2 relating to external expenses in the Consolidated Financial Statements).

3.4.3 Employee benefits expense

Employee benefits expense consists mainly of salaries and wages paid to employees, social security and welfare expenses, costs related to employee profit-sharing as well as expenses related to share-based payments and provisions for pensions. These items are also presented in the Consolidated Financial Statements (note 3.3 on employee benefits expense in the Consolidated Financial Statements).

3.4.4 EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) corresponds to net income (loss) from continuing operations before (i) depreciation and amortisation of non-current assets and current assets, and (ii) depreciation of intangible assets related to acquisitions.

3.4.5 EBITA

EBITA (Earnings Before Interest, Taxes and Amortisation) corresponds to net income (loss) from continuing operations before the amortisation of intangible assets related to acquisitions.

3.4.6 Net income (loss) from continuing operations

Net income (loss) from continuing operations is the difference between a company's operating income and expenses. It corresponds to the profit realised as a result of the usual use of the Company's factors of production. It is, therefore, the net income (loss) from operations before other non-recurring operating income and expenses.

3.4.7 Net finance income (expense)

The net finance income (expense) corresponds to all financial items presented in the profit and loss account:

(i) the cost of net financial debt, which corresponds to the costs related to the items of financial debt, net of any income generated by cash. The cost of debt mainly includes interest on bank loans, recognised using the effective interest method, and interest on lease liabilities determined in accordance with IFRS 16 for all leases;

(ii) other financial income and expenses, which are not of an operating nature and are not part of the net cost of debt excluding IFRS 16, mainly foreign exchange gains and losses, as well as interest related to factoring.

3.4.8 Income tax

At the end of the financial year, there was a tax consolidation group in France (3 entities) and in the United States (2 entities).

The income tax expense represents the sum of current tax and deferred tax of consolidated companies. The tax expense is calculated according to the tax laws in force or in force at the reporting date in the countries where the Company and its subsidiaries operate.

The amount of current tax due (or receivable) is determined on the basis of the best estimate of the amount of tax that the Group expects to pay (or receive) reflecting, where applicable, the uncertainties related to it.

The contribution on the value added of companies (CVAE), based on the value added of the parent company financial statements, is analysed by the Group as an income tax.

The amount of deferred taxes corresponds to the impact of temporary differences between the carrying amount of the assets and liabilities of the consolidated companies and their respective tax base to be used to determine the future taxable profit, using the tax rates in force at 31 December 2023. The main types of deferred tax are the capitalisation of tax loss carryforwards and customer relationships on acquisitions (see Note 4.10 to the Consolidated Financial Statements).

3.4.9 Net income

Net income is the result of (i) other operating income and expenses, (ii) financial income and (iii) tax expense on net income (loss) from continuing operations.

3.4.10 Main performance indicators

The Group's main performance indicators are (i) revenue, (ii) EBITDA, (iii) EBITA and (iv) net income (loss) from continuing operations. These performance indicators (analysed in section 3.5.7 of the Chapter "*Management report*" of the Annual Financial Report) are regularly monitored by the Group to analyse and assess its activities and trends, measure their performance, prepare earnings forecasts and make strategic decisions. Consequently, the definitions used by the Group may not correspond to the definitions given to these same terms by other companies, and therefore may not be comparable. These measures should not be used to exclude or replace IFRS measures. The tables below present these indicators for the periods indicated and their calculations.

In addition, the Group announced in its press release on its results for the first half of 2023 that the gross sales margin indicator would no longer be the subject of a specific communication in order to avoid disrupting business relationships with the Group's existing and future partners. Consequently, this indicator is no longer subject to targets set by the Group.

In addition, the Group modified the following performance indicators:

- the "Current EBITDA" indicator is now referred to as "EBITDA";
- the "Adjusted Current EBITDA" indicator is no longer monitored by the Group given the absence of share-based payment expense (IFRS 2) for the 2022 and 2023 financial years; and
- the Group also presents the "EBITA" indicator, which reflects operating performance, excluding the impact of depreciation and impairment of assets acquired through external growth.

3.4.10.1 *EBITDA, EBITA and net income (loss) from continuing operations*

EBITDA, EBITA and net income (loss) from continuing operations are key indicators for measuring the Group's operating performance.

The data below is presented for each operating segment. The contribution of central services (led by Icape Holding, ICAPE EIG and CIPEM EIG) is reallocated on the basis of the contribution to the consolidated revenue of each operating segment.

31/12/2023	**PCB Americas**	**PCB Northern Europe**	**PCB Southern Europe**	**PCB Asia and the Rest of the World**	**CIPEM**	**TOTAL**
Revenue	11,189	47,513	48,272	41,764	30,802	**179,541**
EBITDA	**884**	**2,591**	**4,226**	**3,339**	**2,708**	**13,748**
Operating depreciation charge	(170)	(1,223)	(589)	(1,323)	(448)	**(3,752)**
EBITA	**714**	**1,368**	**3,637**	**2,016**	**2,260**	**9,996**
Amortisation of intangible assets related to acquisitions	(66)	(473)	(446)	(3)	(86)	**(1,075)**
Net income (loss) from continuing operations	**648**	**894**	**3,191**	**2,013**	**2,173**	**8,920**

31/12/2022	PCB Americas	PCB Northern Europe	PCB Southern Europe	PCB Asia and the Rest of the World	CIPEM	TOTAL
Revenue	16,757	54,427	66,924	47,946	33,591	**219,644**
EBITDA	**414**	**3,436**	**4,641**	**3,627**	**2,443**	**14,562**
Operating depreciation charge	(217)	(1,131)	(699)	(1,293)	(397)	**(3,737)**
EBITA	**197**	**2,305**	**3,942**	**2,334**	**2,046**	**10,825**
Amortisation of intangible assets related to acquisitions	-	(428)	(435)	(4)	-	**(867)**
Net income (loss) from continuing operations	**197**	**1,878**	**3,507**	**2,331**	**2,046**	**9,959**

3.5 Presentation of the Group's consolidated profit (loss) for the 2023 financial year

The table below shows the Group's income statement (in thousands of euros) for each of the financial years ended 31 December 2022 and 2023:

(In thousands of euros)	Notes	31/12/2023	31/12/2022
Revenue	3.1	179,541	219,644
Consumables purchased		(121,108)	(157,422)
External expenses	3.2	(18,509)	(20,552)
Employee benefits expense	3.3	(25,835)	(26,514)
Taxes and charges	3.4	(393)	(241)
Other operating income and expenses		51	(353)
EBITDA		**13,748**	**14,562**
Operating depreciation charge	3.5	(3,753)	(3,737)
EBITA		**9,995**	**10,825**
Amortisation of intangible assets related to acquisitions	3.5	(1,075)	(867)
Net income (loss) from continuing operations		**8,920**	**9,959**
Gains and losses on disposal of consolidated investments		(0)	(50)
Other operating income and expenses	3.6	(350)	123
Net income (loss) from operations		**8,570**	**10,032**
Cash income and expenses		(147)	(446)
Cost of gross financial debt	3.7	(1,579)	(524)
Cost of net financial debt		**(1,726)**	**(970)**
Other financial income and expenses	3.8	(552)	(1,358)
Income before tax		**6,292**	**7,703**
Income tax	3.9	(1,059)	(439)
Net income from operations held for sale or discontinued operations	3.11	(1,003)	(1,974)
Net income		**4,230**	**5,291**
Group share		**4,482**	**5,476**
Share of non-controlling interests		**(252)**	**(185)**
Earnings per share, Group share	3.10	**€0.55**	**€0.80**
Diluted earnings per share, Group share	3.10	**€0.55**	**€0.80**

3.5.1 Revenue by revenue type and operating segment

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
Printed circuit boards (PCB)	148,739	186,053	-20%
Technical parts (CIPEM)	30,802	33,591	-8%
Revenue	**179,541**	**219,644**	**-18%**

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
PCB Southern Europe	48,272	66,924	-28%
PCB Northern Europe	47,513	54,427	-13%
PCB Asia and the Rest of the World	41,764	47,946	-13%
CIPEM	30,802	33,591	-8%
PCB Americas	11,189	16,757	-33%
Revenue	**179,541**	**219,644**	**-18%**

The Group's consolidated revenue amounted to €179.5 million for the financial year ended 31 December 2023 compared to €219.6 million for the financial year ended 31 December 2022, *i.e.* a decrease of €40.1 million, representing a negative change of 18%.

The change in revenue by operating segment shows that the decline affects all segments. The global printed circuit board distribution activity posted a net decline in 2023 mainly due to (i) the decline in overall demand, (ii) an unfavourable impact on sales prices and (iii) the normalisation of our customers' inventories.

3.5.2 Cost of sales

The cost of sales includes the following items: (i) purchase of goods, (ii) transport costs (included in "external expenses" in the profit and loss account) and (iii) remuneration of agents' fees (included in "external expenses" in the profit and loss account).

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
Consumables purchased	(121,108)	(157,422)	-23%
Transport costs	(7,370)	(11,290)	-35%
Remuneration of agents' fees	(1,290)	(1,255)	+3%
Cost of sales	**(129,768)**	**(169,967)**	**-24%**

During the financial year ended 31 December 2023, the Group's cost of sales decreased by €40.2 million compared to the financial year ended 31 December 2022, *i.e.* -24%. This decrease in the cost of sales is therefore greater than the 18% decrease in revenue over the same period. The various synergies activated by the Group thus make it possible to improve the ratio of gross sales margin to revenue (see section 3.5.3 of the Chapter "*Management report*" of the Annual Financial Report).

The Group's purchase of goods decreased by 23% during the financial year ended 31 December 2023. This change is also higher than the 18% decline in revenue over the same period. We have seen significant gains from the Group's purchasing performance materialised by the improvement in the ratio of purchase of goods to revenue, which went from 72% to 67% at the end of 2023 financial year.

Transport costs amounted to €7.4 million during the financial year ended 31 December 2023, compared with €11.3 million during the financial year ended 31 December 2022. They represented 4.1% of revenue in 2023, compared to 5.1% of revenue in 2022. This decrease, in volume and percentage, is due to a normalisation of costs related to container transport after a year in 2022 marked by port congestion problems.

Remuneration of agents' represents 0.7% of revenue for the financial year ended 31 December 2023, compared with 0.6% of revenue for the financial year ended 31 December 2022.

3.5.3 Gross sales margin

Gross sales margin is equal to the Group's consolidated revenue restated for cost of sales as defined above.

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
Revenue	179,541	219,644	-18%
Cost of sales	(129,768)	(169,967)	-24%
Gross sales margin	**49,773**	**49,677**	**0%**
Gross sales margin/revenue ratio	*27.7%*	*22.6%*	*+5.1 points*

Following the change in revenue and cost of sales described above, the Group's gross sales margin amounted to €49.8 million for the financial year ended 31 December 2023 compared to €49.7 million for the financial year ended 31 December 2022.

The strong increase in the gross sales margin is due to the following aspects:

(i) the continuous optimisation of purchases despite the decline in commercial activity recorded over the year;

(ii) the change in the average basket, with a gross sales margin that is inversely proportional to the size of the order;

(iii) the normalisation of container transport costs after 2022 marked by port congestion problems;

(iv) synergies generated by the Group's external growth policy, for which the weighted average gross sales margin was 31%.

3.5.4 Other external expenses

Other external expenses are broken down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
Administrative expenses & low-value/short-term lease expenses	(3,585)	(3,361)	+7%
Travel, assignments	(1,651)	(1,393)	+19%
Insurance premiums	(767)	(742)	+3%
Advertising & Marketing	(589)	(556)	+6%
Remuneration of intermediaries & fees	(2,395)	(1,251)	+91%
Banking services	(861)	(705)	+22%
Other external expenses	**(9,849)**	**(8,007)**	**+23%**

Other external expenses for the financial year ended 31 December 2023 amounted to €9.8 million compared to €8.0 million for the financial year ended 31 December 2022, *i.e.* an increase of €1.8 million (+23%).

This increase is mainly due to the €1.1 million increase in intermediaries' remuneration & fees for the financial year ended 31 December 2023, resulting from:

- operations aimed at streamlining and simplifying the Group's legal structure;
- the deployment of the Group's CSR strategy; and
- the actions of the merger and acquisition department through the Group's external growth policy.

3.5.5 Employee benefits expense

Employee benefits expense can be broken down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
Remuneration for staff	(21,327)	(22,133)	-4%
Social security and welfare charges	(4,499)	(4,234)	+6%
Provisions for retirement benefit obligations	(8)	(78)	-90%
Charges on Stock Options and Free Shares	-	(69)	-100%
Employee benefits expense	**(25,835)**	**(26,514)**	**-3%**

Employee benefits expense amounted to €25.8 million for the financial year ended 31 December 2023, a decrease of approximately 3% compared to 2022. The Group continues to control its payroll, while integrating the workforce resulting from the external growth policy.

3.5.6 Depreciation and amortisation charge

Depreciation and amortisation charges can be broken down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
Operating depreciation charge	(3,753)	(3,737)	0%
Amortisation of intangible assets related to acquisitions	(1,075)	(867)	+24%
Depreciation and amortisation charge	**(4,828)**	**(4,604)**	**+5%**

Operating amortisation and depreciation charges, which amounted to €3.8 million for the financial year ended 31 December 2023, consisted of amortisation of intangible assets for €0.8 million and depreciation of property, factory and equipment for €2.9 million. This item includes the amortisation of right-of-use leases (IFRS 16) for €2.1 million.

Amortisation of intangible assets related to acquisitions, which amounted to €1.1 million for the financial year ended 31 December 2023, results from the amortisation of customer relationships recognised as assets.

Details of depreciation and amortisation charge can be found in note 3.5 to the Consolidated Financial Statements.

3.5.7 EBITDA, EBITA and net income (loss) from continuing operations

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**Change %**
Revenue	**179,541**	**219,644**	**-18%**
Consumables purchased	(121,108)	(157,422)	-23%
Transport costs	(7,370)	(11,290)	-35%
Remuneration of agents' fees	(1,290)	(1,255)	+3%
Cost of sales	**(129,768)**	**(169,967)**	**-24%**
Gross sales margin	**49,773**	**49,677**	**0%**
Other external expenses	(9,849)	(8,007)	+23%
Employee benefits expense	(25,835)	(26,514)	-3%
Taxes & duties	(393)	(241)	+63%
Other operating income and expenses	51	(353)	-114%
EBITDA	**13,748**	**14,562**	**-6%**
Operating depreciation charge	(3,753)	(3,737)	0%
EBITA	**9,995**	**10,825**	**-8%**
Amortisation of intangible assets related to acquisitions	(1,075)	(867)	+24%
Net income (loss) from continuing operations	**8,920**	**9,959**	**-10%**
Gross sales margin/revenue ratio	***27.7%***	***22.6%***	***+5.1 points***
EBITDA/revenue ratio	***7.7%***	***6.6%***	***+1.1 points***
EBITA/revenue ratio	***5.6%***	***4.9%***	***+0.7 points***
Net income (loss) from continuing operations/revenue ratio	***5.0%***	***4.5%***	***+0.5 points***

EBITDA amounted to €13.7 million for the financial year ended 31 December 2023 compared to €14.6 million for the financial year ended 31 December 2022, *i.e.* a decrease of €0.8 million. At the same time, the ratio in relation to revenue amounted to 7.7% for the 2023 financial year, an increase of 1.1 points compared to 2022.

EBITA amounted to €10.0 million for the financial year ended 31 December 2023 compared to €10.8 million for the financial year ended 31 December 2022, *i.e.* a decrease of €0.8 million. At the same time, the ratio in relation to revenue amounted to 5.6% for the 2023 financial year, an increase of 0.7 points compared to 2022.

Net income (loss) from continuing operations amounted to €8.9 million for the financial year ended 31 December 2023 compared to €10.0 million for the financial year ended 31 December 2022, *i.e.* a decrease of around €1.1 million. At the same time, the ratio in relation to revenue amounted to 5.0% for the 2023 financial year, an increase of 0.5 points compared to 2022.

3.5.8 Other operating income and expenses

Other operating income and expenses represented an expense of €0.4 million at 31 December 2023, compared with income of €0.1 million at 31 December 2022. Other operating income and expenses mainly include non-recurring items, the nature of which varies from one financial year to another and which are not significant for the Group.

These items are presented in Note 3.6 to the Consolidated Financial Statements.

3.5.9 Net finance income (expense)

The two aggregates comprising the Group's net financial income are presented below:

3.5.9.1 *Cost of financial debt*

The cost of financial debt can be broken down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**	
Cost of gross financial debt	**(1,579)**	**(524)**	*A*
Of which IFRS 16	(217)	(244)	*B*
Cost of gross financial debt excluding IFRS 16	**(1,362)**	**(280)**	*C = A - B*
Borrowings and financial debt	**59,502**	**43,595**	*D*
Of which IFRS 16	6,256	7,511	*E*
Total borrowings and financial debt excluding IFRS 16	**53,246**	**36,084**	*F = D - E*
Gross cost of debt	***2.7%***	***1.2%***	*G = A / D*
Gross cost of debt excluding IFRS 16	***2.6%***	***0.8%***	*H = C / F*

This cost represents an expense of €1.6 million for the financial year ended 31 December 2023, compared to an expense of €0.5 million at 31 December 2022. This increase is due to the conclusion of a syndicated loan in November 2022, which had its effects over 12 months during the 2023 financial year.

All of the Group's bank loans are presented in Note 4.9.1 to the Consolidated Financial Statements.

3.5.9.2 *Other financial income and expenses*

Other financial income and expenses represented an expense of €0.6 million at 31 December 2023, compared with an expense of €1.4 million at 31 December 2022.

These losses are mainly due to interest related to factoring as well as foreign exchange gains and losses resulting from changes in exchange rates, in particular on the USD.

These items are also presented in note 3.8 to the Consolidated Financial Statements.

3.5.10 Income tax

The Group's income tax expense amounted to €1.1 million at 31 December 2023, compared with €0.4 million at 31 December 2022.

The effective tax rate was 20.0% for the 2023 financial year, compared to 7.7% for the 2022 financial year. The change in the effective tax rate is mainly due to the change in non-capitalised tax losses.

These items are also presented in note 3.9 to the Consolidated Financial Statements.

3.5.11 Net income

Net income amounted to €4.2 million for the financial year ended 31 December 2023, compared to €5.3 million for the previous financial year.

In addition, net income Group share amounted to €4.5 million for the financial year ended 31 December 2023, compared to €5.5 million for the previous financial year.

3.6 Cash and equity statement

This section presents information on the Group's equity, liquidity and sources of funding.

3.6.1 General overview

The Group's main financing needs include its working capital requirements, capital expenditure, particularly in the context of its development and external growth strategy, loan repayments and interest payments.

The Group's gross cash amounted to €32.8 million at 31 December 2023, compared with €28.0 million at 31 December 2022. The analysis of changes in cash flows is detailed in section 3.6.2 ("*Consolidated cash flows of the Group*") of the Annual Financial Report.

The Group uses its cash to finance its current operating needs, but also its tangible and intangible capital expenditure, particularly in terms of industrial equipment, computer hardware and software, and to a lesser extent transport and office equipment.

In a context of uncertainty due to external, health, economic, financial and regulatory factors, the Group mains its goal to generate cash through the results of its operating performance and the rigorous targeting of its investments. The Group's ability to generate cash in the future through its operating activities will depend on its future operating performance, which is itself dependent, to a certain extent, on economic, financial, competitive, market, regulatory and other factors, most of which are outside the Group's control (see risk factors described in Chapter 3 *(Risk factors*) of the Registration Document and Chapter 2 (*Risk factors*) of the Securities Note, as updated in section 6 of Chapter "*Management report*" of the Annual Financial Report).

Readers are invited to read the following information on the Group's cash flows in conjunction with the Consolidated Financial Statements, as they appear in the Chapter "Consolidated Financial Statements" of the Annual Financial Report, as it is the subject of an audit report by the Statutory Auditor included in section 2 of Chapter "Consolidated Financial Statements" of the Annual Financial Report.

3.6.2 Consolidated cash flows of the Group

Changes in the Group's cash amounted to +€4.7 million and +€2.0 million, respectively, for the financial years ended 31 December 2023 and 31 December 2022.

The Group uses its cash to finance its capital expenditure and its current operating needs. The Group's cash is mainly denominated in euros.

The table below shows the various cash flows for the financial years ended 31 December 2022 and 2023:

(In thousands of euros)	Notes	31/12/2023	31/12/2022
Net income		4,230	5,291
Adjustments			
Elimination of depreciation, amortisation and provisions		5,399	3,298
Elimination of gains and losses on disposal and dilution gains and losses		(20)	141
Calculated income and expenses related to share-based payments		-	51
Cash flow after cost of net financial debt and tax		**9,609**	**8,781**
Elimination of tax expense (income)		1,059	439
Elimination of the cost of net financial debt		1,726	970
Cash flow before cost of net financial debt and tax		**12,395**	**10,190**
Change in working capital requirement	5.1	(1,174)	(6,714)
Impact of the change in loan issuance costs		(873)	(243)
Taxes paid		(2,118)	(271)
Cash flow from operating activities		**8,229**	**2,961**
Acquisition of subsidiaries, less cash acquired	4.1.0	(11,214)	(16,513)
Acquisition of property, factory and equipment and intangible assets		(1,621)	(4,536)
Acquisition of financial assets		1	-
Change in loans and advances granted		(19)	219
Disposal of property, factory and equipment and intangible assets		174	403
Other cash flows related to investing activities		(2,500)	
Cash flow from investment activities		**(15,179)**	**(20,428)**
Capital increase		0	17,678
Net disposal (acquisition) of treasury shares	4.7.3	(133)	(196)
Issue of borrowings	4.9	45,578	16,020
Repayment of borrowings	4.9	(30,346)	(13,537)
of which repayment of borrowings IFRS 16	4.9	*(2,087)*	*(2,019)*
Financial interest paid		(1,654)	(946)
of which net financial interest paid IFRS 16		*(217)*	*(244)*
Dividends paid to Group shareholders		(1,614)	-
Cash flow from financing activities		**11,832**	**19,020**
Impact of exchange rate fluctuations (*		(300)	713
Impact of the application of IFRS 5		160	(220)
Cash and cash equivalents	4.6	27,988	26,006
Bank loans (passive cash)	4.9	(47)	(109)
Opening cash position		**27,941**	**25,897**
Cash and cash equivalents	4.6	32,747	27,988
Bank loans (passive cash)	4.9	(63)	(47)
Closing cash		**32,684**	**27,941**

3.6.2.1 *Cash flow from operating activities*

The Group's change in net cash from operating activities amounted to €8.2 million for the financial year ended 31 December 2023 compared to €2.9 million for the financial year ended 31 December 2022.

The Group's net cash flow related to operating activities increased by €5.3 million during the financial year ended 31 December 2023 compared to the financial year ended 31 December 2022. This increase is mainly the result of the continued improvement in the Group's cash flow from operations initiated in the previous financial year. In addition, the change in working capital requirement was properly controlled, amounting to €1.2 million at 31 December 2023 compared to €6.7 million at 31 December 2022.

The ratio of the change in working capital requirement to revenue was 0.7% for the financial year ended 31 December 2023, compared with 3.1% in 2022. This 2.4-point improvement is the result of a strategy implemented by the Group to optimise all of its flows related to operating activities (inventories, trade receivables and trade payables) in order to control its WCR.

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Impact of changes in stock	3,787	3,930
Impact of changes in trade receivables	4,461	7,579
Impact of changes in trade payables	(9,423)	(18,223)
Change in working capital requirement (WCR)	**(1,174)**	**(6,714)**

The working capital requirement ("WCR") can be broken down as follows, it being specified that the Group mainly analyses the "simplified" WCR which is calculated on the basis of stock and work-in-progress, trade and other receivables and trade and other payables:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Inventory and work-in-progress	11,357	13,856
Trade and other receivables	42,022	45,532
Trade and other payables	(48,773)	(56,526)
"Simplified" working capital requirement	**4,607**	**2,863**
Other current WCR receivables	420	631
Other current liabilities (excluding suppliers of non-current assets)	(93)	(89)
Working capital requirement	**4,934**	**3,405**

The change in working capital presented in operating cash flow is net of currency effects, changes in scope and other reclassification and scrapping effects. It breaks down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Working capital requirement	**4,934**	**3,405**
Effect of change in arithmetic WCR (1)	**(1,529)**	**(3,543)**
Currency effect (2)	294	(614)
Scope effect (3)	1,398	(1,404)
Impact of reclassifications or scrapping (4)	(1,337)	(1,153)
Change in working capital requirement (1 + 2 + 3 + 4)	**(1,174)**	**(6,714)**

The Group's ability to generate cash in the future through its operating activities will depend on its future operating performance, which is itself dependent, to a certain extent, on economic, financial, competitive, market, regulatory and other factors.

3.6.2.2 *Cash flow from investment activities*

The cash flow from investments led to cash consumption of €15.2 million in 2023, *i.e.* €5.2 million less than in 2022.

Investments correspond mainly to acquisitions made during the period (net of cash acquired):

(i) in February 2023, acquisition of the entire share capital of the French company Fimor Electronics;

(ii) in May 2023, acquisition of the operating assets of the German company HLT;

(iii) in September 2023, acquisition of the entire share capital of the German company Princitec;

(iv) in September 2023, acquisition of the operating assets of the US companies PCB Solutions, Nujay Technologies and Ustek Incorporated;

(v) in November 2023, acquisition of the operating assets of the German company Bordan Electronic Consult.

In addition, the Group also paid earn-outs related to acquisitions made prior to the financial year ended 31 December 2023.

3.6.2.3 *Cash flow from financing activities*

Cash flow from financing activities resulted in a positive flow of €11.8 million in 2023, compared to a positive flow of €19.0 million in 2022.

The cash flow from financing activities for the 2023 financial year, amounting to €11.8 million, can be broken down as follows: issue of borrowings for €45.6 million, repayment of borrowings for €30.3 million, financial interest paid for €1.7 million and dividends paid to Group shareholders for €1.6 million.

The issue of borrowings of €45.6 million mainly corresponds to the following borrowings:

(i) In order to refinance the acquisition price of the MMAB Group, the Company had asked Crédit Agricole, HSBC, BNPP and Crédit du Nord for the confirmation of the Capex Loan, which was confirmed on 31 January 2023 and fully drawn down in the amount of €10 million;

(ii) on 22 June 2023, the Group obtained a €5 million International Growth loan from BPI to finance its external growth;

(iii) on 13 September 2023, the Group obtained a loan from CIC in the amount of €2 million for the partial financing of the acquisition of 100% of the shares of Princitec;

(iv) on 20 December 2023, the Group also announced the establishment of financing with a pool of nine European banks, as well as the issuance of Recovery Bonds. The financing transaction consists of a refinancing loan for a total amount of €21 million and an external growth credit line of €40 million, of which €20 million confirmed but not drawn down to date;

(v) lastly, the Group issued €6 million in Recovery Bonds subscribed by the *Obligations Relance France* fund, an investment managed by Tikehau Capital.

The repayment of borrowings for €30.3 million, including €2.1 million relating to IFRS 16, mainly corresponds to the repayment of the syndicated loan taken out in 2022 as well as the Capex Loan drawn down in the amount of €10.0 million on 31 January 2023.

3.6.3 Borrowing conditions and financing structure

3.6.3.1 *Group financial debt*

The Group's gross financial debt amounted to €59.5 million at the end of 2023 compared to €43.6 million at the end of 2022.

The change in the Group's financial debt is detailed in note 4.9 to the Consolidated Financial Statements.

The table below shows the breakdown of the Group's gross financial debt at the dates indicated:

(In thousands of euros)	**31/12/2022**	**Issue**	**Repayment**	**Changes in exchange rates**	**Business combination**	**Reclassification**	**31/12/2023**
Bonds	-	6,078	-	-	-	-	6,078
Loans from credit institutions - non-current (1) (2)	14,555	38,130	(24,910)	(13)	222	(1,799)	26,185
Non-current lease liabilities (2)	5,703	573	-	(125)	-	(1,765)	4,386
Accrued interest on loans - non-current	-	-	-	-	-	-	-
Total Medium-/long-term financial debt	**20,259**	**44,780**	**(24,910)**	**(138)**	**222**	**(3,564)**	**36,649**
Loans from credit institutions -- current	4,686	139	(1,518)	(23)	-	1,379	4,663
Bank loans (passive cash)	47	16	(2)	(4)	3	2	63
Other borrowings and similar debt - current	2	-	(1)	-	-	-	0
Current lease liabilities (2)	1,808	191	(2,087)	(43)	-	2,002	1,870
Factoring debt (1) (2)	16,739	1,232	(1,829)	(18)	-	-	16,125
Accrued interest on borrowings - current	55	132	(55)	-	0	-	132
Total Short-term financial debt	**23,337**	**1,710**	**(5,492)**	**(87)**	**3**	**3,383**	**22,853**
Total borrowings and financial debt	**43,595**	**36,490**	**(30,403)**	**(225)**	**224**	**(181)**	**59,502**
(1) Borrowings presented in the Statement of cash flows		45,578					
(2) Repayment of borrowings presented in the Statement of cash flows			(30,346)				
Of which lease liabilities under IFRS 16*	**7,511**	**764**	**(2,087)**	**(168)**	**-**	**237**	**6,256**

(*) Lease liabilities, within the meaning of IFRS 16, mainly comprise leases on the Group's premises and, to a lesser extent, leases on vehicles and IT equipment.

The Group also monitors its level of debt with the ratio: net debt excluding IFRS 16/ EBITDA excluding IFRS 16.

The change in this ratio over the last two financial years is presented below:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Total borrowings and financial debt excluding IFRS 16	53,246	36,084
Cash and cash equivalents	32,747	27,988
Net debt excluding IFRS 16	**20,499**	**8,096**
EBITDA	13,748	14,562
Lease expenses related to right-of-use assets (IFRS 16)	(2,285)	(2,234)
EBITDA excluding IFRS 16	**11,463**	**12,328**
Net financial debt / EBITDA ratio	***1.79***	***0.66***

3.6.3.2 *Financing through bank loans*

Syndicated loan

As part of the financing of its investments and operations, the Group took out a syndicated loan of €12.8 million on 24 November 2022 with a banking syndicate composed of the banking partners, Crédit Agricole, HSBC and BNP Paribas and Crédit du Nord (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report). This operation made it possible to refinance existing loans, with the exception of the SGLs for an amount of €6.2 million (which are carried directly by the subsidiaries Icape - International Consulting Activities for Printed Circuit Boards and Electronics and Idelec), and increase the Group's credit line by €6.6 million.

In order to refinance the acquisition price of the MMAB Group, the Company asked Crédit Agricole, HSBC, BNPP and Crédit du Nord for the confirmation of the Capex Loan, which was confirmed on 31 January 2023 and fully drawn down in the amount of €10 million.

On 20 December 2023, the Company took out a new syndicated loan with a syndicate of nine European banks (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report), intended to refinance its existing debt and benefit from a new external growth line (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report). The additional resources granted will thus enable the Group to strengthen its acquisition momentum in the short and medium term in accordance with its external growth strategy.

This new financing consists of:

(i) a refinancing loan (the "**Refinancing Loan**") for a total amount of €21 million, divided into three tranches, with a 1st tranche of €15.3 million repayable over six years, a 2nd tranche of €2.7 million with a 6.5-year term repayable at maturity, and a 3rd tranche of €3 million with a 7-year term repayable at maturity;

this Refinancing Loan was used in full to repay the existing debt under the credit agreement entered into by the Company on 24 November 2022 with the former banking syndicate consisting of a refinancing loan of an amount of initial principal of €12.8 million and an external growth line fully drawn down on 31 January 2023 for a total principal of €10 million;

(ii) a confirmed external growth credit facility for a maximum amount of €20 million, divided into two tranches with a 1st tranche of €17 million repayable over six years and a 2nd tranche of €3 million with a 6.5-year term repayable at maturity;

(iii) subject to prior confirmation by the banking syndicate, an external growth line of credit for a maximum amount of €20 million.

Pursuant to the loan agreement entered into with the banking syndicate, the Company is subject to the obligation to comply with a financial leverage ratio (*senior leverage ratio*) on the consolidated financial statements (net financial debt[6] compared to consolidated EBITDA).

This loan also includes a pledge of the shares of Icape - International Consulting Activities for Printed Circuit Boards and Electronics, Idelec and Cipem France, it being specified that the pledge on the shares of Idelec has since been lifted to allow the merger of this company with Icape - International Consulting Activities for Printed Circuit Boards and Electronics (see section 2.2.2 of the Chapter "*Management report*" of the Annual Financial Report).

<u>BPI France Growth loan</u>

On 22 June 2023, the Company had entered into a loan agreement with BPI France, for a total principal of €5 million, repayable over eight years with a grace period of two years, intended for the Group's external growth strategy.

<u>Crédit Industriel et Commercial loan</u>

On 13 September 2023, the Company had also entered into a loan agreement with Crédit Industriel et Commercial, for a total principal of €2 million, repayable over six years, intended to partially finance the acquisition of Princitec.

<u>HSBC USA credit line</u>

Since September 2023, the Group's subsidiaries Icape-USA and Cipem USA have a credit line with HSBC Bank USA with a maximum principal of $3 million. This credit line is intended to support the Group's activity in the US market.

Additional information on bank loan financing is provided in note 4.9 to the Consolidated Financial Statements.

3.6.3.3 *Financing through bonds*

Concomitantly with the implementation of its new financing, on 20 December 2023 the Group successfully issued Recovery Bonds for a total amount of €6 million subscribed by Tikehau (see section 2.1.5 of the Chapter "*Management report*" of the Annual Financial Report).

This additional financing, which aims to help accelerate the Group's investment and acquisition programme, benefits from the France Relance programme of the French Ministry of the Economy, Finance and Recovery. The Recovery Bonds correspond to a State guaranteed scheme and aim to strengthen the statement of financial position of French companies and the financial position of SMEs and mid-sized companies.

[6] Excluding financial debt in respect of the Recovery Bonds

Pursuant to the terms and conditions of the Recovery Bonds and the Additional Bonds, the Company is subject to the obligation to comply with a financial leverage ratio (*OR leverage ratio*) on the consolidated financial statements (net financial debt in relation to consolidated EBITDA).

3.6.3.4 *Financing by factoring*

As part of its activity, the Group is improving its financial flexibility by introducing financing secured by its trade receivables. The Group uses factoring with a maximum amount of financing at 31 December 2022 of US$8.0 million in Hong Kong, €15.0 million in France, €7.5 million in Germany, €1.5 million in Spain and €1.2 million in Italy. The terms are confidential but the commercial agreements on factoring fees and financing fees are in line with those of the market.

These factoring agreements enabled the Group to finance itself in the amount of €16.1 million at the end of the financial year ended 31 December 2023, compared to €16.8 million during the 2022 financial year. These factoring agreements mainly come from activities in France, Hong Kong and Germany.

3.6.3.5 *Financing through capital increases*

The Company did not carry out any capital increases during the financial year ended 31 December 2023.

3.6.3.6 *Off-balance sheet commitments*

Commitments were made to banks in connection with certain bank financing.

These include the pledge, for the benefit of the new banking syndicate composed of Banque Palatine, Banque Populaire Rives de Paris, BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile-de-France, Crédit Industriel et Commercial, Crédit Lyonnais, HSBC Continental Europe, Landesbank Saar and FCT Tikehau Novo 2020, of all the securities of the subsidiaries Icape - International Consulting Activities for Printed Circuit Boards and Electronics, Cipem France and Idelec, at the time of the implementation of the credit agreement dated 20 December 2023 described in section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report.

The pledge on the shares of Idelec has since been lifted to enable the merger of this company with Icape - International Consulting Activities for Printed Circuit Boards and Electronics (see section 2.2.2 of the Chapter "*Management report*" of the Annual Financial Report).

3.6.4 Restriction on the use of capital

The Group took out a syndicated bank loan of €21 million in December 2023 with Banque Palatine, Banque Populaire Rives de Paris, BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Île-de-France, Crédit Industriel et Commercial, Crédit Lyonnais, HSBC Continental Europe, Landesbank Saar and FCT Tikehau Novo 2020 (see section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report).

This loan includes an obligation to comply with a financial leverage ratio (*senior leverage ratio*) on the consolidated financial statements (net financial debt[7] compared to consolidated EBITDA).

[7] Excluding financial debt in respect of the Recovery Bonds

This leverage ratio, calculated every six months, must not exceed the following levels:

Test Date	Leverage ratio
31 December 2023, 30 June 2024 and 31 December 2024	L ≤ 2.50
30 June 2025 and 31 December 2025	L ≤ 2.25
30 June 2026 and thereafter, 30 June and 31 December of each year	L ≤ 2.00

This leverage ratio was met as of 31 December 2023.

Concomitantly with the implementation of its new financing, on 20 December 2023 the Group successfully issued Recovery Bonds for a total amount of €6 million subscribed by Tikehau (see section 2.1.5 of the Chapter "*Management report*" of the Annual Financial Report).

This bond issue also includes an obligation to comply with a financial leverage ratio (*OR leverage ratio*) on the consolidated financial statements, calculated in a manner similar to that of the syndicated loan (consolidated net financial debt compared to consolidated EBITDA).

This leverage ratio, calculated every six months, must not exceed the following levels:

Test Date	Leverage ratio
31 December 2023, 30 June 2024 and 31 December 2024	L ≤ 3.00
30 June 2025 and 31 December 2025	L ≤ 2.75
30 June 2026 and thereafter, 30 June and 31 December of each year	L ≤ 2.50

This leverage ratio was met as of 31 December 2023.

3.7 Factors affecting the comparability of the consolidated financial statements

Scope of consolidation

As part of its international development, during the 2023 financial year, the Group consolidated the company Princitec in Germany held at 100%.

The other acquisitions made in 2023 correspond to operating assets acquired by various subsidiaries of the Group and with no impact on the scope of consolidation.

The Group has also initiated several merger transactions between wholly-owned subsidiaries in order to streamline and simplify the Group’s legal structure. The following subsidiaries therefore do not appear in the scope of consolidation for the 2023 financial year:

- Fimor Electronics, acquired in 2023, was absorbed by Cipem France on 10 May 2023;

- Swedish companies Icape AB and MMAB Group AB were absorbed by Icape Malmö Monsterkort AB on 6 November 2023;

- Divsys France was absorbed by Cipem France on 1 December 2023.

Change in consolidation method

NA.

Reclassification of financial instruments

NA.

4. INFORMATION CONCERNING THE PARENT COMPANY (ICAPE HOLDING SA)

4.1 Presentation of the Company's results

For the 2023 financial year, the Company generated revenue of €5,068,284, which shows an increase compared to our previous financial year, at the end of which it amounted to €4,569,176, *i.e.* an increase of 10.9%.

After recording our "Reversal of depreciation, amortisation and provisions - expense transfers" and "Other income" items for €60,762, the total operating income came to €5,129,046.

Operating expenses showed the same increase of around 4.7%, amounting to €7,123,542 compared to €6,802,954 last year.

Their variation by major item, from one financial year to another can be highlighted by the table below:

	2023	**2022**
External expenses	€3,671,116	€2,806,506
Taxes and charges	€95,169	€116,762
Wages and social security contributions	€3,040,046	€3,491,084
Depreciation and amortisation	€151,468	€90,355
Other expenses	€165,744	€298,246

In view of the figures presented above, the Company's operating profit (loss) shows a negative balance of €1,994,497.

Financial expenses amounted to €3,410,151.

However, these financial expenses, mainly comprising interest expenses on borrowings, were fully offset by financial income, which amounted to €6,242,232, including significant income from our subsidiaries and equity investments.

The Company's financial income therefore appears positive at €2,832,081.

As a result, the Company's current operating profit (loss) before tax showed a profit of €837,585, an increase of €2,735,784.

Ultimately, after deducting the non-recurring loss of €1,731,086 and the recognition of corporate income tax for €(931,085), the Company's net accounting profit (loss) was a profit of €37,584.

The report of the Company's Statutory Auditors on the annual parent company financial statements for the financial year ended 31 December 2023 is presented in the Chapter "*Parent Company Financial Statements*" of the Annual Financial Report.

4.2 Appropriation of net profit (loss)

The profit for the financial year ended 31 December 2023 was €37,584.

The Shareholders' Meeting is asked to allocate this profit to the following items:

- €22,690 to the "Legal reserve" item, the amount of which would thus be increased from €300,837 to €323,527;

- €14,894 to the "Other reserves" item, which would thus be increased from €913,464 to €928,358.

4.3 Dividend proposal

As a reminder, when its shares were admitted to trading on Euronext Growth, the Company had indicated that its objective for the financial year ended 31 December 2022 was to distribute dividends representing approximately 30% of its net income. Group share, subject to approval by the Annual General Shareholders' Meeting.

The Company had indicated that this dividend policy should continue during the period 2023-2026, which would result in an increase in the dividend in euros per share over the same period, subject to the increase in profits as well as the approval by the Annual General Shareholders' Meeting.

As a result, and in view of the consolidated profit (loss), Group share, amounting to €4,482 thousand, the Shareholders' Meeting is asked to distribute a dividend of €0.20 per share, *i.e.* a total of €1,617,636.40 representing 36% of the net income, Group share.

This dividend would be fully deducted from the Company's "Share premium" account, which amounts to €16,911,615 and would thus be reduced to €15,293,978.60.

Taking this allocation into account, the Company's equity would be €20,760,969.60.

The dividend to be distributed will be detached from the share on 19 June 2024 and will be paid on 21 June 2024.

If, when the dividend is paid, the Company holds some of its own shares, the profit corresponding to the dividends not paid as a result of these shares would be allocated to the "Other reserves" account.

The gross dividend mentioned above is before any tax and/or social security deductions that may apply to shareholders according to their own situations.

In accordance with the provisions of Article 200 A of the French General Tax Code, dividends received by individuals who are fiscally resident in France and are subject to income tax, are (for their gross amount and unless exempted under income conditions) automatically subject to a single flat-rate withholding tax of 12.8% in respect of income tax (Article 200 A 1. of the French General Tax Code), plus social security contributions at a rate of 17.2%, *i.e.* overall taxation at 30%.

By way of derogation and on express, overall and irrevocable option, these dividends are subject to income tax at the progressive scale (Article 200 A 2. of the French General Tax Code), and are then eligible for tax relief of 40% referred to in paragraph 2 of 3 of Article 158 of the French General Tax Code, applicable under certain conditions. This option is overall and applies to all income within the scope of the single flat-rate withholding tax. In this case, the dividend is also subject to social security contributions at the rate of 17.2%.

In accordance with the provisions of Article 117 *quater*, I.-1 of the French General Tax Code, a request for an exemption from the non-discharging flat-rate withholding tax of 12.8% in accordance with the provisions of Article 242 *quater* of the French General Tax Code may be made to the Company before 30 November of the year preceding the year of payment by taxpayers whose "reference tax income" for the penultimate year does not exceed a certain threshold, set in paragraph 3 of the same article and provided that they have made the express request when filing the declaration of income concerned, under the conditions provided for in Article 200 A 2. of the French General Tax Code, for dividends received in 2024.

Shareholders, regardless of their situation, are invited to consult their usual tax advisor.

4.4 Reminder of dividends paid

Pursuant to Article 243 *bis* of the French General Tax Code, the Company informs that the dividends distributed and paid in respect of the three previous financial years were as follows:

Financial year	Total dividend (€)	Dividend per share (€)	Dividend eligible for tax relief (Article 243 *bis* of the French General Tax Code)	Dividends not eligible for tax relief (Article 243 *bis* of the French General Tax Code)
2022	1,617,636.40	0.20	1,617,636.40	-
2021	224,000	1	224,000	-
2020	None	None	None	None

4.5 Table of results for the last five financial years

In accordance with Article R. 225-102 of the French Commercial Code, the table below shows the Company's results for each of the last five financial years:

	2023	2022	2021	2020	2019
I. - Financial position at year-end:					
a) Share capital	3,235,273	3,235,273	2,290,860	3,008,360	3,008,360
b) Number of shares issued	8,088,182	8,088,182	229,086	300,836	300,836
c) Number of bonds convertible into shares	-	-	-	-	-
II. - Comprehensive income from effective operations:					
a) Revenue excluding tax	€5,068,284	€4,569,176	€3,548,113	€3,395,712	€3,008,080
b) Profit before tax, depreciation, amortisation and provisions	€(407,243)	€(1,047,409)	€284,048	€1,364,901	€1,082,399
c) Income tax	€931,085	€372,005	€441,155	€100,150	€231,386
d) Profits after tax, depreciation, amortisation and provisions	€37,584	€(2,409,519)	€645,246	€1,383,187	€1,202,340
e) Amount of distributed profits(1)	€1,617,636.40	€1,617,636.40	€224,000	-	-
III. - Earnings from operations reduced to a single share(2):					
a) Profit after tax, but before depreciation, amortisation and provisions	€0.06	€(0.08)	€3.17	€4.87	€4.37
b) Profit after tax, depreciation, amortisation and provisions	€0.00	€(0.30)	€2.82	€4.60	€4.00
c) Dividend paid per share(1)	€0.20	€0.20	€0.98	-	-
IV. - Personnel:					
a) Number of employees	13	17	23	12	9
b) Total payroll	€(2,102,479)	€(2,404,791)	€(2,163,330)	€(993,752)	€(978,205)
c) Amount paid in respect of social benefits (social security, charities, etc.)	€(937,567)	€(1,086,293)	€(892,210)	€(411,980)	€(450,039)
(1) For the financial year for which the financial statements will be submitted to the General Shareholders' Meeting, indicate the amount of profits proposed for distribution by the Board of Directors, the Management Board or the Executive Managers.					
(2) If the number of shares has changed during the reference period, it is necessary to adapt the results indicated and to recall the transactions that have modified the amount of capital.					

4.6 Non-tax deductible expenses

In accordance with the provisions of Articles 223 *quater* of the French General Tax Code, we inform you that during the past financial year, the Company incurred expenses and charges non-deductible from the corporate income tax referred to in 4 of Article 39 of the French General Tax Code for an amount of €72,361, corresponding to excess rents on vehicles for €42,885, tax on company vehicles for €6,296, tax on offices for €22,610 and fines and penalties for €570.

4.7 Research and development activities

With regard to Article L. 232-1 of the French Commercial Code, we hereby inform you that the Company did not carry out any research and development activities during the past financial year.

4.8 Information on payment terms

In accordance with Articles L. 411-14 and D. 411-6, I of the French Commercial Code, information on the payment terms of our suppliers and customers is provided in Appendix 1 of the Annual Financial Report, indicating the number and total amount of invoices received and issued but not paid at 31 December 2023 and the breakdown of this amount by tranche of arrears.

4.9 Inter-company loans

No inter-company loan referred to in Article L. 511-6 of the French Monetary and Financial Code was granted by the Company during the financial year ended 31 December 2023.

4.10 The Company's exposure to price, credit, liquidity and cash risks

The Company's exposure to price, credit, liquidity and cash risks is shown in Chapter 3 (*Risk factors*) of the Registration Document and in Chapter 2 (*Risk factors*) of the Securities Note, as updated in section 6 of the Chapter "*Management report*" of the Annual Financial Report and in Note 4.15 to the Consolidated Financial Statements.

4.11 Injunctions or financial penalties issued by the French Competition Authority for anti-competitive practices

None.

5. <u>FORESEEABLE TRENDS AND FUTURE PROSPECTS</u>

5.1 Main trends since the end of the last financial year

Significant events since 31 December 2023 are presented in the section 2.2 of the Chapter "*Management report*" of the Annual Financial Report.

5.2 Continuation of the Group's strategy

The Group intends to pursue its strategy in 2024, which includes three main focuses: (i) maintaining sustained and structured organic growth, based on the Group's competitiveness, (ii) the optimisation of the organisation by mobilising levers to improve profitability and (iii) the continuation of the Group's external growth strategy in a context of general market consolidation.

5.2.1 <u>Maintain organic growth</u>

The first pillar of the Group's strategy is maintaining strong and structured organic growth. This area is broken down into several objectives:

(i) activate the levers of commercial efficiency, and in particular improve the commercial efficiency of recent subsidiaries in order to reach the critical size as quickly as possible in each region;

(ii) maintain the high level of quality of products and services and continue the price competitiveness policy;

(iii) increase the commercial penetration rate among all ICAPE business customers by accentuating the contribution of CIPEM business;

(iv) continue to enrich the service offering and further develop the Group's complementary activities;

(v) develop activities in partnership with electronic design offices in order to be recommended and approved from the outset and to capture more business at source;

(vi) establish itself in new territories, by continuing to create new subsidiaries in a very selective manner and in geographical areas where no acquisitions are possible.

5.2.2 <u>Optimise the organisation to improve profitability through operational initiatives</u>

The second pillar of the Group's strategy is the optimisation of the organisation, through identified operational initiatives, to improve the Group's profitability. This area is broken down into several objectives:

(i) improve the amortisation of central structure overhead costs *via* internal and external growth (amortisation of central structures, service offices, marketing, e-commerce, etc.);

(ii) improve the margins of the HMLV and CIPEM activities through better control of the sales force and the implementation of more restrictive rules;

(iii) continue to strengthen and develop the Group's most profitable businesses;

(iv) improve purchasing prices by increasing the Group's size and therefore its purchasing power;

(v) continue the Group's external growth strategy with the acquisition of targets with higher margin rates;

(vi) gradually integrate the partner agents with whom the Group shares a margin (by integration and purchase of their business assets);

(vii) capture more orders at source with electronic design offices and position ourselves more strongly on complex board projects;

(viii) refocusing the business mix on lower-volume orders by reducing the relative weight of medium- and large-volume orders with lower margins;

(ix) continue to improve the commercial efficiency of recent subsidiaries in order to enable them to reach critical size as quickly as possible and bring them up to the Group's profitability standards.

5.2.3 <u>Continue the Group's new M&A strategy to take full advantage of market consolidation opportunities</u>

The third pillar of the Group's strategy is to continue its M&A strategy, the objectives of which are:

(i) the acquisition of large customer bases at favourable prices in a context of market consolidation;

(ii) the development of the Group's activities in new territories;

(iii) the improvement of the organic growth of the companies acquired post-integration and the first synergies expected from the acquisitions already made by the Group, by enabling them to benefit in particular from the Group's purchasing power, IQTS business and the diversification enabled by the Group's related activities;

(iv) the benefit of an enhancing effect of these acquisitions on the Group's average gross sales margin, as the Group aims to acquire companies with a gross margin above 25%.

The priority targets of this strategy are medium-sized companies (whose revenue is less than €20 million), with a large portfolio of local customers, a gross margin of over 25% and which are profitable (in terms of net income (loss) from continuing operations), and have a strong potential for synergies with the Group, with the aim of developing synergies in purchases and sales.

The synergies expected by the Group from the acquisitions that will be carried out as part of its external growth strategy relate to both (i) revenue, with, in particular, the increase in sales and market share thanks to price competitiveness and the diversity of the products and services offered by the Group, the possibility of targeting larger volumes and customers, the improvement of commercial efficiency and access to larger supplier networks, (ii) purchases, with the improvement of purchase prices thanks to the Group's purchasing power and the negotiation of payment terms in line with the Group's standards, and (iii) the optimisation of costs with, in particular, the elimination of redundancies, optimisation of finances and general costs and merger, if necessary, of offices or services.

5.3 Future outlook and objectives

On 27 September 2023 and 8 February 2024, the Group published updates on its future outlook and medium-term objectives from the Registration Document published at the time of the admission of the Company's shares to trading on Euronext Growth.

These updates focused on:

(i) the organic growth rate, with a new objective of an average annual organic growth rate of 10% between 2023 and 2026 (replacing the former objectives of organic growth rate of 10% per year for the period 2023-2024 and of 8 to 10% per year for the 2025-2026 period);

(ii) the external growth rate, with a new acquisition target for a total amount of €120 million in revenue between 2023 and 2026 (replacing the former objectives of external growth rate of around €30 million in additional revenue per year in 2023 and in 2024 and approximately €20 million in additional revenue per year in 2025 and 2026);

(iii) net income (loss) from continuing operations, with the maintained target of around 9.5% by 2026 and the abandonment of the former target of 8% in 2024 initially planned.

(iv) the gross sales margin indicator, which is no longer published so as not to disrupt commercial relations with the Group's existing and future partners;

(v) consolidated revenue, with a new consolidated revenue target of around €500 million over the medium term (replacing the old target of around €500 million by 2026).

The objectives and trends presented below are based on data, assumptions and estimates, particularly in terms of the economic outlook, considered reasonable by the Group at the date of this report.

The outlook and objectives, based on the Group's strategic orientations, do not constitute forecasts or profit estimates for the Group.

The figures, data, assumptions, estimates and objectives presented below may change or be changed without notice, depending on, among other things, changes in the economic, financial, competitive, legal, regulatory, accounting and tax environment, or based on other factors which the Group is unaware of at the date of this report.

In addition, the materialisation of certain risks described in Chapter 3 (*Risk factors*) of the Registration Document and Chapter 2 (*Risk factors*) of the Securities Note, as updated in section 6 of Chapter "*Management report*" of the Annual Financial Report, could have a negative impact on the Group's activity, financial position, market situation, results or outlook, and consequently affect its ability to achieve the objectives presented below.

In addition, the achievement of these objectives implies the success of the Group's strategy and its implementation.

As a result, the Group does not make any commitment or give any guarantee that the objectives set out in this section will be met.

The Group does not intend to disclose any profit forecasts for the financial year ending 31 December 2024.

5.3.1 Outlook for the Group's business and financial objectives

The outlook for the development of the Group's activities and the financial and operational objectives presented below are based in particular on (i) market trends and the market outlook in line with those set out in section 5.5 (*Presentation of markets and competitive position*) of the Registration Document, (ii) the Group's recent or ongoing investments, (iii) the Group's competitive strengths and strategy set out in sections 5.2 (*Competitive strengths*) and 5.3 (*Strategy*) of the Registration Document and (iv) the following assumptions for the financial year ending 31 December 2024:

(i) the Company's internal assumptions:

- the continued implementation of the Group's strategy, as described in section 5.2 (*Continuation of the Group's strategy*) of Chapter "*Management report*" of the Annual Financial Report,

- the continuation of the external growth transactions undertaken by the Group since early 2021;

(ii) macroeconomic and market assumptions:

- the continuation of the momentum underlying the Group's activities in the printed circuit boards and "custom" technical parts markets,

- no deterioration in the health situation,

- the absence of a deterioration in the geopolitical situation likely to lead to additional tensions, in particular on international trade,

- a euro/dollar exchange rate of 1.15 (*i.e.* the average annual average exchange rate over the 2017-2021 period) and no change in printed circuit board prices[8].

[8] Changes in the price of printed circuit boards are difficult to predict as they are particularly sensitive to cyclical factors. The Group has used a constant price assumption for printed circuit boards to include both the long-term price evolution, which has been characterised by a downward trend for 20 years, and the more recent price increases since 2020 (strong demand, constraints on production capacities, increase in the price of raw materials).

As of the date of this report, the Group considers that its decision to discontinue its activities based in Russia and to halt the order intake since 1 January 2023 and its decision to sell its electronic card assembly business operated by the factory of its subsidiary Divsys International-Icape, which are non-strategic assets, do not call into question the financial and operational objectives presented below.

5.3.2 Revenue targets

5.3.2.1 *Organic growth targets*

Over the period from 2023 to 2026[9], the Group has set itself the objective of generating an average annual organic growth rate[10] of 10% *per annum*.

These organic growth objectives are based on the following elements:

(i) continued growth in the printed circuit board market in a context favourable to players with a critical mass and a strong presence in China. This objective is also consistent with the Group's historical growth[11];

(ii) the Group's continued market share gains in the markets where it operates, supported by its competitiveness and global organisation;

(iii) above-average organic growth generated by the companies and activities acquired which, once integrated into the Group, will have a more diversified range of products and services and greater purchasing power;

(iv) the effects of the Group's investments to continue the modernisation of its production factories for printed circuit boards for prototypes and small series, and (y) in its information system, its two e-commerce sites, its website, its brand and its IT infrastructure.

5.3.2.2 *External growth targets*

In addition to its organic growth, the Group aims to pursue its strategy of targeted value-creating acquisitions for additional revenue of approximately €120 million between the 2023 financial year and the 2026 financial year.

[9] *i.e.* over the period covering the financial year ending on 31 December 2026.

[10] The organic growth rate here refers, for each year *n,* to the growth rate for year *n* calculated on the basis of the scope of consolidation at 31 December of year *n-1*.

[11] The Group's compound annual growth rate (CAGR) of 12.4% over the 2016-2021 period.

5.3.2.3 *Overall revenue target*

Subject to the achievement of all the revenue growth targets, in particular the external growth targets presented in this Chapter of the Annual Financial Report, the Group would achieve a revenue of approximately €500 million in the medium term.

5.3.3 Gross sales margin targets

As a reminder, the Group announced in its press release on its results for the first half of 2023 that the gross sales margin indicator would no longer be the subject of a specific communication in order to avoid disrupting business relationships with the Group's existing and future partners. Consequently, this indicator is no longer subject to targets set by the Group.

5.3.4 Net income (loss) from continuing operations targets

The Group's objective is to generate net income (loss) from continuing operations that represents around 9.5% of its revenue by 2026. This target is based on the following:

(i) the improvement of the Group's gross sales margin, with (a) the accretive effect resulting from the continuation of the Group's targeted external growth strategy, insofar as the companies or activities acquired at the date of this report an average gross margin higher than that of the Group, and that the Group has set itself the objective of acquiring new companies with a gross margin above 25%, (b) the continued growth of the Group's more recent activities, namely the express delivery of printed circuit boards (IQTS activity) and printed circuit boards in-house production and (c) the improvement of purchase prices (i) for the companies acquired by the Group, thanks to its purchasing power, once they have been consolidated and, more generally, (ii) for the Group as a whole due to the positive effect of the Group's organic and external growth on its weight in negotiations with its suppliers;

(ii) the leverage effect resulting from the amortisation of human investments that have already been made by the Group, in particular (a) the strengthening of the management team and the team of executive vice-presidents broken down by geographical area, (b) the creation of a team of engineers dedicated to more complex and higher margin technologies (Field Application Engineers), (c) the strengthening of the marketing and e-marketing department, (d) the creation of a department dedicated to the Group Information System (SAP) to ensure the best operational integration of acquisitions, (e) the strengthening of the sales teams, in view of the new phase of the Group's strong growth;

(iii) lower growth in other fixed expenses than the Group's revenue growth;

(iv) the optimisation of the Group's cost structure, including synergies from acquisitions, to generate greater operational efficiency.

6. <u>MAIN RISKS AND UNCERTAINTIES</u>

The Company regularly reviews its own risk factors and those of its consolidated subsidiaries.

When the Company's shares were admitted to trading on Euronext Growth in July 2022, the Company presented the main risks that the Company considers likely to have a material adverse effect on the Group, its business, its financial position, its results or its outlook and which are important for investment decision-making.

These main risk factors are presented in Chapter 3 (*Risk factors)* of the Registration Document and in Chapter 2 (*Risk factors*) of the Securities Note, available on the Company's website (https://www.icape-group.com/) and on the AMF website (www.amf-france.org).

To the Company's knowledge, there are no new major risks compared to those identified in these documents, subject to:

(i) the update, following the conclusion on 20 December 2023 of the loan agreement with the banking syndicate (section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report), liquidity risk and non-compliance with financial ratios, a risk that the Company considers significant and which is described in more detail below in section 6.2 of the Chapter "*Management report*" of the Annual Financial Report;

(ii) the aggravation, given international geopolitical tensions and the increase in threats related to cyberattacks, of the following two risks: *(x)* disclosure, theft, espionage, loss or irreversible alteration of sensitive data due to a cyber-attack (section 6.1 of the Chapter "*Management report*" of the Annual Financial Report) and *(y)* dependency on China (see Chapter 3 (*Risk factors*) of the Registration Document), which could lead to a supply disruption in the event of a major geopolitical crisis.

The Company notes that the risks presented in Chapter 3 *(Risk factors*) of the Registration Document and in Chapter 2 (*Risk factors*) of the Securities Note, as updated in this section 6 are, as of the date of this report, those whose realisation is likely to have a material adverse effect on the Group, its business, its financial position, its results or its outlook and which are important for investment decision-making. Investors' attention is, however, drawn to the fact that the list of risks presented in this Chapter 3 (*Risk factors) of* the Registration Document and in Chapter 2 (*Risk factors*) of the Securities Note, as updated in this section 6 are not exhaustive and that other risks – which are unknown or whose occurrence is not considered, at the date of this report, as likely to have a material adverse effect on the Group, its business, its financial position, its results or its outlook – may exist or may occur in the future.

The Company recalls that the presentation of the risks presented in Chapter 3 (*Risk factors*) of the Registration Document and in Chapter 2 (*Risk factors*) of the Securities Note, as updated in this section 6, is a presentation of "net" risks, *i.e.* after taking into account the mitigation and management actions deployed by the Group to minimise their occurrence and impact.

The Company also points out that the risk factors that the Company considers to be the most significant with regard to their criticality are indicated by an asterisk (*).

6.1 Risk related to IT systems*

At the time of the publication of its annual financial report for the 2022 financial year, the Company updated the risk related to IT systems following two phishing campaigns organised in 2022 covering the entire scope of the Group. The description of this risk factor is provided below.

Description of the risk

The Group relies on technologies, systems and IT infrastructures to conduct its activities, in particular for the monitoring of its orders, deliveries and invoicing of its products, communication with its customers and suppliers, quality control, the management of its personnel and the provision of the necessary information to the various operational managers for decision-making. Due to its presence in 22 countries through 35 subsidiaries and 2 offices at 31 December 2023, the Group's business requires the implementation of multiple information systems, IT applications and interconnected information systems

In addition, the Group outsources some elements of its information systems and certain activities in order to optimise the management of its resources and improve the efficiency and security of its IT infrastructure. It therefore relies on the quality of the work and expertise of its service providers in this area and is therefore, despite the care taken in the selection of these service providers and the related checks, exposed to the risk that they fail to perform their mission.

The management of the Group's business is, as a result, increasingly dependent on information systems (infrastructures, networks and IT applications).

Despite a policy of strengthening and continuous monitoring of the resilience and security of information systems, a breakdown or major interruption, as a result of an incident such as a power cut or fire, could have a negative effect on the conduct of the Group's business.

The Group is also exposed to the risk of ransomware attacks or other disruptive forms of cyberattacks. This type of breach of the security of the Group's data, technologies, systems and IT infrastructure may come from within the Group (obsolescence of systems, configuration errors, lack of maintenance of infrastructures, malicious acts) or from outside (cybercrime, viruses, etc.). Increasingly sophisticated and frequent, these attacks can lead to disruptions and/or interruptions to activities and services, theft of know-how and/or confidential data and information, and attempted fraud as a result of ransomwares, the financial and reputational impacts of which are potentially high. Crisis situations tend to increase cyber risks. The global health crisis linked to the COVID-19 pandemic is an illustration of this.

The deployment of the information systems on which the Group relies in new entities, during the creation of subsidiaries or acquisitions of companies, also entails the risk of failure of the Group's general information systems inherent to this type of operations, which is accentuated by the particularities of each country in which the Group's subsidiaries are located.

Potential adverse consequences due to the materialisation of the risk

A cyberattack or security breach of the Group's networks or infrastructure, as well as the occurrence of a breakdown or significant interruption of the Group's information systems resulting from an incident (such as a power cut or fire), could result in (i) the loss of customers and business opportunities, (ii) the Group assuming legal liability, (iii) the Group having to bear the cost of technical interventions, (iv) damage to the Group's image and reputation, (v) reimbursements or other compensatory costs and additional compliance costs, which would lead to: *in fine*, a loss of revenue for the Group and a decrease in its margin.

Any interruption, disruption or services incident could have repercussions on several regions and activities, and significantly disrupt the Group's order and delivery processes as well as its internal communication capacity. It could also have repercussions on the Group's image (digital identity theft, dissemination of false information, etc.). This risk is growing in a context where data protection and confidentiality regulations are increasingly stringent.

Risk management measure

In order to manage the risk related to failures of the Group's IT hardware and software and cyberattacks, the Group has introduced a global information systems security policy with, in particular, the implementation of a documented IT charter, applicable to all users of the Group's information system, and procedures related to the information system security policy, access management, change management, backups and restores, and the business continuity plan and business recovery plan.

The Group has also implemented a cyber risk awareness campaign for its employees. In particular, in 2023, the Group asked a specialised external firm to conduct a penetration test. The Group's objective is to conduct this type of penetration test on a biannual basis in order to test the resistance of its security system and to implement the necessary action plans if necessary. Following the two phishing campaigns organised in 2023 covering the entire scope of the Group, the Group also organised dedicated training sessions for employees who were "phished" by the Group's Chief Information Systems Officer. In line with this awareness-raising approach, mandatory e-learning courses were also completed by employees every six months.

Server performance tests are also carried out and laptops and mobile phones are scheduled to be replaced at defined frequencies (three years). Servers are replaced every five years and the latest software versions are made available.

6.2 Liquidity risk*

The Company intends to update its liquidity risk following the conclusion, on 20 December 2023, of the loan agreement with the banking syndicate composed of Banque Palatine, Banque Populaire Rives de Paris, BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Île-de-France, Crédit Industriel et Commercial, Crédit Lyonnais, HSBC Continental Europe, Landesbank Saar and FCT Tikehau Novo 2020, more fully described in section 2.1.4 of the Chapter "*Management report*" of the Annual Financial Report, and the Company's resulting commitment to comply with a banking covenant, *i.e.* a leverage ratio on the consolidated financial statements (net financial debt compared to consolidated EBITDA). A similar banking covenant is provided for in the terms and conditions of the Recovery Bonds issued by the Company and subscribed by Tikehau (section 2.1.5 of the Chapter "*Management report*" of the Annual Financial Report).

In view of this update, the Company notably decided that liquidity risk should now be among the risk factors that the Company considers to be the most significant with regard to their criticality and therefore be indicated by an asterisk (*).

Description of the risk

Liquidity risk is the risk that the Group will not be able to meet its cash requirements from its available resources.

On 20 December 2023, the Group successfully set up a new bank loan with a syndicate of nine European banks, consisting of:

(i) a refinancing loan (the "**Refinancing Loan**") for a total amount of €21 million, divided into three tranches, with a 1st tranche of €15.3 million repayable over six years, a 2nd tranche of €2.7 million with a 6.5-year term repayable at maturity, and a 3rd tranche of €3 million with a 7-year term repayable at maturity; this Refinancing Loan was used in full to repay the existing debt under the credit agreement entered into by the Company on 24 November 2022 with the former banking syndicate consisting of a refinancing loan of an amount in initial principal of €12.8 million and an external growth line fully drawn down on 31 January 2023 for a total principal of €10 million;

(ii) a confirmed external growth credit facility for a maximum amount of €20 million, divided into two tranches with a 1st tranche of €17 million repayable over six years and a 2nd tranche of €3 million with a 6.5-year term repayable at maturity;

(iii) subject to prior confirmation by the banking syndicate, an external growth line of credit for a maximum amount of €20 million.

This loan agreement dated 20 December 2023 includes clauses on compliance with a financial ratio calculated half-yearly on the basis of the Group's consolidated financial statements (net financial debt compared to consolidated EBITDA). This bank ratio was complied with at 31 December 2023. Failure to comply with this ratio, or the absence of waiver or prior authorisation of the lending banks, could also result in the immediate repayment of the principal remaining due on the date of non-compliance, failing to obtain the agreement of the banks to waive the early repayment of the balance due.

The Group has also pledged the securities of some of its subsidiaries to its bank lenders.

The Company has thus pledged the shares of Icape - International Consulting Activities for Printed Circuit Boards and Electronics, Idelec Icape and Cipem France for the benefit of the banking pool bank when the loan agreement on 20 December 2023 described above was set up, it being specified that the pledge on the shares of Idelec has since been lifted to allow the merger of this company with Icape - International Consulting Activities for Printed Circuit Boards and Electronics (see section 2.2.2 of the Chapter "*Management report*" of the Annual Financial Report).

Potential adverse consequences due to the materialisation of the risk

Since its creation, the Group has financed its growth and investments by factoring cash flows from operating activities and bank borrowings. As at 31 December 2023, the Group had €32.7 million in gross cash. As at 31 December 2023, the Company had €31.7 million in equity.

If, for any reason whatsoever, the Company is unable to meet its future loan maturities, or loses the benefit of its factoring contracts, which cover more than half of its invoicing, the Company would slow down its commercial development efforts in new markets and its external growth policy, which could have an adverse effect on its activities, its results, its financial position and its outlook. In addition, failure to comply with the bank ratios to which the Group is subject, or the absence of waiver or prior authorisation of the lending banks, could result in the immediate repayment of the principal remaining due on the date of non-compliance, failing to obtain the agreement of the banks to waive the early repayment of the balance due.

Risk management measure

As at the date of this report, the Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its payments for the next 12 months. The table of the Company's gross financial debt at 31 December 2023 is provided in note 4.9 of the Group's consolidated financial statements for the financial year ended 31 December 2023. In addition, the Company performs half-yearly calculations of financial ratios to which it is subject pursuant to the loan agreement dated 20 December 2023 and the Recovery Bonds issued the same day in order to anticipate any difficulties in this regard.

7. SUBSIDIARIES AND EQUITY INVESTMENTS

7.1 General overview

As of 31 December 2023, the Company had 35 subsidiaries located in various regions of the world. Information on the Company's direct or indirect subsidiaries is described in the table below.

With regard to the subsidiary Icape Rus, we remind you that the Group announced on 16 January 2023 its decision to end its Russia-based activities and to halt order intake since 1 January 2023. Negotiations on the terms and conditions for the disposal of its assets have begun and should be completed as soon as possible.

As the deadlines for obtaining the necessary administrative approvals to sell the shares of the Russian subsidiary are regularly postponed by the local authorities, the Group has decided to liquidate the company during the first half of 2024.

We also remind you that the Group has decided to sell its electronic card assembly business operated by the factory of its subsidiary Divsys International-Icape, an activity acquired in 2018 and mainly focused on prototypes and small series. The disposal of this non-strategic activity is intended to improve the Group's short-term profitability. A sale mandate has been entrusted to an investment bank and negotiations have begun with potential buyers and should be completed in financial year 2024.

Subsidiary	Country of establishment	% of share capital and voting rights
Europe		
Icape Deutschland GmbH	Germany	100%
SAFA 2000 GmbH	Germany	100%
Princitec GmbH Electronic Printed Circuits	Germany	100%
Cipem Deutschland GmbH	Germany	100%
Icape Denmark A/S	Denmark	100%
Icape Iberica, SL	Spain	100%
Icape - International Consulting Activities for Printed Circuit Boards and Electronics SAS	France	100%
Cipem SAS	France	100%
Idelec Icape SAS	France	100%
Icape EIG	France	100%

Cipem EIG	France	100%
Icape Hungary Kft	Hungary	100%
Icape Italia Srl	Italy	100%
Icape Netherland B.V.	The Netherlands	100%
Icape Polska SP ZOO	Poland	100%
Icape Portugal - Electronics Unipessoal Lta	Portugal	100%
Icape Czech Republic Sro	Czech Republic	100%
Icape Rus LLC	Russia	80%[12]
Icape Malmö Mönsterkort AB	Sweden	100%
Asia and Africa		
Icape South Africa (Pty) Ltd	South Africa	60%[13]
Icape -Trax (Pty) Ltd	South Africa	60%[14]
Icape Dongguan Electronic Limited	China	100%
Icape Changan Express Limited	China	100%
Cipem HK Company Limited	Hong Kong	100%
Icape HK Company Limited	Hong Kong	100%
Icape India Electronics Private Limited	India	99.99%[15]
Icape Japan KK	Japan	100%
Icape Electronics Singapore Pte Ltd	Singapore	100%

[12] Natalia Vadimovna Tarnavskaya holds a 20% stake in this subsidiary.
[13] Daniel Lee Dock holds a 20% stake in this subsidiary and Iegsan Khan holds a 20% stake.
[14] Daniel Lee Dock holds a 20% stake in this subsidiary and Iegsan Khan holds a 20% stake.
[15] Sameerasimha Jayasimha holds a 0.0002% stake in this subsidiary.

Americas		
Icape Brasil - Commercial Importadora e Exportadora LTDA	Brazil	80%[16]
Icape Canada Inc.	Canada	100%
Icape - USA LLC	United States	100%
Divsys International - Icape LLC	United States	100%
Cipem USA Inc.	United States	100%
Icape California Inc.	United States	100%
Icapelectronicas S de RL de CV	Mexico	99.99%[17]

7.2 Significant equity investments

The Company's significant equity investments during the financial year ended 31 December 2023 are described in section 2.1.1 of the Chapter "*Management report*" of the Annual Financial Report.

The Company does not have any branches.

We also inform you that none of the subsidiaries holds an equity interest in the Company.

7.3 Results of subsidiaries and equity investments

The business and results for the 2023 financial year of the Company as a whole, its subsidiaries and the companies it controls are presented below.

Concerning our subsidiaries in the "Europe" region:

Icape Deutschland GmbH generated revenue of €24,721,966 for a net profit of €483,051.

SAFA 2000 GmbH generated revenue of €3,834,235 for a net loss of €382,416.

Princitec GmbH Electronic Printec Circuits generated revenue of €2,505,569 for a net profit of €232,548.

Cipem Deutschland GmbH generated revenue of €4,020,117 for a net profit of €99,298.

Icape Denmark A/S generated revenue of €2,065,385 for a net profit of €18,167.

[16] Icape Brasil Comercial Importadora e Exportadora LTDA. Paulo Eduardo Vandsberg de França holds a 20% stake in this subsidiary.
[17] Maximiliano Ignacio Royo Rojas holds a 0.002% stake in this subsidiary.

Icape Iberica S.L. generated revenue of €5,510,204 for a net profit of €241,697.

Icape - International Consulting Activities for Printed Circuit Boards and Electronics SAS generated revenue of €33,154,030 for a net profit of €2,273,886.

Cipem SAS generated revenue of €14,291,769 for a net profit of €656,320.

Idelec Icape SAS generated revenue of €3,706,189 for a net profit of €296,608.

Icape Hungary Kft generated revenue of €969,093 for a net profit of €137,611.

Icape Italia S.r.l. generated revenue of €5,430,619 for a net profit of €283,361.

Icape Netherland B.V. generated revenue of €4,173,661 for a net profit of €153,355.

Icape Polska SP. Z O O. generated revenue of €1,470,629 for a net profit of €17,222.

Icape Portugal Electronics Unipessoal Lta generated revenue of €4,681,634 for a net profit of €442,714.

Icape Czech Republic Sro generated revenue of €298,456 for a net loss of €5,926.

Icape Rus LLC generated revenue of €1,215,938 for a net profit of €179,581.

Malmö Mönsterkort AB generated revenue of €9,498,419 for a net loss of €416,309.

Finally, it should be noted that we are still partners of ICAPE EIG and CIPEM EIG for which their results are balanced.

Concerning our subsidiaries in the "Asia & Africa" region:

Icape South Africa (Pty) Ltd generated revenue of €1,876,140 for a net loss of €21,177.

Icape Trax (Pty) Ltd generated revenue of €1,658,284 for a net loss of €692,855.

Icape Dongguan Electronic Limited generated revenue of €9,174,673 for a net profit of €96,615.

Icape Changan Express Limited generated revenue of €3,840,973 for a net profit of €245,061.

Cipem HK Company Limited generated revenue of €7,992,612 for a net profit of €540,179.

Icape HK Company Limited generated revenue of €30,590,938 for a net profit of €1,847,791.

Icape India Electronics Private Limited generated revenue of €197,144 for a net profit of €129,790.

Icape Japan KK generated revenue of €185,322 for a net loss of €90,525.

Icape Electronics Singapore Pte Ltd generated revenue of €0 for a net profit of €199,514.

Concerning our subsidiaries in the "Americas" region:

Icape Brasil - Comercial Importadora e Exportadora LTDA generated revenue of €870,059 for a net profit of €59,131.

Icape Canada Inc. generated revenue of €1,782 for a net loss of €133,170.

Icape USA LLC generated revenue of €12,265,398 for a net profit of €306,709.

Divsys International - Icape LLC generated revenue of €7,336,712 for a net loss of €314,913.

Cipem USA Inc. generated revenue of €6,686,227 for a net profit of €527,905.

Icape California Inc. generated revenue of €56,712 for a net loss of €103,779.

Icape Electronicas S de RL de CV generated revenue of €256,609 for a net loss of €107,036.

8. INFORMATION ON THE SHARE CAPITAL

8.1 Breakdown of the share capital and voting rights

Pursuant to the provisions of Article L. 233-13 of the French Commercial Code, and in view of the information brought to our attention, in particular pursuant to the provisions of Articles L. 233-7 and L. 233-12 of the same Code, we indicate in the table below the identity of the shareholders known to the Company directly or indirectly holding, at 31 December 2023, more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital or voting rights at Shareholders' Meetings.

Shareholders	Number of shares	% of share capital	% of voting rights
Balwen Holding[18]	2,777,750	34.34%	41.30%
Mr Thierry Ballenghien	1,387,300	17.15%	20.62%
Sub-total Ballenghien family	**4,165,050**	**51.50%**	**61.92%**
Mr Cyril Calvignac	358,825	4.44%	5.03%

To the Company's knowledge, there are no other shareholders directly or indirectly holding, alone or in concert, more than 5% of the share capital or voting rights.

To the Company's knowledge, there has been no significant change in this breakdown from the reporting date to the date of preparation of the Annual Financial Report.

The table below shows the changes in the shareholding structure that occurred during the 2023 financial year of which the Company was aware, with regard to the known shareholders of the Company holding directly or indirectly, during the financial year ended 31 December 2023, more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital or voting rights at General Shareholders' Meetings:

Shareholders	Balwen Holding	Thierry Ballenghien
Share capital at 31/12/2022	34.21%	17.11%
Share capital at 31/12/2023	34.34%	17.15%

8.2 Control of the Company and action in concert

The Company is controlled by Mr Thierry Ballenghien and his family (directly and indirectly through Balwen Holding) within the meaning of Article L. 233-3 of the French Commercial Code.

A shareholders' agreement was entered into on 12 April 2022 between Mr Thierry Ballenghien, Balwen Holding and certain corporate officers and employees of the Company (Ms Shora Rokni, Ms Ranxu Mazet, Mr Thomas Chea, Mr Jie Chen, Ms Christelle Bonnevie and Mr Yann Duigou) and Mr Cyril Calvignac (former Chief Executive Officer of the Company), which came into force on the date of listing of the Company's shares on

[18] Balwen Holding is a simplified joint-stock company (*société par actions simplifiée*) with a share capital of €8,534,976, whose registered office is located at 8, Rue d'Athènes, 75009 Paris, France, registered in the Paris Trade and Companies Register under number 900 277 146. Mr Thierry Ballenghien holds a 50.10% stake in Balwen Holding, while the balance of the share capital belongs to members of Mr Thierry Ballenghien's family.

Euronext Growth. The purpose of this agreement is the concerted exercise of the voting rights attached to the shares of the Company that the parties to the agreement hold and will hold in a concerted manner, in order to implement a common policy with respect to the Company by maintaining its control in terms of voting rights. This shareholder' agreement constitutes a concerted action within the meaning of Article L. 233-10 of the French Commercial Code, in which Mr Thierry Ballenghien, directly and indirectly, is predominant.

At 31 December 2023, Mr Thierry Ballenghien and his family (directly and indirectly through Balwen Holding), together with the other shareholders who declared that they were acting in concert (Mr Cyril Calvignac, Ms Shora Rokni, Ms Ranxu Mazet, Mr Thomas Chea, Mr Jie Chen, Ms Christelle Bonnevie and Mr Yann Duigou) held, directly or indirectly, 66.61% of the share capital and 77.47% of the voting rights of the Company.

As a result, the concerted parties to the shareholders' agreement (*i.e.* Mr Thierry Ballenghien, Balwen Holding, Mr Cyril Calvignac, Ms Shora Rokni, Ms Ranxu Mazet, Mr Thomas Chea, Mr Jie Chen, Ms Christelle Bonnevie and Mr Yann Duigou), within which Mr Thierry Ballenghien, directly and indirectly, remains the majority shareholder, retains a large majority of the voting rights.

The Company believes that there is no risk that this control will be exercised in an abusive manner, in particular due to (i) the appointment of three independent directors to the Company's Board of Directors with regard to the criteria defined by the Middlenext Code, (ii) the distinction, within the Company, of the functions of Chairman of the Board of Directors and Chief Executive Officer, which are functions exercised by two distinct persons (see also sections 1 and 2 of Chapter "*Corporate Governance Report*" of the Annual Financial Report), and (iii) the Company's desire to comply with a number of recommendations of the Middlenext Code, aimed at ensuring that this control is not exercised in an abusive manner (R1, R2, R3 and R12) (see also section 3.3 of Chapter "*Corporate Governance Report*" (*Compliance with the corporate governance regime in force*)).

It is also specified that the internal rules of the Company's Board of Directors provide that each director has the obligation to inform the Chairman of the Board of Directors of any - even potential - situation of conflict of interest, between him/her (or any natural person with whom he/she is related) and the Company or a Group company or one of the companies with which the Company intends to enter into an agreement of any kind whatsoever.

8.3 Crossing of thresholds during the 2023 financial year

During the 2023 financial year, the Company did not receive any notification relating to the crossing of legal thresholds.

The Company has been informed of the following statutory thresholds crossing over the last 12 months: DNCA Investments has informed the Company that it crossed under the statutory threshold of 2% of the share capital on 23 October 2023. At that date, the asset management company held 193,238 shares in the said company in respect of its managed UCIs (Collective investment undertakings). These threshold crossings result from the update of the number of outstanding shares and voting rights of the Company on 11 April 2023.

8.4 Agreements between shareholders of which the Company is aware and which may result in restrictions on the transfer of shares

8.4.1 No statutory restrictions

The Articles of Association do not contain any clause restricting the exercise of voting rights or the transfer of shares, which are free.

8.4.2 Company’s abstention commitment

The Company’s commitment to abstain from its initial public offering, which ran for a period expiring 180 days after the date of settlement-delivery of the Offer (as this term is defined in the Prospectus), has expired.

8.4.3 Commitment to retain by Balwen Holding

Baldwen Holding’s commitment to abstain from its initial public offering, which ran for a period expiring 360 days after the date of settlement-delivery of the Offer (as this term is defined in the Prospectus), has expired.

8.4.4 Lock-up commitment of Mr Thierry Ballenghien, Mr Cyril Calvignac and main members of the senior management of the Company

The commitment to abstain made by Thierry Ballenghien, Cyril Calvignac and the main members of the management team in connection with the Company's IPO, which ran for a period expiring 360 days following the date of the settlement-delivery of the Offer (as such term is defined in the Prospectus), has expired.

8.4.5 Other minority shareholders’ holding commitments

The commitment to abstain made by the other minority shareholders (including Group employees) in connection with the Company's IPO, which ran for part of their securities for a period expiring 360 days after the date of settlement-delivery of the Offer (as this term is defined in the Prospectus), has expired.

To the Company’s knowledge, there are no agreements or reciprocal promises relating to the acquisition of Company shares representing at least 0.5% of the share capital, or the Company’s voting rights.

8.5 Voting rights

Each ordinary share gives the right to one vote, it being specified, however, that a double voting right, which is effective since the admission of the Company’s shares to trading on Euronext Growth, is allocated to all fully paid-up shares for which there is proof of registration for at least two years in the name of the same shareholder, in accordance with Article L. 225-123 of the French Commercial Code. The period of entry of the shares in registered form, prior to the date of listing of the Company’s shares for trading on Euronext Growth, is taken into account.

Double voting rights will cease automatically for all shares converted to bearer shares or transferred in ownership. Nevertheless, no transfer as a result of succession, liquidation of community of property between spouses or *inter vivos* donations, in favour of a third party, spouse or relative to the degree of succession, causes the loss of the right acquired and does not interrupt the two-year period mentioned above.

In the event of a capital increase through the incorporation of reserves, profits or share premiums, double voting rights are granted upon issue to new free shares allocated to a shareholder on the basis of existing shares for which he or she already benefits from this right.

When shares are the subject of a usufruct, the voting right belongs to the bare owner, except for decisions concerning the allocation of profits, where it is reserved for the usufructuary.

8.6 Treasury shares

At 31 December 2023, no Company shares were held by a company over which the Company itself directly or indirectly holds control within the meaning of Article L. 233-3 of the French Commercial Code.

At 31 December 2023, the Company does not hold any of its shares and no Company shares are held by a third party on its behalf, apart from the shares traded for the purpose of ensuring the promotion of the secondary market for the shares through the intermediary of Gilbert Dupont *via* a liquidity contract in accordance with the practice accepted by the regulations (see section 8.7.2 of Chapter "*Management report*" of the Annual Financial Report).

8.7 Treasury shares held as part of a share buyback programme (Article L. 225-211 paragraph 2 of the French Commercial Code)

8.7.1 Authorisation in progress

The Shareholders' Meeting of 16 May 2023 authorised the Board of Directors to carry out a share buyback programme. This delegation has a duration of 18 months expiring on 16 November 2024 and relates to a number of shares not exceeding 10% of the Company's share capital.

This authorisation to trade in the Company's own shares was granted in order to:

- implement stock option plans, free share allocation plans (or similar) and employee shareholding transactions reserved for members of a company savings plan (or similar), in accordance with the legal provisions in force, or the allocation of shares to employees and/or executive corporate officers of the Company and its related companies;
- deliver shares when the rights attached to securities giving access to the Company's share capital are exercised;
- use them in connection with any hedging of the Company's commitments for financial instruments relating in particular to the evolution of the Company's share price;
- hold shares and then use them for payment or exchange within the framework of potential external growth transactions, mergers, demergers or contributions;
- cancel all or part of the shares by reducing the share capital (in particular with a view to optimising cash management, return on equity or earnings per share);
- manage the equity market under a liquidity contract entered into with an investment service provider, in accordance with the Code of Ethics recognised by the *Autorité des Marchés Financiers;*
- implement any market practice that may be authorised by the French Financial Markets Authority and, more generally, complete all transactions in accordance with legal and regulatory provisions in

force.

The maximum amount of funds allocated to this share buyback programme is €1,000,000, net of fees. The maximum purchase price per share by the Company of its own shares may not exceed thirty (30) euros.

8.7.2 Review of the programme in 2023

During the past financial year, this share buyback programme was used exclusively as part of the liquidity agreement entered into between the Company and Gilbert Dupont. This liquidity and market monitoring agreement for its shares, in accordance with the AMAFI Charter, has been in force since 10 August 2022. This liquidity contract was entered into in accordance with the decision of the French Financial Markets Authority (*Autorité des Marchés Financiers*) No. 2021-01 of 22 June 2021, applicable since 1 July 2021, introducing liquidity contracts on equity securities under accepted market practice. The purpose of this agreement is to manage the Icape Holding share by Gilbert Dupont on the Euronext Growth multilateral trading facility in Paris.

The resources initially allocated to its implementation are €500,000. The Company made an additional contribution of €200,000 on 2 January 2024.

In accordance with Article L. 225-11 paragraph 2 of the French Commercial Code, we inform you that the implementation of the buyback programme during the past financial year was carried out as follows:

	Purchase	**Sale**
Number of shares	46,013	34,188
Number of transactions	1,229	956
Total amount	€640,633.10	€465,913.28
Average prices	€13.92	€13.63
Amount of trading fees	None	None

At 31 December 2023, the Group held directly and through the liquidity contract 25,473 treasury shares, representing 0.31% of the Company's share capital, for a value of €328,714 measured at the purchase price.

No reallocation of shares to another objective was made during the financial year.

8.8 Employee shareholding

In accordance with the provisions of Article L. 225-102 of the French Commercial Code (*Code de commerce*), we inform you that as of 31 December 2023, there were no shares in the Company's share capital held by employees in the context of a collective management within the meaning of said article.

It is, however recalled, that at the initiative of the Group's founder, Thierry Ballenghien, the Group's employees have been involved in the Group's growth, development and success since 2004, the year that employees were offered the opportunity to acquire shares in Icape and Cipem. Employees' shareholding in the Company's share capital has increased on several occasions: initially reserved for management, directors and members of the Executive Committee, shares were gradually offered to a wider circle of employees and, as at the date of admission of the Company's shares to trading on Euronext Growth, 102 Group employees and corporate officers[19] (both current and former) were, directly or indirectly,

[19] Excluding Mr Thierry Ballenghien, Chairman of the Board of Directors of the Company.

shareholders of the Company.

On the date of admission of the Company's shares to trading on Euronext Growth, the Group's employees[20] together held 20.29% of the Company's share capital and 18.20% of the Company's voting rights, before the exercise of the Over-Allotment Option. This shareholding by the Group's employees, which is a direct investment, reflects their investment in the project led by the Company and is an important lever for its future development.

8.9 Free share allocation plans

No free share allocation plan was in progress as of 31 December 2023.

8.10 Stock subscription options

In accordance with Article L. 225-184 of the French Commercial Code, no stock options or share subscription options were granted during the 2023 financial year. More generally, there were no dilutive instruments outstanding at 31 December 2023.

8.11 Summary of transactions carried out by corporate officers and executives and persons with whom they have personal ties

Pursuant to Articles L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the AMF General Regulation, a summary of the transactions carried out by the executives and other persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code and declared in 2023 is presented below:

- Thierry Ballenghien, Chairman of the Company's Board of Directors: purchase of 3,700 Company shares on 9 August 2023 for an average price of €14.07;

- Yann Duigou, Chief Executive Officer of the Company: purchase of 1,050 Company shares on 7 August 2023, purchase of 600 Company shares on 9 August 2023, for an average price of €13.82

8.12 Injunctions, sanctions pronounced by the French Competition Council for anti-competitive practices (Article L. 464-2 of the French Commercial Code)

None.

8.13 Cross-shareholdings, disposal of cross-shareholdings

At the date of this report, the Company holds no cross-shareholdings and there was no disposal of any cross-shareholdings during the financial year ended 31 December 2023.

8.14 Items relating to adjustments to share subscription or purchase options or compound securities

None.

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[20] At the date of admission of the Company's shares to trading on Euronext Growth, this category includes the Group's current or former employees and corporate officers (other than the Company's corporate officers and non-voting members), who held a stake in the Company's share capital.

CORPORATE GOVERNANCE REPORT

This report on corporate governance has been prepared in accordance with the last paragraph of Article L. 225-37 of the French Commercial Code. It was submitted to the Board of Directors for approval on 26 March 2024.

Since the admission of its shares to trading on Euronext Growth, the Company has referred to the Middlenext Corporate Governance Code (in its version updated in September 2021) approved as a reference code by the AMF (the "Middlenext Code"). The Board of Directors' meeting of 28 March 2023 amended its internal rules to comply with it.

In the comply or explain approach, this report specifies the recommendations of the Middlenext Code that are applied within the Group, and provides detailed explanations relating to the application or not of these recommendations. We also inform you that the Board of Directors has taken note of the points of vigilance expressed in this code.

It will be presented to shareholders at the next Shareholders' Meeting on 22 May 2024.

1. INFORMATION CONCERNING THE BOARD OF DIRECTORS

1.1 Composition of the Board of Directors

As of 31 December 2023, the Board of Directors had ten members, including its Chairman. Three directors are considered by the Company to be independent directors under the conditions defined by the Middlenext Code.

The tables below show the composition of the Board of Directors as of 31 December 2023, as well as the terms of office of the members of the Board of Directors of the Company over the last five years.

As of the date of this report, there has been no change in the composition of the Company's Board of Directors. However, it is specified that an autonomous CSR Committee has been created during the 2023 financial year, whose members and functions are described in more detail in §3.1.4 of Chapter *"Corporate Governance Report*".

Last name, first name, title or function [1]	Age	Gender (M/F)	Nationality	Independent (Yes/No)	Year of first appointment	Expiry of term of office	Committees of the Board of Directors			
							Strategy and Acquisition Committee	Corporate Social Responsibility Committee	Audit and Risk Committee	Compensation, Appointments and Governance Committee
Thierry Ballenghien, Chairman of the Board of Directors	67	M	French	No	2021	2024	Chairman	-	-	Member
Yann Duigou[2], member of the Board of Directors	61	M	French	No	2021	2026	Member	-	-	-
Ranxu Mazet[3], member of the Board of Directors	50	F	French	No	2021	2026	Member	-	-	-
Shora Rokni[4], member of the Board of Directors	42	F	French	No	2021	2025	Member	-	Member	-
Christelle Bonnevie[5], member of the Board of Directors	52	F	French	No	2023	2026	-	Member	-	-
Thomas Chea[6], member of the Board of Directors	61	M	French	No	2023	2024	-	Member	-	-

Arnaud Le Coguic[(7)], member of the Board of Directors	44	M	French	No	2023	2026	-	-	-	-
Philippe Darfeuil, member of the Board of Directors	57	M	French	Yes	2021	2025	Member	Chairman	-	-
Brigitte Le Borgne, member of the Board of Directors	59	F	French	Yes	2021	2026	-	Member	Chairwoman	Member
Pascale Auger, member of the Board of Directors	61	F	French	Yes	2021	2024	-	-	Member	Chairwoman
Jie Chen, non-voting member	47	M	Chinese	N/A	2021	-	-	-	-	-
Bingling Li Sellam, non-voting member	45	F	French	N/A	2023	-	-	-	-	-
Arthur Mendes, non-voting member	56	M	French	N/A	2023	-	-	-	-	-

(1) The relevant management expertise and experience of the members of the Board of Directors are the result of the various salaried and management positions they have previously held, as shown in the corresponding tables in the section "Profile, experience and expertise of the members of the Board of Directors" below.
(2) As at the date of this report, Mr Yann Duigou has been Chief Executive Officer of the Company and a member of the Board of Directors of the Company since 6 July 2021.
(3) As at the date of this report, Ms Ranxu Mazet has been Assistant Chief Executive Officer of the Company and a member of the Board of Directors of the Company since 6 July 2021.
(4) As at the date of this report, Ms Shora Rokni has been Deputy Chief Executive Officer of the Company and a member of the Board of Directors of the Company since 6 July 2021.
(5) As at the date of this report, Ms Christelle Bonnevie has been Deputy Chief Executive Officer of the Company and a member of the Board of Directors of the Company since 16 May 2023.
(6) At the date of this report, Mr Thomas Chea has been Executive Vice President of the Asia, Pacific and Africa region and a member of the Company's Board of Directors since 19 June 2023.
(7) At the date of this report, Mr Arnaud Le Coguic has been Deputy Chief Executive Officer of the Company and a member of the Company's Board of Directors since 19 June 2023.

1.2 Profile, experience and expertise of the members and non-voting members of the Board of Directors

Below are the profiles, experience and expertise of each director and non-voting member.

Name: **Thierry Ballenghien** Chairman of the Board of Directors and Director	
Summary of main areas of expertise and experience:	• Graduate school engineer • Company manager for 37 years • Factory manager for 13 years • 39 years of experience in printed circuit boards • Founding Chairman of the Icape Group • Expert in printed circuit boards • Expert in the Chinese printed circuit board industry • Majority shareholder of the Icape Group
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Chairman of the Board of Directors of the Company and member of the Board of Directors of the Company • Chairman of the Company's Strategy and Acquisitions Committee • Member of the Company's Compensation, Appointments and Governance Committee • Legal representative of Divsys International Icape LLC • Legal representative of Icape Dongguan Electronic Limited • Director of CIPEM HK Company Limited • Director of Icape HK Company Limited
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	• Chairman of Balwen Holding SAS
Terms of office expired during the past five years	Chairman of the Company's Supervisory Board (before it was transformed into a public limited company)

Name: **Yann Duigou** Chief Executive Officer and Director	
Summary of main areas of expertise and experience:	• 32 years of experience in the printed circuit board industry: sales, factory management, sales management, executive management of a group • Six years as e-business director in the Group • Deputy Chief Executive Officer between 2021 and 2023 • Chief Executive Officer of the Company since 2023 • Director of the Company since 2021
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Chief Executive Officer of the Company and member of the Board of Directors of the Company • Member of the Company's Executive Committee • Chairman of Icape - International Consulting Activities for Printed Circuit Boards and Electronics SAS • Chairman of CIPEM SAS • Sole director of Icape EIG • Sole director of CIPEM EIG • Legal representative of Icape Deutschland GmbH • Legal representative of CIPEM Deutschland GmbH • Chairman of Icape Iberica SL • Legal representative of Icape Canada Inc. • Legal representative of Icape Changan Express Ltd • Director of Icape Malmö Monsterkort AB • Director of Icape Hungary Kft
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	Member the Company's Supervisory Board (before it was transformed into a public limited company)

Name: **Ranxu Mazet** Assistant Chief Executive Officer and Board member	
Summary of main areas of expertise and experience:	• 22 years of management experience within the Group, including 12 years as Director of the Icape China office and 8 years as Vice-President of the Americas region • 22 years in the printed circuit board industry, in particular in China • 12 years of experience in the management of printed circuit board suppliers in China • 12 years leading the Icape China office in charge of managing the printed circuit board suppliers in China, Icape engineering and quality, the Icape supply chain and the sales activities of Icape HK Company Limited • 8 years as Vice-President of the Americas region in charge of North/South/Central America commercial activities • Assistant Chief Executive Officer of the Company and member of the Board of Directors of the Company since 2021
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Assistant Chief Executive Officer of the Company and member of the Board of Directors of the Company • Member of the Strategy and Acquisitions Committee • Member of the Company's Executive Committee • Icape HK Company Limited (Director) • Secretary of the Board of Directors of Icape Electronicas S de RL de CV
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	• Member of the Management Board of the Company (before it was transformed into a public limited company)

Name: **Shora Rokni** Deputy Chief Executive Officer and Board member	
Summary of main areas of expertise and experience:	• 18 years of expertise in finance, accounting and management control • 15 years of experience in the printed circuit board industry • 15 years of expertise in international trade • 12 years of expertise in supply chain and logistics from China • CFO of the Icape Group between 2013 and 2023 • CSO of the Icape Group since 2023

Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Deputy Chief Executive Officer of the Company and member of the Company's Board of Directors • Member of the Strategy and Acquisitions Committee • Member of the Company's Audit and Risk Committee • Member of the Company's Executive Committee • Chief Financial Officer of Icape California Inc. • Treasurer of CIPEM USA Inc. • Financial Controller of Icape EIG • Financial Controller of CIPEM EIG
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	• Member the Company's Supervisory Board (before it was transformed into a public limited company)

Name: **Christelle Bonnevie** Deputy Chief Executive Officer and Board member	
Summary of main areas of expertise and experience:	• Operational Department/P&L Management • Management of organisations and processes • Management of the supply chain (procurement) • PCB expertise (single-sided/double-sided)
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Member of the Company's Board of Directors • Member of the Company's Corporate Social and Environmental Responsibility Committee • Deputy Chief Executive Officer • Member of the Company's Executive Committee • Financial Controller of CIPEM EIG • Legal representative of CIPEM Deutschland GmbH • Legal representative of Icape Malmö Mönsterkort AB

— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	None

Name: **Arnaud Le Coguic** Deputy Chief Executive Officer and Board member	
Summary of main areas of expertise and experience:	• Technical expertise in accounting and consolidation • Analysis and monitoring of financial markets • Team management and project management • Knowledge of the legal and regulatory obligations of listed companies
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Member of the Company's Executive Committee
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	None

Name: **Thomas Chea** Director	
Summary of main areas of expertise and experience:	• Management of entities of different nationalities, in particular Asia and Europe, Americas, and more recently Africa • More than 20 years of experience in sales, marketing and the design of semiconductors • More than 10 years of experience in sales, marketing and the design of printed circuits and electronic components
Main activities exercised outside the Company:	None
Current offices:	

— Offices and functions in the Group's companies	• Member of the Company's Board of Directors • Member of the Company's Corporate Social and Environmental Responsibility Committee • Member of the Company's Executive Committee • Financial Controller of Icape EIG • Legal representative of Icape Japan KK • Legal representative of Icape Trax (Pty) Ltd • Legal representative of Icape South Africa (Pty) Ltd
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	None

Name: **Philippe Darfeuil** Independent director	
Summary of main areas of expertise and experience:	• Engineer graduated from two engineering schools (in mechanics and electronics) • More than 30 years of experience in the automotive industry: - 7 years of experience in research and development of "intelligent" driver assistance systems - 12 years of experience in engineering and projects, including vehicle engineering and electronic systems - 11 years of experience in purchasing, including 5 years in body equipment and 6 years in after-sales - 1 year of experience in factory and manufacturing • International experience, notably 4 years in Japan and 1 year in Morocco • Expertise in automation, electronics, systems engineering, design, product-process, lean manufacturing, automotive quality, costing and international purchases • Temporary teacher for 10 years at Centrale Sup Élec in automotive electronics
Main activities exercised outside the Company:	Strategy consulting, project management, support/coaching for Green Tech Consulting (SASU)
Current offices:	
— Offices and functions in the Group's companies	• Member of the Company's Board of Directors • Member of the Company's Strategy and Acquisitions Committee • Chairman of the Company's Corporate Social and Environmental Responsibility Committee

— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	• Chairman of the consulting firm Green Tech Consulting (SASU) • Chairman of the Planète Bleue Foundation
Terms of office expired during the past five years	None

Name: **Brigitte Le Borgne** Independent director	
Summary of main areas of expertise and experience:	• Former Chief Operating Officer and Chief Financial Officer, intermediary between senior managers and CFOs. Experience in medium and large international groups, which are listed (United States and United Kingdom) and under LBO • Experience in many transformations: strong growth, internationalisation, acquisitions and integration, business model transformation, turnaround, change of shareholder • Strategy and international development consultant since 2017 • Certified in governance since 2012 (ESSEC Executive Education) and involved in two corporate governance associations
Main activities exercised outside the Company:	• Advising intermediate-sized enterprises/small and medium-sized enterprises on their strategic roadmap and internationalisation (the brand, Lily-Perf) • Affiliated with the SAI international network IBG Global, representing France
Current offices:	
— Offices and functions in the Group's companies	• Member of the Company's Board of Directors • Chairwoman of the Company's Audit and Risk Committee • Member of the Company's Compensation, Appointments and Governance Committee • Member of the Company's Corporate Social and Environmental Responsibility Committee
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	None

Name: **Pascale Auger** Independent director	
Summary of main areas of expertise and experience:	• Director with experience in governing intermediate-sized listed or non-listed enterprises and within large groups give her executive functions • Business sectors: industry, automotive, construction and energy • Functional experience: industrial experience, finance, HR and strategy • International experience in Europe and North America with good knowledge of Germany
Main activities exercised outside the Company:	• Chief Executive Officer of Corporate Angel • Director of listed (Exel Industries) and non-listed (Prodeval) medium-sized enterprises and a company in the social and solidarity economy (Vitamine T)
Current offices:	
— Offices and functions in the Group's companies	• Member of the Company's Board of Directors • Chairwoman of the Company's Compensation, Appointments and Governance Committee • Member of the Company's Audit and Risk Committee
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	• Chairwoman of the Audit Committee of Exel Industries • Chairwoman of the Board of Directors of Prodeval • Member of the Supervisory Board of Vitamine T • Chief Executive Officer of Corporate Angel
Terms of office expired during the past five years	Independent Board member and member of the Appointments and Compensation Committee of Rabot Dutilleul Holding

Name: **Jie Chen** Non-voting member	
Summary of main areas of expertise and experience:	• 12 years of experience in management and sales management • Expertise in operational business management for 12 years
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Non-voting member of the Company's Board of Directors • General Manager of Icape Dongguan Electronics • Managing Director of Icape HK • Member of the Company's Executive Committee

— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	• Managing Director of Icape Investment Hong Kong Limited • Managing Director of Icape Manco Hong Kong Limited
Terms of office expired during the past five years	None

Name: **Bingling Li Sellam** Assistant Chief Executive Officer and non-voting member	
Summary of main areas of expertise and experience:	• More than 10 years of experience in management and sales management • Expertise in operational business management for 10 years
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Non-voting member of the Company's Board of Directors • Legal representative of Icape Denmark AS
— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	None

Name: **Arthur Mendes** Non-voting member	
Summary of main areas of expertise and experience:	• More than 10 years of experience in management and sales management • Expertise in operational business management for 10 years
Main activities exercised outside the Company:	None
Current offices:	
— Offices and functions in the Group's companies	• Non-voting member of the Company's Board of Directors • Chairman of Icape Portugal - Electronics Unipessoal Lda • Chairman of Icape Italia SRL

— Offices and functions outside the Group's companies: (French listed companies, French non-listed companies, foreign listed companies, foreign non-listed companies)	None
Terms of office expired during the past five years	None

The directors' business address is the Company's registered office.

There are no family ties between the members of the Board of Directors.

1.3 Personal information concerning the members and non-voting members of the Board of Directors

Thierry Ballenghien is 67 years old and a graduate of the *École des Hautes Études d'Ingénieur* (1981). For thirteen years, he served as factory general manager in a printed circuit board company. In 1999, he founded Icape, which in less than a quarter of a century has become one of the world's leading players in the distribution of small- and medium-volume printed circuit boards. Today, Thierry Ballenghien serves as Chairman of the Board of Directors.

Yann Duigou is 61 years old and has a Master's degree from the International Business School (ISG). He held several sales positions within the Cire group between 1994 and 2011, including several management positions, of which Factory Manager and Chief Executive Officer. He then became Industrial Director of the Elvia PCB group. In 2015, he joined the Icape Group where he held the successive positions of Sales Director, Director of Online Commerce and finally Marketing Director. In 2021, he was appointed Deputy Chief Executive Officer of the Company. Since 2023, he has been Chief Executive Officer of the Company.

Ranxu Mazet is 50 years old and holds a bachelor's degree in international business from Tianjin Foreign Studies University (China). She spent the first three years of her professional career as a Sales Director. She then held an international trader position for three years at François Frères. She joined the Company in 2002 as a sales engineer, before being appointed Director of the China office in charge of suppliers and Group operations. In 2010, she was appointed Director of the Icape HK subsidiary and, in 2014, Vice-President of the Americas region. Since July 2021, Ranxu Mazet has held the position of Assistant Chief Executive Officer in charge of operations within the Company.

Shora Rokni is 42 years old and holds a Master's degree in Audit and Management Accounting from the *Conservatoire National des Arts et Métiers* (CNAM). In 2009, she began her career as an accountant at Icape France and quickly became Head of Accounting at Icape HK & CIPEM HK, a position she held for two years in China. In 2012, she joined Icape Holding as Group Chief Accountant and was appointed Chief Financial Officer in 2013 and then, on 6 July 2021, Deputy Chief Executive Officer. Since 2023, her scope of work has included the acquisition and integration strategy (Chief Strategy Officer).

Christelle Bonnevie is 51 years old and holds a master's degree from the University of Bourgogne. She began her career in 1996 as a Procurement Manager & Supply Chain Project Leader within Alstom Transport before joining Alstom Marine in 2000 as Supply Chain Manager. Between 2008 and 2015, she served as Factory & Production Manager within Elvia PCB, before joining the Icape Group in 2018, where she successively held the positions of Consumer Technical & Sales Manager, then Director of the CIPEM business. She then held the position of Executive Vice-President of the CIPEM division before being appointed as the Company's Deputy Chief Executive Officer in charge of industrial development (Chief Industrial Officer) in October 2022.

Arnaud Le Coguic is 44 years old and holds a Higher Diploma in Accounting and Management (*Diplôme Supérieur de Comptabilité et Gestion* - DSCG). He began his career in 2003 as a junior auditor at Fidorex before joining Deloitte & Associés in 2005 for five years up to the position of Supervisor. He then joined the Publicis group as Internal Control Manager EMEA for one of the Group's business lines. He then held the position of Audit Manager in various financial audit firms before joining KPMG as Senior Audit Manager in 2018 until he joined the Icape Group in October 2022 as Deputy Chief Financial Officer, Head of Investor Relations. Since June 2023, he has been Deputy Chief Executive Officer in charge of the administrative and financial services (Chief Financial Officer).

Philippe Darfeuil is 57 years old and is an engineer and graduate of two French *Grandes Ecoles*, with dual training in mechanics and electricity. He specialised in electronics at Centrale Supélec, a school where he went on to teach at for 10 years. He has more than 30 years of experience in the automotive industry, 5 of which abroad. While his last operational position was in manufacturing, as Director of Operations for a supplier of PSA in Morocco, he has spent most of his career at Renault, on the upstream side: 7 years of research in electronics, 12 years in vehicle engineering (including 4 spent at Nissan in Japan), 11 years in purchasing for the Renault/Nissan Alliance. This last experience made him familiar with a number of aspects: supplier panel, sourcing strategy and supply chain management at the global level, but also supplier diagnostics, profitability, growth strategy, partnerships, CSR policy, consolidation of sectors. He left Renault in February 2021 to create "Green Tech Consulting", a consulting company to support VSEs/SMEs in their transition to a more responsible and sustainable business model. In June 2021, he joined the Board of Directors of the Company as an independent director. He has since been a member of the IFA (*Institut Français des Administrateurs*).

Brigitte Le Borgne is 59 years old and holds an MBA in Finance and Management Control from Reims Management School. During the first four years of her professional career, Brigitte Le Borgne began as a Financial Auditor and then as Head of Management Control. From 1992 to 1999, she was Head of Finance and Sales Administration in France and Head of Special Assignments in Europe for the Mattel Group. Her vast and rich experiences as Chief Financial Officer, Deputy Chief Executive Officer, member of advisory committees, director of group subsidiaries and consultant, led her, in December 2021, to join the Board of Directors of the Company as independent director.

Pascale Auger is 61 years old and is an engineer and graduate of *École Centrale Lille* (1985) and a Doctor in Industrial Organisation and Robotics from the University of Lille (1987). She has 20 years of experience in the management of activities in the industrial and service sectors, in France and abroad. From research and development engineering to exercising terms of offices, she has worked in major groups (Renault, PwC, Capgemini, Mauboussin, etc.). She is currently on the management bodies of several companies such as Excel Industries, Prodeval and, since December 2021, an independent director of the Company.

Thomas Chea is 60 years old and holds a doctorate in electrical engineering from Télécom Paris (ENST, 1991) and an MBA from IAE Paris Sorbonne Business School (1997). He has held various engineering, marketing and sales positions at Philips, Siemens, Alcatel, Atmel and Rohm Semiconductor, before joining the Icape Group for the first time between 2007 and 2008, then again in 2010 where he successively held the positions of Marketing Director and Vice-President for the Asia-Pacific region. He currently serves as Executive Vice-President in the Asia-Pacific-Africa region. He was a non-voting member of the Company's Board of Directors from 7 July 2021. Since 19 June 2023, he has been a member of the Company's Board of Directors.

Jie Chen is 47 years old and holds a bachelor's degree in business administration from Shanghai Fudan University (1999), a master's degree in international business from ESC Grenoble Business School (2003) and a master's degree in energy and mechanics from the University of Paris X (2006). He served as Project Manager within Euro-China Capital between 2006 and 2008, before joining the Icape Group in 2008 where he successively held the positions of Sales Manager then Director of Icape Hong Kong. He currently serves as Executive Vice-President of the South-East Asia and China region and, since 7 July 2021, has been a non-voting member of the Company's Board of Directors.

Bingling Li Sellam is 45 years old and holds a master's degree in international trade from the ESGCI business school and a master's degree in international management and import-export, international management from the OMNES Education centre. Bingling Li Sellam joined the Icape Group in August 2006 as a sales engineer. She became Managing Director of the CIPEM business unit in 2015, then Vice President of the Northern Europe region of the Icape business unit in January 2020. In June 2023, Bingling Li Sellam was appointed Chief Sales Marketing Officer of the Icape Group, and non-voting member of the Company's Board of Directors.

Arthur Mendès is 56 and joined the Icape Group in 2020 after nearly 10 years as a subsidiary director within the Éloane group. In January 2020, he was appointed Director of Icape France. He then took on the duties of Vice President Southern Europe in January 2021. In June 2023, Arthur Mendès was appointed non-voting member of the Company's Board of Directors.

1.4 Nationality of the members of the Board of Directors

All of the Company's directors and non-voting members are French nationals, with the exception of Mr Jie Chen, non-voting member, who is a Chinese national.

1.5 Independent members of the Board of Directors

With regard to the independence criteria defined by the Middlenext Code, to which the Company has referred since the admission of its shares to trading on Euronext Growth, three members of the Board of Directors, namely Philippe Darfeuil, Brigitte Le Borgne and Pascale Auger, are independent members of the Board of Directors.

The following is an analysis by the Company of the independence of these directors with regard to the criteria set out in the Middlenext Code.

Director independence criteria	Philippe Darfeuil	Brigitte Le Borgne	Pascale Auger	Thierry Ballenghien	Shora Rokni	Ranxu Mazet	Yann Duigou	Christelle Bonnevie	Arnaud Le Coguic	Thomas Chea
Criterion 1: Not to have been an employee or an executive corporate officer of the Company or of a company in its Group within the last five years	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗
Criterion 2: Not to have had and not to be in a significant business relationship with the Company or its Group (customer, supplier, competitor, service provider, creditor, banker, etc.) within the last two years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: Not to be a reference shareholder of the Company or hold a significant percentage of voting rights	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Criterion 4: Not to have a close relationship or close family ties with a corporate officer or	✓	✓	✓	✗	✗	✗	✗	✗	✗	✗

reference shareholder										
Criterion 5: Not to have been a Statutory Auditor of the Company within the last six years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

In this table, ✓ represents an independence criterion that has been met and ✗ represents an independence criterion that has not been met.

1.6 Non-voting members

The Board of Directors also has three non-voting members. Non-voting members, who have access to the same information as the directors and are subject to the same obligations of loyalty and professionalism as the latter, are appointed by the Board of Directors and chosen from among the Company's shareholders or outside them, because of their skills and expertise.

Non-voting members take part in the deliberations of the Board of Directors in an advisory capacity, without their absence affecting the value of the deliberations. In accordance with the internal rules of the Board of Directors, depending on the purpose of the Board of Directors' meeting or some of the subjects discussed during the meeting, the Board of Directors may ask non-voting members to leave during the meeting.

Non-voting members are responsible for providing their opinions on all types of issues submitted to them, particularly in technical, commercial, administrative or financial matters, and may receive specific study assignments from the Board of Directors. With regard to the shareholding of the Group's executives and employees in the Company's capital, which is a strong specificity of the Icape Group both in its proportions[21] and its terms[22], the non-voting members also act as intermediaries and represent the Company's employee shareholders on the Board of Directors, by examining with an objective eye the smooth running of the Group, compliance with the Articles of Association and the protection of the interests of the Group's employee shareholders and the alignment of stakeholder interests.

The non-voting members, like the directors, will be made aware of the regulations relating to market abuse and insider information.

1.7 Balanced representation of women and men

The Board of Directors includes five women, *i.e.* 50% of the members of the Board of Directors. The composition of the Board of Directors complies with the provisions of Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code providing for a balanced representation of women and men on the Board of Directors of companies whose shares are admitted to trading on a regulated market.

1.8 Declarations relating to the members of the Board of Directors and executive corporate officers

In addition, to the best of the Company's knowledge, over the last five years: (i) no conviction for fraud has been handed down against a director or executive corporate officer of the Company, (ii) no director or executive corporate officer of the Company has been associated with a bankruptcy, receivership, liquidation or placing of undertakings under receivership, (iii) no claim and/or official public sanction has been pronounced against a director or an executive corporate officer of the Company by judicial or administrative authorities (including designated professional bodies) and (iv) no director or any of the executive corporate officers have been deprived by a court of the right to serve as a member of an administrative, management or supervisory body of an issuer or to take part in the management or conduct of an issuer's business.

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[21] At the date of admission of the Company's shares to trading on Euronext Growth, the shareholding of current or former Group employees and corporate officers (other than the Company's corporate officers and non-voting members) represented, before exercise of the Over-allotment Option, 20.29% of the Company's share capital and 18.20% of the Company's voting rights.

[22] The shareholding of the Group's employees and corporate officers (both current or former) in the Company's share capital is a direct participation, or through holding companies, and not *via* collective incentive or profit-sharing mechanisms or company savings plans.

1.9 Status of terms of office of directors

As the terms of office of directors of Mr Thierry Ballenghien and Ms Pascale Auger expire at this meeting, we ask you to renew their terms of office for a further period of three years, *i.e.* until the end of the meeting held in 2027 called to approve the financial statements for the financial year.

Mr Thierry Ballenghien and Ms Pascale Auger, whose terms of office have expired, have indicated in advance that they accept the renewal of their duties and are not subject to any measure or incapacity likely to prevent them from doing so.

In addition, Mr Thomas Chea was appointed Director of the Company to replace Mr Cyril Calvignac following the latter's resignation from his directorship. You will be asked to ratify this provisional appointment. Mr Thomas Chea was appointed Director for the remainder of Mr Calvignac's term of office, *i.e.* until the General Meeting called to approve the financial statements for the financial year ended 31 December 2023. As the term of office of Mr Thomas Chea expires at this meeting, we propose that you renew his term of office for a further period of three years, *i.e.* until the end of the meeting called in 2027 to approve the financial statements for the fiscal year. Mr Thomas Chea has indicated in advance that he accepts the renewal of his duties and is not affected by any measure or incapacity likely to prevent him from exercising it.

The renewal of the term of office of these directors would thus have no impact on the composition of the Board of Directors, either in terms of the proportion of independent directors or with regard to parity on the Board.

1.10 Proposal of new directors

None.

1.11 Report on the activities of the Board of Directors during the financial year

The minutes of each meeting are prepared under the responsibility of the Chairman of the Board of Directors. They are transcribed in the minutes register after signature by the Chairman and a member.

During the financial year ended 31 December 2023 the Company's Board of Directors met five times on the days and months listed below.

Date of Board meeting	Number of directors present or represented	Participation rate
07/02/2023	8	100%
28/03/2023	8	100%
19/06/2023	10	100%
26/09/2023	10	100%
13/12/2023	10	100%

1.12 Compensation and benefits

1.12.1 Compensation of directors

The following table shows the compensation received by the directors during the financial year ended 31 December 2023 in respect of their offices as directors and, where applicable, as Chairman of the Board of Directors:

	Financial year 2023
Remuneration for serving as a director	€458,539
Total	**€458,539**

1.12.2 Subscription options, warrants and free shares

No free shares, stock options or share subscription warrants were allocated to the Company's directors during the 2023 financial year.

As of 31 December 2023, and on the date hereof, the directors of the Company did not hold any free shares, stock options or share subscription warrants of the Company.

1.12.3 Directors' shareholding in the Company's share capital

The table below shows the directors' shareholding in the Company's share capital:

Directors	% of share capital	% of voting rights
T. Ballenghien (directly and through Balwen Holding[23])	**51.50%**	**61.92%**
R. Mazet	**3.12%**	**3.44%**
S. Rokni	**1.94%**	**1.97%**
Y. Duigou	**0.67%**	**0.42%**
C. Bonnevie	**0.65%**	**0.41%**
A. Le Coguic	-	-
T. Chea	**2.21%**	**2.29%**
P. Darfeuil	**-**	**-**

[23] Balwen Holding is a simplified joint-stock company with a share capital of €8,534,976, whose registered office is located at 8, Rue d'Athènes, 75009 Paris, France, registered in the Paris Trade and Companies Register under number 900 277 146. Mr Thierry Ballenghien holds a 50.10% stake in Balwen Holding, while the balance of the share capital belongs to members of Mr Thierry Ballenghien's family.

P. Auger	-	-
B. Le Borgne	-	-

2. INFORMATION CONCERNING EXECUTIVE MANAGEMENT

2.1 Composition of Executive Management

The Board of Directors currently separates the functions of Chairman and Chief Executive Officer.

The Executive Management represents the Company vis-à-vis third parties. It is composed of the Chief Executive Officer, Mr Yann Duigou, and two Deputy Chief Executive Officers, Ms Shora Rokni and Ms Christelle Bonnevie. The extended General Management also includes the Deputy Chief Executive Officers (Ms Ranxu Mazet, Ms Bingling Li Sellam, Mr Arnaud Le Coguic), who are not corporate officers.

The table below shows the composition of the Executive Management as of 31 December 2023. As of the date of this report, no change has occurred in the composition of Executive Management.

Name	Term of office	Date of appointment and end of term of office	Functions/Offices held in the Company	Main functions outside the Company
Yann Duigou	Chief Executive Officer	Appointment: 19 June 2023 Term of office: 3 years	Chief Executive Officer Director	(1)
Shora Rokni	Deputy Chief Executive Officer	Appointment : 30 June 2022 Term of office: 3 years	Deputy Chief Executive Officer Director	(1)
Christelle Bonnevie	Deputy Chief Executive Officer	Appointment: 5 October 2022 Term of office: indefinite	Deputy Chief Executive Officer Director	(1)

(1) The main relevant positions held outside the Company are shown in the corresponding tables in the section "Profile, experience and expertise of the members of the Board of Directors" below.

The business address of the Chief Executive Officer and the Deputy Chief Executive Officers is the Company's registered office.

There are no family ties between the executive corporate officers, on the one hand, and between the executive corporate officers and the members of the Board of Directors, on the other hand.

2.2 Compensation and benefits

2.2.1 Compensation of the members of the Executive Management

The following table shows the compensation received by the members of Executive Management (*i.e.* the Chief Executive Officer and the two Deputy Chief Executive Officers) during the financial year ended 31 December 2023 for their respective offices as Chief Executive Officer and Deputy Chief Executive Officers and, where applicable, their employment contract:

	Financial year 2023
Compensation allocated to members of the Executive Management	€519,201
Total	**€519,201**

The following table provides details on the conditions of compensation and other benefits granted to executive corporate officers:

Executive corporate officers	**Employment contract**		**Supplementary pension plan**		**Compensation or benefits due or likely to be due as a result of the termination or change of position**		**Compensation relating to a non-compete clause**	
	Yes	No	Yes	No	Yes	No	Yes	No
Y. Duigou		X		X	X(1)			X
S. Rokni		X		X	X(1)			X
C. Bonnevie		X		X	X(1)			X

(1) Mr Thierry Ballenghien, Ms Shora Rokni, Mr Yann Duigou and Ms Christelle Bonnevie receive an indemnity in the event of the termination of their corporate office (see §4.1 and 4.2 of Chapter "Corporate Governance Report" of the Annual Financial Report).

2.2.2 Subscription options, warrants and free shares

No free shares, stock options or share subscription warrants were granted to the members of the Company's Senior Management during the 2023 financial year.

As of 31 December 2023, and on the date hereof, the members of the Company's Senior Management did not hold any free shares, stock options or share subscription warrants of the Company.

2.2.3 Shareholding by members of the Executive Management in the Company's share capital

The table below shows the shareholding held by members of the Senior Management in the Company's share capital:

Executive corporate officers	% of share capital	% of voting rights
Y. Duigou	**0.67%**	**0.42%**
S. Rokni	**1.94%**	**1.97%**
C. Bonnevie	**0.65%**	**0.41%**

3. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

3.1 Information on the committees of the Board of Directors

At the date of this report, the Board of Directors of the Company was made up of four specialised committees, the main provisions of which are presented below: a Strategy and Acquisition Committee, an Audit and Risk Committee, a Compensation, Appointments and Governance Committee and a CSR Committee.

It is specified that the composition, the prerogatives and the resources made available to the various committees of the Board of Directors described below result from the internal rules of the Board of Directors, as amended and adopted by the Board of Directors at its meeting of 28 March 2023.

During the financial year ended 31 December 2023 the committees of the Board of Directors met 5 times on the days and months listed below.

STRATEGY AND ACQUISITION COMMITTEE		
Date of Board meeting	**Number of directors present or represented**	**Participation rate**
14/04/2023	4	100%
10/05/2023	4	100%
24/07/2023	4	100%
AUDIT AND RISK COMMITTEE		
Date of Board meeting	**Number of directors present or represented**	**Participation rate**
31/01/2023	2	100%
27/03/2023	2	100%
09/06/2023	2	100%
25/09/2023	2	100%
11/12/2023	3	100%
COMPENSATION, APPOINTMENTS AND GOVERNANCE COMMITTEE		
Date of Board meeting	**Number of directors present or represented**	**Participation rate**
31/01/2023	3	100%
27/03/2023	2	66.7%
09/06/2023	3	100%
23/09/2023	3	100%
11/12/2023	3	100%
CSR COMMITTEE		
Date of Board meeting	**Number of directors present or represented**	**Participation rate**
27/03/2023	2	100%
11/05/2023	2	100%
25/09/2023	4	100%
11/12/2023	3	75%

The Board of Directors, on the proposal of its Chairman and after consulting the Compensation, Appointments and Governance Committee, appoints the members of the Committees and their Chairmen, taking into account their skills and experience, and the availability of directors. Committee members are appointed for the duration of their term of office, unless the Board of Directors decides otherwise. The Board of Directors may, if necessary, terminate the duties of a member of a committee. Non-voting members cannot be members of the committees.

The mission of a committee is to study the subjects and projects that the Board of Directors or the Chairman refers for its examination, to prepare the work and decisions of the Board of Directors in relation to these subjects and projects, as well as to report their conclusions to the Board of Directors in the form of reports, proposals, opinions, information or recommendations. To this end, the committees may propose to the Board of Directors to carry out, at the Company's expense, any external or internal studies likely to inform the deliberations of the Board of Directors. In the event of recourse to the services of external consultants, each committee ensures the objectivity of the consulting firm concerned. As part of their mission, the committees may hear the executives of any Group company, and inform Senior Management in advance.

For each committee meeting, the Chairman of said committee may decide to invite any person of their choice in an advisory capacity when they deem it appropriate, in particular for the purposes of obtaining any clarifications or assisting them in their work, and in particular any member of the Senior Management and the person(s) in charge of compliance and risk management within the Group. If an issue under discussion is likely to create a situation of conflict of interest, the guest is invited to withdraw during the discussion of the issue.

The Board of Directors must ensure that it proposes to the Shareholders' Meeting the appointment of directors to ensure that the proportion of independent members within it complies with the provisions of the Middlenext Code and to ensure, within the limits of its powers, that the proportion of independent members on the committees it establishes complies with the provisions of the aforementioned code.

In accordance with the recommendations of the Middlenext Code, it is specified that the members of the Board regularly discuss without the presence of the Chief Executive Officer.

3.1.1 Audit and Risk Committee

Composition, powers and independence

The Audit and Risk Committee (the "**Audit Committee**") has at least two members, including its Chairman. Directors who hold management positions cannot be members of the Audit Committee.

The Board of Directors ensures that the members of the Audit Committee have the appropriate skills in financial management and accounting of listed companies and, to the extent possible, in CSR. At least one member of the Audit Committee must have specific expertise in financial, accounting or statutory auditing and be independent with regard to the criteria specified in the Internal Rules.

The Audit Committee is chaired by an independent Board member. The Chairman of the Audit Committee is primarily responsible for the proper functioning of the Audit Committee. He/she is the representative of the Audit Committee and the main point of contact for the Board of Directors and Senior Management.

As at the date of this report, the Committee is composed of Ms Brigitte Le Borgne (Chairwoman), Ms Pascale Auger and Ms Shora Rokni.

Role:

The Audit Committee advises the Board of Directors on matters within its remit as defined in the internal rules and prepares the decisions of the Board of Directors relating to these matters.

The Audit Committee's mission is to monitor issues relating to the preparation and control of accounting, financial and non-financial information, and to ensure the effectiveness of the risk monitoring and operational internal control, in order to facilitate the exercise by the Board of Directors of its control and verification duties in this area.

In this context, the powers of the Audit Committee cover:

(a) Monitoring the effectiveness of the systems for preparing information, internal control and risk management and control, including monitoring the implementation of applicable laws and regulations

The Audit Committee monitors the process of preparing financial and non-financial information and, where applicable, makes recommendations to ensure its integrity.

It monitors the relevance, reliability and effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to the procedures relating to the preparation and processing of the Company's accounting, financial and non-financial information. It examines the Company's exposure to financial and non-financial risks. With regard to non-financial information and non-financial risks, it relies on the work of the CSR Committee.

In particular, the committee must hear the heads of risk control and, where applicable, internal audit, and regularly examine the Group's risk mapping. The Committee must also give its opinion on the organisation of the risk control and, where applicable, internal audit departments, and be informed of their work programme.

The Committee ensures the existence, effectiveness, deployment and implementation of corrective actions, in the event of weaknesses or significant anomalies identified in the internal control and risk management m

(b) The audit of the Company's accounting and financial information submitted to it

Prior to their presentation to the Board of Directors, the Audit Committee examines the Company's draft parent company and consolidated financial statements (annual, half-yearly and, where applicable, quarterly) as well as financial and non-financial documents disclosed by the Company at the time of the closing of the annual and half-year financial statements (including any half-yearly or annual report on the progress of the Company's business and any non-financial report), in particular to (i) ensure the relevance and consistency of the accounting methods adopted for the preparation of the financial statements, (ii) examine any difficulties encountered in the application of accounting methods, (iii) examine the Company's significant risks and off-balance sheet commitments as well as options accountants selected and (iv) examine more specifically the significant transactions on the occasion of which a conflict of interest could have arisen. The Audit Committee also examines the draft financial statements prepared for specific transactions such as contributions, mergers, spin-offs or payments of interim dividends, as well as any report prepared on this occasion.

In this respect, the Audit Committee hears the Statutory Auditors and receives communication of their analysis work and their conclusions. It monitors the follow-up of the Statutory Auditors' recommendations and observations.

The Audit Committee monitors the implementation and assessment of the impact of new accounting and non-financial standards, the Company's tax policy and the Company's financing.

(c) Statutory Auditors

The Audit Committee maintains regular contact with the Statutory Auditors. In particular, it has the following duties:

- assessing the Statutory Auditor's compliance with the conditions of independence applicable, in particular the conditions prior to his/her intervention provided for by the regulations in force;

- reviewing their compensation, ensuring that it does not call into question their independence and objectivity;

- monitoring the Statutory Auditor's performance as well as approving and reviewing any assignments that they may carry out on behalf of the Company other than the certification of the financial statements, in compliance with the recommendations of the Middlenext Code;

- identifying irregularities in the content of accounting and financial information as brought to its attention by the Statutory Auditors.

The Audit Committee proposes to the Board of Directors, in agreement with Senior Management, a call for tenders procedure to be implemented for the selection of Statutory Auditors. It makes a recommendation to the Board of Directors on the Statutory Auditors proposed for appointment or renewal by the Shareholders' Meeting, prepared in accordance with the applicable regulations.

As the Audit Committee is responsible for monitoring, throughout the Statutory Auditors' terms of office, the rules of independence and objectivity of the latter, it must receive each year:

- the Statutory Auditors' additional report, when required by regulation;

- the Statutory Auditors' declaration of independence, including, where applicable, the risks relating to their independence and the measures taken to mitigate these risks, when this declaration is required by regulations;

- the amount of fees paid to the network of Statutory Auditors by the companies controlled by the Company and the entity that controls it for Services Other than Statutory Audits (SACC); and

- information on services provided in respect of Services Other than Statutory Audits (SACC).

Review by the Audit Committee of matters falling within its remit in terms of non-financial information and risks, internal control and compliance, and in particular the reconciliation of financial and non-financial data, requires coordination with the CSR Committee for all these cross-functional issues, which is carried out in accordance with the procedures to be determined jointly by the CSR Committee and the Audit Committee (holding of joint meetings, invitation of a member of the CSR Committee to the Audit Committee meeting, etc.) and these committees must report to the Board of Directors.

Resources made available

In accordance with applicable laws and regulations, the Audit Committee in general and each of its members in particular may request any information they deem relevant, useful or necessary for the performance of their duties.

As part of the monitoring of the effectiveness of the internal control and risk management systems and, where applicable, of the internal audit of the procedures relating to the preparation and processing of accounting, financial and non-financial information, the Audit Committee may ask to interview the heads of internal audit and risk control.

The Audit Committee may also interview the Statutory Auditors or the Company’s parties, including the Chief Executive Officer, Deputy Chief Executive Officers and senior executives, in particular the Chief Financial Officer.

The Audit Committee may, if it deems it necessary, initiate an independent investigation.

In general, the Audit Committee must be informed in sufficient time by the Company’s Senior Management and the Statutory Auditors of any event that could expose the Company or the Group to a significant risk.

Meetings

The Audit Committee meets at least once every six months, and at least twice a year with the Company’s Statutory Auditor, at the request of the Chairman of the Board of Directors or the Chairman of the Committee.

The Audit Committee decides whether and when the Company’s Chief Executive Officer or Statutory Auditor should attend its meetings. The Chief Financial Officer is associated with the Committee's work and attends Committee meetings unless the matters submitted to it concern him or the Committee expresses the wish to meet in his absence.

The Audit Committee regularly reports to the Board of Directors on the performance of its duties, the results of the certification of the financial statements, how this assignment has contributed to the integrity of the accounting and financial information and its role in the process and immediately informs it of any difficulties encountered. These minutes are included in the reports of the meetings of the Board of Directors or in an appendix to these reports.

3.1.2 Strategy and Acquisition Committee

Composition

The Strategy and Acquisition Committee has at least three members, including its Chairman. The Strategy and Acquisition Committee has at least one independent member.

It is chaired by the Chairman of the Board of Directors. The Chairman of the Strategy and Acquisition Committee is mainly responsible for the proper functioning of the Committee. He is the representative of the Committee and the main point of contact for the Board of Directors and Senior Management.

As at the date of this report, the committee is composed of Mr Thierry Ballenghien (as Chairman), Mr Philippe Darfeuil, Mr Yann Duigou, Ms Ranxu Mazet and Ms Shora Rokni.

Role

The Strategy and Acquisition Committee advises the Board of Directors on matters falling within its remit as defined in the internal rules, and prepares the Board of Directors’ decisions on these issues.

The main mission of the Strategy and Acquisition Committee is to examine and provide the Board of Directors with its opinion and recommendations on the main areas of the Group's development strategy and their updating. As such, it provides the Board of Directors with its prior opinion on certain decisions or transactions provided for in the internal rules. It issues its opinion as soon as possible from the date of referral, in order to take into account the Group's operational constraints.

The Strategy and Acquisition Committee also provides its opinion to the Chief Executive Officer on certain decisions or transactions also provided for in the internal rules. It issues its opinion as soon as possible from the date of referral, in order to take into account the Group's operational constraints.

Given the cross-functionality of CSR topics, the Strategy and Acquisition Committee works in conjunction with the CSR Committee. It coordinates with the CSR Committee as soon as it deems it useful or necessary to obtain the opinion of the CSR Committee when examining a question falling within its remit, according to the methods of its choice (a joint meeting, invitation of a member of the CSR Committee to the Strategy and Acquisition Committee meeting, etc.).

In addition, the Committee may regularly examine and assess the market situation and outlook, strategic positioning vis-à-vis the competition.

Meetings

The Strategy and Acquisition Committee meets at least twice a year, at the request of its Chairman.

The Chief Executive Officer attends the meetings of the Strategy and Acquisition Committee unless the matters submitted to it concern him personally or, when he is not Chairman of the Board of Directors, the Committee expresses the wish to meet in his absence.

3.1.3 Compensation, Appointments and Governance Committee

Composition and independence

The Compensation, Appointments and Governance Committee has at least two members, including its Chairman. Directors who serve as executive corporate officers within the Company may not be members of the Compensation, Appointments and Governance Committee.

The majority of the members of the Compensation, Appointments and Governance Committee are, as far as possible, independent members of the Board of Directors.

The Compensation, Appointments and Governance Committee is chaired by an independent director. The Chairman of the Committee is primarily responsible for the proper functioning of the Committee. He/she is the representative of the Compensation, Appointments and Governance Committee and the main point of contact for the Board of Directors and Senior Management.

As at the date of this report, the Committee is composed of Ms Pascale Auger (as Chairwoman), Mr Thierry Ballenghien and Ms Brigitte Le Borgne.

Role

The Compensation, Appointments and Governance Committee advises the Board of Directors on matters that fall within its remit as defined in the internal rules, and prepares the Board of Directors' decisions relating to these matters.

Compensation missions

The purpose of the committee is to formulate all opinions, proposals and recommendations for the Board of Directors on:

- the amount of the budget and the terms of its distribution among the members of the Board of Directors and the committees;

- the amount of any exceptional compensation allocated by the Board of Directors to its members for specific missions or mandates entrusted to them;

- the setting of the compensation of the Chairman of the Board of Directors, and the assessment of all other benefits or indemnities from which the Chairman of the Board of Directors benefits, if applicable (stock options, allocations of free shares, pension and welfare plans, severance payments, any non-compete clauses, benefits in kind or special benefits and any other direct or indirect compensation (including long-term));

- the setting of the compensation of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers and the qualitative and quantitative criteria (financial and non-financial) for determining the variable portion of this compensation, in line with the recommendations of the Middlenext Code, and in coordination with the CSR Committee when these criteria relate to CSR;

- the assessment of all other benefits or indemnities granted to the Chief Executive Officer and, if applicable, the Deputy Chief Executive Officers (share subscription or purchase options, allocation of free shares, retirement benefits plans, severance payments, any non-compete clauses, benefits in kind or specific benefits and any other direct or indirect compensation (including long-term compensation));

- the general policy for the allocation of stock options or free shares to the corporate officers and/or employees of the Group, any proposal to increase the Company's share capital in the form of an offer reserved for Group employees, as well as any employee shareholding plan or other collective incentive plan for Group employees.

In preparing its proposals and work, the Committee takes into account the market practices in terms of corporate governance to which the Company adheres and in particular the principles of the Middlenext Code.

In the event of a negative vote at the Shareholders' Meeting on a resolution relating to compensation previously submitted to the Compensation, Appointments and Governance Committee, the Committee shall meet as quickly as possible in order to analyse the expectations expressed by the shareholders, and to proceed a rigorous review of the structure and content of the compensation of the person concerned, before submitting a report to the Board of Directors on the new proposals to be taken into account.

Appointments missions

The purpose of the committee is to formulate all opinions, proposals and recommendations for the Board of Directors:

- for the appointment or renewal (by the Shareholders' Meeting or by co-option) of the members of the Board of Directors;

- with a view to the appointment or reappointment by the Board of Directors of the members and Chairs of the various committees and of the non-voting members;

- for the appointment or reappointment by the Board of Directors of the members of Senior Management;

- relating to the profiles, criteria and selection process of candidates for the positions of directors, non-voting members, members of committees and members of Senior Management;

- on the implementation and monitoring of a succession plan for the Company's executive corporate officers, in order to be in a position to quickly propose succession solutions to the Board of Directors, particularly in the event of unforeseen vacancies.

It is recalled that the right to present a candidate for the position of Deputy Chief Executive Officer is reserved for the Chief Executive Officer, the Compensation, Appointments and Governance Committee being responsible for formulating any opinion and recommendation regarding the candidate(s) proposed to the Board of Directors by the Chief Executive Officer with regard to the profiles, criteria and selection processes proposed by the Compensation, Appointments and Governance Committee.

The Compensation, Appointments and Governance Committee also regularly assesses the scope and composition of Senior Management, the Board of Directors and its Committees, as well as the activity of the Board of Directors and its committees, in particular with regard to the recommendations of the Middlenext Code.

When evaluating the composition of the Board of Directors and its committees, or submits to the Board any recommendation on a proposed appointment to the Board of Directors or one of its committees or on the criteria and process for selecting candidates for directorships, non-voting members or members of the committees, the Compensation, Appointments and Governance Committee takes into account the following criteria in particular: (i) the desirable balance of the composition of the Board of Directors in view of the composition and changes in the Company's shareholding structure, (ii) the desirable number of independent members with regard to the governance principles to which the Company refers, (iii) the proportion of men and women required by the regulations in force, (iv) the diversity of experience and profiles, and in particular the need to have directors on the Board of Directors with appropriate expertise in terms of CSR, (v) the opportunity for reappointment and (vi) the integrity, competence, experience and independence of each candidate. In general, the Committee must strive to reflect a diversity of experience and points of view, while ensuring a high level of competence, internal and external credibility and stability of the Company's governing bodies.

The Appointments and Compensation Committee must also organise a procedure to select future independent members and carry out its own studies on potential candidates before approaching them.

It prepares the annual self-assessment process for the Board of Directors and the committees.

The Committee is informed of the general policy developed by Senior Management regarding the management of the Group's main executives (*i.e.* the members of the Executive Committee) and their appointment. The Chief Executive Officer may ask the Committee for its opinion on these appointments.

Each year, before the publication of the report on the Company's corporate governance, the Committee reviews the status of each member of the Board of Directors with regard to the independence criteria adopted by the Company, and submits its opinions to the Board of Directors with a view to examining, by the latter, the situation of each interested party with regard to these criteria.

Corporate governance missions

The Committee's mission is to:

- examine and assess the adequacy of the Company's practices with its corporate governance rules and identify any corrective actions to be implemented (including any recommendations on the organisation, membership, functions, duties and responsibilities of the Board of Directors and its specialised committees);

- identify new practices and significant developments in regulations and/or practices in corporate governance, and submit any related recommendations to the Board of Directors;

- prepare the Board of Directors' review of corporate governance issues;

- annually review the draft report on corporate governance and formulate its observations before its approval by the Board of Directors;

- examine transactions carried out by members of the Board of Directors or Senior Management (or parties related to them) as insiders and the procedures for resolving conflicts of interest involving members of the Board of Directors, or Senior Management, and forward all related recommendations to the Board of Directors;

- deal with matters relating to the ethics applicable to directors, and discussing any issues that the Board of Directors may refer to it;

- propose any modification, or examine any proposal for modification, of the Board of Directors' internal rules as well as the charters of the committees as well as any other charters in force.

Meetings

The Compensation, Appointments and Governance Committee meets at least twice a year and at the request of the Chairman of the Board of Directors or the Chairman of the Committee.

The Compensation, Appointments and Governance Committee decides whether and when the Company's Chief Executive Officer must attend its meetings.

3.1.4 CSR Committee

Composition

The CSR Committee has at least three members, including its Chairman. The CSR Committee has at least one independent member.

The Chair of the CSR Committee is entrusted to an independent director. The Chairman of the Committee is primarily responsible for the proper functioning of the Committee. He is the representative of the CSR Committee and the main point of contact for the Board of Directors and Senior Management.

The Board of Directors ensures that the members of the CSR Committee have, as far as possible, CSR expertise.

At the date of this report, the Committee is composed of Mr Philipe Darfeuil (as Chairman), Ms Christelle Bonnevie, Ms Brigitte Le Borgne and Mr Thomas Chea.

Role

The CSR Committee advises the Board of Directors on matters that fall within its remit as defined in the internal rules, and prepares the Board of Directors' decisions on these issues.

The CSR Committee examines and assesses, with regard to the Group's strategy and the challenges specific to its activity, the Group's commitments and policies in terms of ethics and social, environmental and corporate social responsibility, the implementation of these policies and their results, and provides the Board of Directors with any opinion or recommendation concerning the inclusion of ethics and corporate social responsibility issues in the Group's strategy.
In this context, the Committee is responsible for formulating all opinions, proposals and recommendations for the Board of Directors on:

- consideration of social and environmental responsibility issues in the Group's strategy and its implementation;

- in conjunction with the Audit Committee, the existence of systems for identifying and managing the main risks related to CSR issues and compliance with legal and regulatory systems (particularly in terms of preventing and detecting acts of corruption or influence peddling);

- in conjunction with the Audit Committee, the procedures for preparing non-financial information and the key non-financial performance indicators used, as well as the level of relevance, maturity and reliability of these indicators;

- in conjunction with the Audit Committee, the Company's non-financial social and environmental performance statement and, more generally, all non-financial reports that the Group may be required to prepare and communicate to the public under the applicable regulations;

- in conjunction with the Audit Committee, the information provided annually in the management report as non-financial information in accordance with legal provisions and makes its observations before its approval by the Board of Directors;

- the professional gender equality policy with a view to the annual debate of the Board of Directors as provided for by Article L. 225-37-1 of the French Commercial Code;

- the gender equality objectives within the governing bodies proposed by Senior Management, the methods for implementing these objectives with the action plan and the time horizon in which these actions will be carried out, as well as, each year, the results obtained, which are presented to it by Senior Management;

- the opinions issued by investors, analysts and other third parties and, where applicable, the potential action plan drawn up by the Company to improve the social and environmental issues raised;

- in conjunction with the Compensation, Appointments and Governance Committee, the relevance of any non-financial criteria used to determine the variable portion of the compensation of any member of Senior Management, in line with the recommendations of the Middlenext Code.

The CSR Committee, depending on the subject, works in conjunction with the other specialised committees. With regard, in particular, to the review by the CSR Committee of matters falling within its remit in terms of non-financial information and risks, internal control and compliance, the CSR Committee coordinates with the Audit Committee to all of these cross-functional subjects, according to the terms and conditions to be determined jointly with the Audit Committee (holding of a joint meeting, invitation of a member of the CSR Committee to the Audit Committee meeting, etc.); these committees must report to the Board of Directors.

Meetings

The CSR Committee meets at least once every six months and at the request of the Chairman of the Board of Directors or the Chairman of the Committee.

3.2 Internal rules

On 28 March 2023, the Company's Board of Directors decided to amend its internal rules, in particular to harmonise them with the recommendations of the Middlenext Corporate Governance Code and to create an autonomous and fully-fledged CSR Committee.

The amendment of the internal rules of the Board of Directors was also an opportunity to harmonise all the independence criteria for directors with those recommended by the Middlenext Code.

3.3 Statement of compliance with the corporate governance regime in force

The table below shows the Company's position with respect to all the recommendations set out in the Middlenext Code as at the date of this report.

Recommendations of the Middlenext Code	Adopted	In the process of being adopted
R1: Board Code of Ethics	X	
R2: Conflicts of interest		X(1)
R3: Composition of the Board - Presence of independent members	X	
R4: Information for Board members	X	
R5: Training of Board Members		X(2)
R6: Organisation of Board and Committee meetings	X(3)	
R7: Setting up of committees	X(4)	
R8: Creation of a specialised corporate social responsibility (CSR) committee	X(5)	
R9: Implementation of the Board's internal rules of procedure	X(6)	
R10: Choice of each director		X(7)
R11: Term of office of Board members	X	
R12: Director's compensation		X(8)
R13: Assessment of the Board's work	X(9)	
R14: Relations with shareholders	X	
R15: Diversity and equity policy within the Company	X	
R16: Definition and transparency of the compensation of executive corporate officers	X(10)	
R17: Preparing for the succession of senior managers		X(11)
R18: Combining employment contracts with a corporate office	X	
R19: Severance payments	X(12)	

R20: Supplementary pension plans	X	
R21: Stock options and free share allocations	X	
R22: Review of areas of vigilance	X(13)	

(1) The Group continues to use the Group's Statutory Auditors from time to time for assignments that do not fall within the scope of application of legal and regulatory texts, when the assignments in question require in-depth knowledge of the Group. The Board of Directors or its specific committees assess situations with conflicts of interest on a case-by-case basis.
(2) Starting in 2024, the Company plans to set up three-year training plans for members of the Board of Directors adapted to the specificities of the Company.
(3) Given the prerogatives and missions of the specialised committees, the internal rules of procedure provide for a minimum number of meetings of said committees in order to allow for an in-depth examination of the topics addressed and to ensure the effectiveness of their missions.
(4) Since the creation of the CSR Committee, all the specialised committees are chaired by an Independent Board Member, with the exception of the Strategy and Acquisitions Committee, which is chaired by the Chairman of the Board of Directors in view of its prerogatives, focusing in particular on the essential components of the Company's and Group's development strategy.
(5) The specialised committee dedicated to CSR created on 28 March 2023 is chaired by an Independent Board Member.
(6) The rules for determining the compensation of members of the Board of Directors and the topic of the succession plan for senior managers and key persons fall under the prerogatives of the Compensation, Appointments and Governance Committee. The inclusion, in the internal rules of procedure, of the rules for determining the compensation of members of the Board of Directors and the topic of the succession plan for the Company's senior managers and key persons on the Board of Directors is being considered within the Company; however, as at the date of this report, the Company does not want this to interfere with the prerogatives of the Compensation, Appointments and Governance Committee.
(7) The Company's objective is to post on its website information on the biography, in particular the list of offices, experience and expertise provided by each director, prior to the next General Meeting called to approve the appointment or reappointment.
(8) As at the date of this report, directors who have a valid employment contract with one of the Group's entities or hold another term of office within the Company (Chairman of the Board of Directors, Chief Executive Officer or Deputy Chief Executive Officer) are not compensated for their directorship. The Company will consider whether it would be appropriate to provide a minimum remuneration for such directors, taking into account, inter alia, their attendance and the time spent on their duties.
(9) The first self-assessment of the Board of Directors will take place during the 2023 financial year.
(10) In 2024, the Company published an equity ratio for the 2023 financial year.
(11) The Compensation, Appointments and Governance Committee is responsible for implementing and monitoring a succession planning process for the Company's executive corporate officers. As at the date of this report, the committee has not yet held its meeting to set up and monitor such a process.
(12) The Company's Board of Directors, on the proposal of the Compensation, Appointments and Governance Committee, granted Thierry Ballenghien and Ms Shora Rokni on 12 April 2022 and Mr Yann Duigou and Ms Christelle Bonnevie on 19 June 2023, a payment in the event of forced departure from their respective corporate offices as Chairman of the Board of Directors (Mr Thierry Ballenghien), Chief Executive Officer (Mr Yann Duigou) and Deputy Chief Executive Officer of the Company (Ms Shora Rokni and Ms Christelle Bonnevie). These severance payments were determined in accordance with the recommendations of the Middlenext Code (see § 3.1.4 of Chapter "Corporate Governance Report" of the Annual Financial Report).
(13) The review of the Middlenext Code vigilance points was carried out by the Company on 28 March 2023.

3.4 Administrative and Management bodies and Senior Management conflicts of interests

3.4.1 Managing conflicts of interest

The purpose of this section is to describe the main provisions of the Board's internal rules relating to the management and prevention of conflicts of interest.

In accordance with the internal rules, the Chairman of the Board of Directors ensures the implementation of procedures aimed at identifying and analysing potential conflicts of interest. It also works upstream to prevent the occurrence of conflicts of interest, in particular by raising awareness. It may examine any current or potential conflict of interest of which it becomes aware at any time and may carry out any investigation or action to detect and prevent them.

Each director has the obligation to inform the Chairman of the Board of Directors of any - even potential - situation of conflict of interest, between him/her (or any natural person with whom he/she is related) and the Company or one of the companies in which the Company has a stake or one of the companies with which the Company intends to enter into an agreement of any kind. A director affected by a potential conflict of interest must provide the Chairman of the Board of Directors with all information relating to said conflict. The Chairman of the Board of Directors then determines the measures to be implemented to prevent such a conflict and decides whether to inform the Board of Directors. In the event that the director concerned is the Chairman of the Board of Directors himself, the latter must inform the Board of Directors.

Before each meeting of the Board of Directors, depending on the agenda, the directors must declare any conflicts of interest and refrain from participating in the deliberations or voting on any subject on which they may be in this situation.

The relevant member of the Board of Directors is not authorised to participate in the deliberations or in the decision-making process on matters or transactions presenting a conflict of interest between him/her and the Company within the meaning of Article L. 225-38 of the French Commercial Code. The Chairman of the Board of Directors ensures that these transactions are reported in the Company's annual report.

The Chairman of the Board of Directors and the directors are not required to transmit to the director who is, or believes to be in a conflict of interest, information or documents relating to the agreement, transaction or situation at the origin of the conflict of interest. They inform the Board of Directors in such a situation.

Directors must inform the Chairman of the Board of Directors of their intention to accept a new corporate office, whether in a listed or unlisted, French or foreign entity, not belonging to a group of which they are senior executives, or any participation in the specialised committees of a corporate body, or any other new function, so that the Board of Directors, on the proposal of the Appointments and Governance Committee, can decide on the compatibility of such an appointment with the term of office as a director in the Company.

Subject to changes in legal provisions, the Board of Directors implements an annual procedure for disclosing and monitoring conflicts of interest. All of these procedures are indicated in the corporate governance report.

3.4.2 Existence of conflicts of interest

To the best of the Company's knowledge, as at the date of this report, there are no potential conflicts of interest between the members of the Board of Directors' and the executive corporate officers' duties towards the Company, and their private interests and/or other duties.

To the best of the Company's knowledge, as of the date of this report, there are no arrangements or agreements entered into with the main shareholders or with customers, suppliers or others, under which any of the directors or members of the senior management has been selected as a member of an administrative or management body or as a member of the Company's senior management. However, it should be noted that the shareholders' agreement signed on 12 April 2022 between Mr Thierry Ballenghien, Balwen Holding and certain corporate officers and employees of the Company (Ms Shora Rokni, Ms Ranxu Mazet, Mr Thomas Chea, Mr Jie Chen, Ms Christelle Bonnevie and Mr Yann Duigou), as well as Mr Cyril Calvignac (former officer), has the purpose of the concerted exercise of the voting rights attached to the Company's shares that the parties to the agreement hold and will jointly hold.

In addition, as of the date of this report, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their stake in the Company's share capital, with the exception of the rules relating to the prevention of insider trading.

3.5 Board member training plan

In accordance with the recommendations of the Middlenext Code, in 2024, the Board of Directors will implement a three-year plan adapted to the specificities of the Company, intended for directors.

3.6 Parity within the Group

The Group's gender balance policy and the results obtained during the exercise are described in §4.5 of Chapter "*Formal Statement of Non-Financial Performance*" of the Annual Financial Report.

4. REGULATED AGREEMENTS AND RELATED PARTIES

As a preliminary point, and in accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we hereby inform you that no agreement was entered into, directly or through an intermediary, during the financial year ended 31 December 2023 between one of the corporate officers or one of the shareholders holding more than 10% of the Company's voting rights and another company controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code, with the exception of agreements relating to current transactions and concluded under normal conditions.

In addition, there were no transactions with related parties during the 2023 financial year that had a significant influence on the Group's financial position or results for the period in question, nor any changes affecting the transactions with related parties likely to significantly affect the Group's financial position in 2023.

4.1 Regulated agreements entered into in 2023

On 19 June 2023, after noting the termination of the respective employment contracts of Mr Yann Duigou and Ms Christelle Bonnevie at the time of their appointment as Chief Executive Officer and Deputy Chief Executive Officer, respectively, the Board of Directors of the Company, on the proposal of the Compensation, Appointments and Governance Committee, decided to grant them a severance payment for their respective corporate offices as Chief Executive Officer and Deputy Chief Executive Officer.

The resignations by Mr Yann Duigou and Ms Christelle Bonnevie from their respective salaried positions, Chief Marketing Officer and Chief Industrial Officer, led to the loss of the right to contractual indemnities related to their seniority in the Group.

The amount of this severance payment corresponds to 15 months of fixed compensation (calculated on the basis of the last monthly compensation received by the corporate officer in respect of his/her corporate office) to which will be added an amount equal to the annual variable compensation due to the corporate officer for the financial year preceding his/her departure.

This severance payment would be in addition to the compensation (fixed and variable) owed to the corporate officer concerned at the date of the termination of their corporate office and which has not yet been paid to them, and in particular, where applicable, to any annual variable compensation owed to the Company for the financial year preceding their departure.

This severance payment will only be due in the event of forced departure, which is understood as any termination of the corporate office held by Yann Duigou (Chief Executive Officer) and Ms Christelle Bonnevie (Deputy Chief Executive Officer) resulting from:

(i) a dismissal (excluding dismissal for serious or gross misconduct, these concepts being *mutatis mutandis* under the meaning given to them by the case law of the Social Chamber of the Court of Cassation);

(ii) the non-renewal of their corporate office;

(iii) a request for resignation, accepted and/or requested by the Board of Directors, related to a difference of opinion on the Group's strategy or a change in strategy duly noted by the Board of Directors, or a change of control of the Company.

In particular, the severance payment will not be due if the corporate officer in question leaves the Company at his/her own initiative to take up a new position, or changes positions within the Group.

The amount of the severance payment could not exceed two years of compensation (fixed and variable).

These severance payments, authorised by the Board of Directors on 19 June 2023, will be submitted to the Company's General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2023 in accordance with the procedure for controlling regulated agreements provided for in Articles L. 225-38 *et seq.* of the French Commercial Code.

4.2 Agreements whose execution continued during the 2023 financial year

<u>Severance payments for the forced departure of Mr Thierry Ballenghien and Ms Shora Rokni</u>

On 12 April 2022, the Company's Board of Directors, at the proposal of the Compensation, Appointments and Governance Committee granted an indemnity to Mr Thierry Ballenghien and Ms Shora Rokni in the event of their forced departure from their respective positions as Chairman of the Board of Directors and Deputy Chief Executive Officer. These payments, similar to those granted to Mr Yann Duigou and Ms Christelle Bonnevie, were approved by the Ordinary General Shareholders' Meeting of 16 May 2023.

The amount of this severance payment corresponds to 18 months of fixed compensation (calculated on the basis of the last monthly compensation received by the corporate officer in respect of his/her corporate office) to which will be added an amount equal to the annual variable compensation due to the corporate officer for the financial year preceding his/her departure.

This severance payment will be due only in the event of forced departure, understood as any termination of the corporate office held by Mr Thierry Ballenghien (Chairman of the Board of Directors) and Ms Shora Rokni (Deputy Chief Executive Officer) resulting from:

(i) a dismissal (excluding dismissal for serious or gross misconduct, these concepts being *mutatis mutandis* under the meaning given to them by the case law of the Social Chamber of the Court of Cassation);

(ii) the non-renewal of their corporate office (including, in the case of Thierry Ballenghien, indirectly in the event of non-renewal of his term of office as director);

(iii) a request for resignation, accepted and/or requested by the Board of Directors, related to a difference of opinion on the Group's strategy or a change in strategy duly noted by the Board of Directors, or a change of control of the Company.

In particular, the severance payment will not be due if the corporate officer in question leaves the Company at his/her own initiative to take up a new position, or changes positions within the Group.

The amount of the severance payment could not exceed two years of compensation (fixed and variable).

Severance payments for the forced departures of Mr Cyril Calvignac

Mr Cyril Calvignac, former Chief Executive Officer of the Company, also benefited from a forced departure indemnity decided by the Company's Board of Directors at its meeting of 12 April 2022, on the proposal of the Compensation, Appointments and Governance Committee. This severance payment was approved by the General Shareholders' Meeting of 16 May 2023. The amount of this severance payment corresponds to 18 months of fixed compensation (calculated on the basis of the last monthly compensation received by the corporate officer in respect of his/her corporate office) to which was added an amount equal to the annual variable compensation due to the corporate officer for the financial year preceding his/her departure. The amount of the severance payment could not exceed two years of compensation (fixed and variable). This payment was due in the case of a request for resignation, accepted and/or requested by the Board of Directors, related to a difference of opinion on the Group's strategy or a change in strategy duly noted by the Board of Directors, or a change of control of the Company.

Mr Cyril Calvignac resigned from his position as Chief Executive Officer at the Company's Board of Directors meeting of 19 June 2023, after a disagreement on the Group's strategy was noted. As a result, and after noting that the criteria triggering the acquisition and payment of the forced departure severance package were actually met, the Board of Directors, at its meeting of 19 June 2023, authorised a severance payment to Mr Cyril Calvignac amounting to €379,520, calculated in accordance with the principles set out above.

We inform you that no regulated agreements were continued during the financial year ended 31 December 2023.

4.3 Statutory Auditors' special report on regulated agreements

KPMG S.A.
Tour EQHO
2, avenue Gambetta
CS 60055
92066 Paris La Défense Cedex,
France

BM&A
11, rue de Laborde
75008 Paris, France

ICAPE HOLDING S.A.

Statutory Auditors' special report on regulated agreements

Shareholders' Meeting to approve the financial statements for the year ended 31 December 2023
ICAPE HOLDING S.A.
33, Avenue du Général Leclerc - 92260 Fontenay-aux-Roses, France

KPMG S.A.
Tour EQHO
2, avenue Gambetta
CS 60055
92066 Paris La Défense Cedex, France

BM&A
11, rue de Laborde
75008 Paris, France

ICAPE HOLDING SA
33, Avenue du Général Leclerc - 92260 Fontenay-aux-Roses, France

Statutory Auditors' special report on regulated agreements

Shareholders' Meeting to approve the financial statements for the year ended 31 December 2023

To the Shareholders' Meeting of ICAPE HOLDING S.A.,

In our capacity as statutory auditors of your company, we hereby present our report on the regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the essential characteristics and procedures as well as the reasons justifying the interest for the company of the agreements of which we have been informed or that we may have discovered in the course of our mission, without having to comment on their usefulness and merits or to seek the existence of other agreements. It is your responsibility, in accordance with the terms of Article R. 225-31 of the French Commercial Code, to assess the benefits of entering into these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information provided for in Article R. 225-31 of the French Commercial Code relating to the performance, during the past financial year, of the agreements already approved by the Shareholders' Meeting.

We have performed the procedures we considered necessary in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this mission. These procedures consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

KPMG SA, an accounting and statutory audit firm registered with the Paris Order of Chartered Accountants under number 14-30080101 and attached to the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre.*
French company, member of the KPMG network consisting of independent firms affiliated with KPMG International Limited, a British law private company limited by guarantee.

Société anonyme à conseil d'administration (limited liability company with a board of directors).
Registered office:
Tour EQHO
2, Avenue Gambetta
CS 60055
92066 Paris La Défense Cedex, France
Share capital: €5,497,100
Nanterre Trade and Companies Register no. 775 726 417

BM&A
Simplified joint-stock company (*société par actions simplifiée*) with capital of €6,840,900
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Intracommunity VAT number: FR15348461443
Chartered accountant company registered in the Paris Ile-de-France register

1. Agreements submitted for approval to the Shareholders' Meeting

Agreements authorised and concluded during the past financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements entered into during the past financial year, which were subject to the prior authorisation from your Board of Directors.

Compensation agreements for forced departures of Mr Yann Duigou and Ms Christelle Bonnevie

Nature and purpose

The purpose of the agreements is to establish the severance payment in the event of the forced departure of Mr Yann Duigou and Ms Christelle Bonnevie from their respective corporate offices as Chief Executive Officer and Deputy Chief Executive Officer.

The amount of this severance payment corresponds to 15 months of fixed compensation (calculated on the basis of the last monthly compensation received by the corporate officer in respect of his/her corporate office) to which will be added a variable amount (equal to the annual variable compensation due to the corporate officer for the financial year preceding his/her departure). The amount of the severance payment may not exceed two years of compensation (fixed and variable).

This severance payment will only be due in the event of forced departure, *i.e.* resulting from:

- dismissal (excluding dismissal for serious or gross misconduct);
- the non-renewal of their corporate office;
- a request for resignation, accepted and/or requested by the Board of Directors, related to a difference of opinion on the Group's strategy or a change in strategy duly noted by the Board of Directors, or a change of control of the Company.

In particular, the severance payment will not be due if the corporate officer in question leaves the Company at his/her own initiative to take up a new position, or changes positions within the Group.

The amount of the severance payment may not exceed two years of compensation (fixed and variable).

Persons concerned

Mr Yann Duigou, Chief Executive Officer, member of the Board of Directors and corporate officer of the Company.

Ms Christelle Bonnevie, Deputy Chief Executive Officer, member of the Board of Directors and corporate officer of the Company.

Reasons justifying interest for the Company

The offices of Chief Executive Officer and Deputy Chief Executive Officer of a public limited company do not benefit from any compensation in the event of loss or revocation of their offices (under the conditions provided for by law).

These agreements thus enable the corporate officers concerned to secure compensation for the loss of their mandates in the event of forced departure, *i.e.* in the event that they do not leave their positions on their own initiative.

Modalities

The signature of these forced departure severance agreements was authorised by the Board of Directors on 19 June 2023. These agreements have no impact on the financial statements as of 31 December 2023.

2. AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous years, continued during the year.

Severance payment agreements for forced departures of Mr Thierry Ballenghien, Mr Cyril Calvignac and Ms Shora Rokni

Nature and purpose

The purpose of the agreements, authorised by the Board of Directors on 12 April 2022, is to establish a severance payment in the event of the forced departure of Mr Thierry Ballenghien, Mr Cyril Calvignac and Ms Shora Rokni from their respective corporate offices, Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officer.

The amount of this severance payment corresponds to 18 months of fixed compensation (calculated on the basis of the last monthly compensation received by the corporate officer in respect of his/her corporate office) to which will be added a variable amount (equal to the annual variable compensation due to the corporate officer for the financial year preceding his/her departure). The amount of the severance payment may not exceed two years of compensation (fixed and variable).

This severance payment will only be due in the event of forced departure, *i.e.* resulting from:

- dismissal (excluding dismissal for serious or gross misconduct);
- the non-renewal of their corporate office (including, in the case of Mr Thierry Ballenghien, indirectly in the event of non-renewal of his term of office as director);
- a request for resignation, accepted and/or requested by the Board of Directors, related to a difference of opinion on the Group's strategy or a change in strategy duly noted by the Board of Directors, or a change of control of the Company.

In particular, the severance payment will not be due if the corporate officer in question leaves the Company at his/her own initiative to take up a new position, or changes positions within the Group.

The amount of the severance payment may not exceed two years of compensation (fixed and variable).

Persons concerned

Mr Thierry Ballenghien, Chairman of the Board of Directors, shareholder at more than 10% of ICAPE Holding, and member of the Board of Directors.

Mr Cyril Calvignac, Chief Executive Officer, member of the Board of Directors and corporate officer of the Company until 19 May 2023.

Ms Shora Rokni, Deputy Chief Executive Officer, member of the Board of Directors and corporate officer of the Company.

Reasons justifying interest for the Company

The offices of Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officer of a public limited company do not benefit from any compensation in the event of loss or revocation of their offices (under the conditions provided for by law).

These agreements thus enable the corporate officers concerned to secure compensation for the loss of their mandates in the event of forced departure, *i.e.* in the event that they do not leave their positions on their own initiative.

Modalities

Following the resignation of Mr Cyril Calvignac from his term of office as Chief Executive Officer of ICAPE Holding, on 19 June 2023, the Board of Directors decided to pay a gross severance payment of €379,520 for the 2023 financial year.

The agreements relating to the mandates of Thierry Ballenghien and Shora Rokni had no impact on the financial statements as of 31 December 2023.

Statutory Auditors

Paris La Défense, 27 March 2024	Paris, 27 March 2024
KPMG SA	BM&A
Rémi Toulemonde	Eric Seyvos
Partner	Partner

5. INTERNAL CONTROL AND RISK MANAGEMENT

5.1 Insurance policy

The Group's insurance policy is coordinated by the Group's management with the support of the operational departments and the risk and internal control department.

Each Group company is responsible for providing management, acting in coordination with the operational departments, with the information necessary to identify and classify the insured or insurable risks falling within the scope of the Group and to implement the necessary means to ensure business continuity in the event of a claim.

On this basis, management, with the assistance of a broker or an external advisor, negotiates annually with major players in the insurance industry to set up the most appropriate cover for these risks. The insurance policies are set up based on the level of cover deemed necessary in the event that a reasonably estimated liability, damage or other risk occurs. This assessment takes into account the assessments made by insurers as risk underwriters.

Each Group subsidiary takes out the insurance policies required by local regulations. These local insurance policies are supplemented, on a case-by-case basis, by policies taken out by the Group.

Uninsured risks are those for which there is no cover offered on the insurance market or those for which the offer of cover and/or cost thereof are not of potential benefit, or those for which the Group considers that the risk does not require insurance cover. The Group's main policies, taken out with internationally renowned insurance companies, are notably civil liability insurance, senior manager liability insurance, transported goods insurance, business interruption insurance and comprehensive IT insurance.

5.2 Risk management policy

Risk management is closely monitored by the Group's management, working closely with internal control.

The main mission of risk management is to identify, assess and prioritise risks, and to assist the Group's management with choosing the most appropriate risk management strategy and, in order to limit the significant residual risks, to define and monitor the related action plans. The identification and treatment of the Group's major risks have been monitored since November 2023 by the Human Resources Director and the General Counsel under the supervision of the Group Audit and Risk Committee. To this end, the Group's Audit and Risk Committee meets twice a year to monitor the internal control and risk management action plans.

The Group has started mapping the risks to which it is exposed by means of (i) individual interviews conducted with people representing the Group's key functions (supply chain, purchasing, accounting and finance department, HR, IT, marketing, IS, etc.) and (ii) risk assessment workshops. In order to obtain a complete picture of the Group's risks, the identification process is based on an "area" approach (category). The risk map is updated as scheduled or if a major event occurs (major acquisition, implementation of new procedures modifying the level of control, etc.). It gives rise to action and internal control plans. The mapping and action plans are presented to the Audit and Risk Committee of the Company twice a year, and the deliberations of the Audit and Risk Committee following this presentation are themselves presented to the Board of Directors of the Company.

5.3 Internal control

The main objective of internal control is to enable the Group to achieve its objectives, by defining and implementing appropriate internal controls to address the risks identified in the course of the Group's activities.

The Risk and Internal Control Department, which reports directly to the Group's Executive Management, is responsible for (i) monitoring risk management in close coordination with the Group's Audit and Risk Committee and (ii) implementing an internal control system to address the risks identified in the risk map.

The operational management of risks and internal control is the responsibility of the Group's operational departments and subsidiaries, under the functional control of the Group's Risk and Internal Control Department. The operational director of each subsidiary and each department director (supply chain, purchasing, accounting and finance department, HR, IT, marketing, IS, etc.) is responsible for managing risks and verifying the proper application of prevention procedures, and has the ability to implement new procedures which, after being evaluated by the Group's Risk and Internal Control Department, can be applied to the entire Group. The Group's Risk and Internal Control Department plays a central role in defining the appropriate controls to be put in place to respond to the Group's identified risks. This frame of reference defines the context within which the operational departments and subsidiaries exercise their risk management and internal control duties. It also coordinates the operation of the entire system.

6. TABLE OF DELEGATIONS FOR CAPITAL INCREASES

In accordance with the provisions of Article L. 225-37-4 of the French Commercial Code, we hereby report to you on the current delegations of authority granted to the Board of Directors by the General Shareholders' Meeting in terms of capital increases, and the use made of these delegations during the financial year ended 31 December 2023.

The Ordinary and Extraordinary General Shareholders' Meeting of 12 April 2022, which decided to delegate to your Board of Directors the delegations of authority with regard to capital increases mentioned below, set the ceiling for (i) immediate and/or future capital increases likely to be carried out under the 8th to 14th resolutions at a maximum nominal amount of €1,612,072 and (ii) the debt securities that may be issued pursuant to the 8th to 14th resolutions at a maximum nominal amount of €50,000,000.

In addition, the Company's Ordinary and Extraordinary General Shareholders' Meeting of 16 May 2023, delegated authority to your Board of Directors with regard to share buybacks, as set out in the table below.

Resolution	Delegation/Authorisation	Purpose	Duration Expiry date	Cap (nominal)	Use of the delegation during the 2023 financial year
6th resolution	Delegation of authority	Issue of ordinary shares through a public offering of financial securities (Article L. 225-129-2 of the French Commercial Code)	26 months (12/06/2024)	€2,302,960 (+ 15% extension clause)	None
7th resolution	Authorisation	Increase the number of ordinary shares issued as part of the admission to trading of the Company's shares on Euronext Growth (Article L. 225-135-1 of the French Commercial Code)	26 months (12/06/2024)	15% of the initial issue (6th resolution)	None
8th resolution	Delegation of authority	Increase the share capital through the: (i) issue with preferential subscription rights of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security and/or (ii) capitalisation of profits, reserves or	26 months (12/06/2024)	€1,612,072 (equity securities and other securities giving access to the share capital)	None
				€50,000,000 (bonds and other debt securities giving access to the share capital)	None

Resolution	Delegation/Authorisation	Purpose	Duration Expiry date	Cap (nominal)	Use of the delegation during the 2023 financial year
		premiums			
9th resolution	Delegation of authority	Issue of ordinary shares and/or securities giving access immediately and/or in the future to the share capital or to the allocation of debt securities with waiver of preferential subscription rights without designated beneficiary and public offering	26 months (12/06/2024)	€1,151,480 (equity securities and other securities giving access to the share capital) €50,000,000 (bonds and other debt securities giving access to the share capital)	None
10th resolution	Delegation of authority	Issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, with cancellation of preferential subscription rights for the benefit of categories of beneficiaries	18 months (12/10/2023)	€690,888 (equity securities and other securities giving access to the share capital) €40,000,000 (bonds and other debt securities giving access to the share capital)	None
11th resolution	Delegation of authority	Issue of shares and/or securities giving access, immediately or in the future, to the share capital or giving entitlement to a debt security, by way of an offer referred to in Article L. 411-2 1° of the CMF, with cancellation of the preferential subscription rights without indication of beneficiaries	26 months (12/06/2024)	€1,151,480 and within the limit of 20% of the share capital per year (equity securities and other securities giving access to the share capital) €50,000,000 (bonds and other debt securities giving access to the share capital)	None

Resolution	Delegation/Authorisation	Purpose	Duration Expiry date	Cap (nominal)	Use of the delegation during the 2023 financial year
12th resolution	Authorisation	Increase the number of securities to be issued in application of the 8th to 11th resolutions with or without preferential subscription rights (over-allocations and price stabilisation)	26 months (12/06/2024)	15% of the initial issue	None
13th resolution	Authorisation	Grant free share allocations	38 months (12/06/2025)	10% of the share capital (together with the 14th resolution)	None
14th resolution	Delegation of authority	Issue share subscription warrants reserved for a specific category of persons	18 months (12/10/2023)	10% of the share capital (together with the 13th resolution)	None
15th resolution	Delegation of authority	Issue of ordinary shares with cancellation of preferential subscription rights for the benefit of members of a company savings plan	26 months (12/06/2024)	3% of the share capital	None
15th resolution (SM of 16/05/2023)	Authorisation	Purchase or cause to be purchased the Company's shares (buyback programme)	18 months (16/11/2024)	10% of the share capital €1,000,000	Use under the liquidity agreement entered into on 22 June 2022 between the Company and Gilbert Dupont
21st resolution (SM of 16/05/2023)	Delegation of authority	Capital reduction by cancelling shares repurchased pursuant to the 1st resolution	18 months (16/11/2024)	10% of the share capital	None

FORMAL STATEMENT OF NON-FINANCIAL PERFORMANCE

In accordance with Article L. 225-102-1 of the French Commercial Code, the formal statement of non-financial performance centralises the social and environmental information that the ICAPE Group must provide to its stakeholders. The formal statement of non-financial performance ("SNFP") presents our approach and deployment of corporate social responsibility.

It presents the ICAPE Group's business model as well as the social and environmental consequences of our activity. It also describes the main non-financial risks identified, the policies applied to prevent these risks, as well as the results of these policies, for the entire scope presented in the statement.

The ICAPE Group's formal statement of non-financial performance has been verified by an accredited independent third party. The compliance and fairness of the information contained in this SNFP is appended to the report.

1. PRESENTATION OF THE ICAPE GROUP

1.1 The ICAPE Group

Presentation of the Group

The presentation of the ICAPE Group (the "**Group**") appears in section 1 of the "*Management Report*" chapter of the Annual Financial Report.

Group history

1999	Creation of ICAPE Group (International Consulting Activities for Printed Circuit Boards and Electronics)
2000	Creation of the first printed circuit board network with 12 partner factories
2001	€5 million in revenue with 5 employees
2002	Development in Eastern Europe and Germany
2003	€10 million in revenue with 12 employees; development in Southern Europe
2004	Creation of CIPEM (China Industrial Parts for Electronics Manufacturing), a subsidiary of the ICAPE Group specialising in customised technical parts in China
2005	Creation of the sales platform in China
2007	Creation of ICAPE Hong Kong and CIPEM Hong Kong
2009	€24 million in revenue (30% annual growth)
2010	Creation of ICAPE Holding as a financial entity; opening of a commercial entity in the United States and Brazil
2011	Creation of ICAPE GIE, which brings together the Group's marketing and service activities
2012	Creation of a new service line called Ultra Low-Cost Services (ULCS)

2013 Opening of three commercial entities in Germany, Russia and India

2014 Launch of IQTS services offering very short lead times for small batch orders

2015 Installation of the head office in Fontenay-aux-Roses (France) with a logistics centre, storage centre, showroom and technical training centre; launch of the "technical days" and the commercial website

2016 €94 million in revenue; opening of new sales offices (Mexico, Italy, Singapore, Germany, United States)

2017 Creation of the CIPEM e-boutique and a CIPEM showroom in the China offices

2018 Merger of ICAPE Group and DIVSYS International

2019 €125 million in revenue; opening of a commercial entity in Spain

2020 Opening of commercial entities in Poland and Japan

2021 €169 million in revenue; completion of 5 acquisitions, including a factory in South Africa, and opening of 4 new commercial entities in Sweden, Canada, China and France

2022 €220 million in revenue; IPO, completion of 5 acquisitions including a factory in Sweden

2023 €180 million in revenue; 7 acquisitions including a keyboard factory in France.

1.2 Business model

Our Ressources

Financial resources

- Shareholding (as of December 31, 2023):
  - *Ballenghien family: 52%*
  - *Management: 14%*
  - *Industrial partners: 5%*
  - *Free float: 29%*
- IPO in 2022

Industrial resources

- 35 subsidiaries in 22 countries
- 3 main offices (France, China, US)
- 3 factories (France, South Africa, Sweden)
- 9 logistics platforms

Intellectual resources

- 3 quality laboratories (China, US and France with state-of-the-art equipment)
- PCB technical experts

Human resources

- 572 skilled and committed employees
- 33 nationalities
- 55% of employees are women

Social and relational resources

- 3,650 active customers in more than 60 countries
- 77 strategic partners
- ICAPE Planète Bleue Foundation

Governance resources

- Board of Directors, Executive Committee and Management Committee
- 4 committees, including one in charge of Corporate Social Responsibility (CSR)
- Employee and supplier ethics charters

Our mission

« Make attention to detail a performance factor for our customers by guaranteeing the right technological solution, at the right price and with optimised quality, delivered as close as possible. »

Our growth strategy

Medium-term revenue target of €500 million via organic and external growth

Our Values

Trust

At the ICAPE group, we build long-term relationships with our **stakeholders.** For our teams, we place great emphasis on **autonomy**, **initiative** and **responsibility**, based on a common assessment of **performance**.
With our customers, this trust is the result of the satisfaction of the needs expressed by **quality solutions**, with our suppliers, to build and maintain partnerships.

Agility

In a dynamic and competitive sector, we owe it to ourselves to be reactive to our customers. This **flexibility** allows us to grow and to distinguish ourselves efficiently in our market. We believe in the power of **continuous improvement** approaches. Internally, our teams are proactive and agile, in order to adapt to the market's challenges. As proof of this agility, the Group went public in just nine months in 2022, and 2023 was marked by seven new acquisitions. A remarkable performance that places the ICAPE Group as a **leader** in the printed circuit board industry.

Serving

Within the ICAPE group, **finding the best solution** for our customers is our priority. This translates into a **close relationship** fostered by our presence in 22 countries.

In addition, our in-depth knowledge of the entire value chain allows us to offer **expert support** to each customer. This is based on a rigorous selection process of our suppliers, whose **quality** is ensured by regular **audits.**

Multiculturalism

We are **cosmopolitan group.**
Of French origin, with a strong presence in China, the Icape Group has built its success on its openness to the world.
We are now present in 22 countries on four continents, with customers located in 70 different countries. With 33 nationalities in our workforce and as we develop internationally, the Icape Group encourages everyone to cultivate the **cultural knowledge** of others in an **open-minded attitude** and an approach of **inclusivity.**

Solidarity

The employees of the Icape Group are united by a **sense of community** of interest that promotes **mutual aid. Team spirit** has been at the heart of all the Icape Group's developments since its creation in 1999, and even today, as companies have multiplied throughout the world. From customer to supplier, we defend **fair relationships** across the entire value chain. The mobilisation of all of the Group's stakeholders during the various lockdown periods around the world is an emblematic example.

Sustainable ambition

Identify our suppliers, **improve** manufacturing processes, choose **innovative materials**, obtain **certifications**, determine the location of production sites, control the supply chain, reduce the footprint of the Group's sites, etc. In addition to compliance with regulations, the Icape Group conducts its operations in line with an ambition of sustainability, as part of a continuous **environmental improvement approach.**

Activities

- **ICAPE et CIPEM:** distribution of PCBs and technical parts
- **TRAX et MMAB :** production of printed circuit boards

Products

- **Printec circuit boards – PCB :** single-sided, double-sided, multi-layer, flexible, etc.
- **Technical parts:** cables, transformers, batteries, keyboards, screens, etc.
- Complete **electronic products**

Complet turnkey service (« one stop shop »)

- Supplier selection/QA
- Production monitoring
- Price optimisation
- Engineering/design support
- Control of manufacturing files
- Logistics/storage solutions
- Delivery/order management

Our value creation

Financial value

- Revenue: €180 million
- Net income: € 4,2 million

Industrial value

Breakdown of revenue:
- ICAPE (printed circuits): 80%
- CIPEM (technical parts): 20%
- Strong expansion: 7 acquisitions in 2023, inlcuding a keyboard factory in France

Intellectual value

- ICAPE Group Technical Days
- Compliance with industrial strandards (IPC, VDA, ...)
- ISO 9001:2015 certification
- Production of customers' intellectual property

Human value

- Diversity and inclusion
- Respect for individuals
- Collaboration – Team spirit - Solidarity

Social and relational value

- 1,37% PCB complaint rate
- Supplier CSR approval and audits
- Foundation budget: €3 million over 10 years
- 20 projects supported in 2023

Ethical value

- Transparent business conduct, with strong ethical values and in compliance with local regulations

1.3 Stakeholder relations

The methods of dialogue with our main stakeholders, and the topics addressed in 2023, are summarised in the table below:

Stakeholders	Dialogue methods	Topics covered in 2023
Shareholders/ investors	* Roadshows * Communications in connection with the IPO	* Organic growth trajectory * External growth strategy * Business financing * Profitability * Regulatory requirements
Employees	* Regular communications *via* email and videoconference presentations * Quarterly satisfaction surveys *via* Workday Peakon	* Salaries and benefits * Transparency/communication * Commitment and recognition of work * Work environment * Corporate/team building events
Customers	* Ongoing discussions as part of the commercial relationship and customer orders	* Quality/price/delivery times * Product compliance (Registration, Evaluation, Authorisation of Chemicals (REACH), (Restriction of Hazardous Substances Directive), conflict minerals) * Data confidentiality * Corporate Social Responsibility Strategy
Partners/supp liers	* Ongoing discussions as part of customer orders * Almost permanent presence at our main Printed Circuit Board (PCB) and technical parts suppliers * Quality audits * CSR audits	* Quality/price/delivery times * Compliance with approval criteria * Payment terms * Discussions on CSR issues encountered on supplier sites as part of CSR audits
Public authorities	* Authorisation procedures for newly created entities * Requests and visits by local authorities to our factories * Tax and social statements	* Compliance with local social, tax and environmental regulations by each of our sites

Discussions with the Group's other stakeholders (local communities, competitors, the general public, media, Non-Governmental Organisations) are currently limited.

1.4 CSR governance

A Board of Directors was set up in July 2021 and consists of 13 members: 10 directors (including three independent directors) and three non-voting members.

Four committees have been set up within the Board of Directors: the Strategy and Acquisition Committee, the Corporate Social Responsibility Committee (hereinafter the "**CSR Committee**"), the Audit and Risk Committee, and the Nomination, Appointment and Governance Committee (see section 3 of the "Corporate Governance Report" chapter of the Annual Financial Report).

The CSR Committee was formed in financial year 2022 and its charter was adopted on 28 March 2023. It is composed of a Chairman and three members, two of whom are also Deputy Chief Executive Officers. It has met once every quarter since the end of 2022 and is responsible for:

- ensuring that CSR issues are taken into account in the Group's strategy and its implementation;
- examining and assessing the relevance of the Group's CSR guidelines and commitments in light of the challenges specific to its business and its objectives, and monitoring their implementation;
- reviewing the opinions issued by investors, analysts and other third parties and, where applicable, the potential action plan established to improve the CSR issues raised;
- consolidating and reviewing the SNFP.

In early 2022, a function dedicated to CSR management called "Risks, Compliance and CSR" was created, reporting to executive management. Since November 2023, management of this function has been entrusted to the Human Resources Director and the General Counsel. The Chairman of the CSR Committee also chairs the foundation.

The priority objectives of this function are to propose strategic CSR guidelines to executive management and to accelerate these challenges within the Group's operations.

2. MAIN CSR RISKS, POLICIES AND RESULTS

2.1 Mapping of the 5 main gross risks identified

The CSR risks to which the Icape Group is exposed have been identified and analysed according to the Group's general risk assessment methodology, taking into account the probability of occurrence of the risks, the impact in the event of occurrence, and the maturity of the controls in place to manage the risks. The Icape Group has identified five risks of significant occurrence and impact. The table below develops these risks, indicating their probability of occurrence and potential impacts.

O: Occurrence / I: Impact

🔴 : Critical / Certain [3; 4] 🟢 : Significant / Likely [2; 3] 🟡 Medium / Possible: [1; 2] 🟢 Low / Rare [0; 1]

Risk category	Risk name (gross)	Description of the risk	O	I
Business practices - Corruption and tax evasion	Internal or external corruption and tax evasion that would jeopardise the Group's interests	The Group is present in several geographical areas and is in contact with many third parties (customers, suppliers) as well as with public officials (customs). Any failure by a Group employee or partner to comply with applicable anti-corruption laws could have adverse effects on the Group's activity.	🟠	🔴
Social - Talent attraction and retention	Shortcomings in the Group's capacity to attract and retain talent	The Group's success and development depend on the commitment of its employees and the ability to attract and retain them, particularly in highly competitive labour markets such as Asia, the United States and Eastern Europe, where turnover rates are high.	🔴	🟠
Social - Skills	Lack of skills/loss of key skills in positions requiring very strong business expertise	The Group's sustainability and development depend on the teams maintaining advanced skills and expertise in PCB technologies.	🔴	🟠
Environment - Climate mitigation	Insufficient efforts to reduce greenhouse gas emissions throughout the Group's value chain	Efforts that are insufficient (and/or perceived as insufficient) to reduce greenhouse gas (GHG) emissions throughout the value chain could expose the Group to adverse consequences to its business (poor image, loss of customers).	🔴	🟠
Environment - Resources	Consumption of sensitive resources (metals, chemicals, packaging, water, energy)	The production of PCBs in Group and supplier factories requires various resources (metals, chemicals, water, energy) which may be subject to ethical issues (*e.g.* conflict minerals), as well as to restrictions/stricter regulations and/or price increases or even shortages (*e.g.* rare metals, most hazardous chemicals/pollutants, water in water stress areas, fossil fuels). The packaging used to transport PCBs and technical parts to customers may also be subject to restrictions on the types and quantities of packaging used.	🔴	🟠

2.2 Identification of significant risks, policies and associated key performance indicators

With regard to its business, the Group has identified 15 major non-financial risks according to the classification framework. These risks are rigorously managed and monitored by our governance.

Once a year, the CSR Committee assesses the criticality and occurrence criteria of the risks identified and the identification of new non-financial risks.
We are committed to being transparent about them in our SNFP.

The table below summarises the risk descriptions, the systems/policies in place to manage these risks, and the associated key performance indicators. The various risks, policies and results are then detailed in the various sections of the SNFP.

Significant CSR risks	Systems/policies in place	KPIs	2024 action plans	SNFP section
Practical business topics				
Unethical behaviour within the Group or at our suppliers (non-respect of Human Rights, harassment, discrimination)	• Strengthening existing governance • Promotion of the "ICAPE Integrity Line" alert line to all stakeholders and raising awareness among employees and third parties • Implementation of supplier CSR audits covering ethics/human rights/governance risk • Existence of an internal ethics charter for employees covering, among other things, employment law legislation and the fight against discrimination • Existence of a code of ethics for suppliers (an integral part of purchasing contracts since 2007) covering, among other things, the commitment to human rights (working hours, fair remuneration, prohibition of underage/forced labour, safety and health of employees, non-discrimination, etc.)	Unethical incidents (#) Ethics training participation rate (%) Number of people who attended cybersecurity trainings (#)	Continue to deploy supplier CSR audits with a focus on ethics, and human rights and governance Continue to roll out ethics and cyber training for all our employees	3.2
Internal or external corruption that would jeopardise the Group's interests	• Deploy the anti-corruption compliance programme based on the requirements of the Sapin II law • Raising employee awareness through training Raising awareness of third parties during CSR audits • Requirement for a formal commitment from suppliers to anti-corruption rules • Existence of an internal ethics charter for employees covering the fight against corruption in order to prevent both internal and external fraud attempts • Awareness of top management of the Group's exposure to possible corruption attempts due to its geographical presence in countries where the Corruption Perception Index is downgraded • Existence of a code of ethics dedicated to suppliers (which has been an integral part of purchasing contracts since 2007) including clauses relating to the commitment against corruption • Implementation of CSR audits of suppliers covering the risk of corruption	Proven incidents of corruption (#) Upstream corruption incidents	Continue the implementation of the anti-corruption compliance plan in accordance with the requirements of the Sapin II law	3.3

Significant CSR risks	Systems/policies in place	KPIs	2024 action plans	SNFP section
Social topic				
Unequal treatment of Group employees based on gender, age, disability, origin, etc.	• Promote diversity and raise employee awareness • Deploy non-discrimination policies • The fight against discrimination and equal opportunities is mentioned in the internal ethics charter for employees • Willingness to employ workers with disabilities in France in order to comply with legal obligations despite the complexity of finding suitable profiles	Total workforce (#) Workforce by type of contract (#) Headcount by geographic area (%) Headcount by age (%) Male/female employees (%) Percentage of women in management positions (%) Percentage of women in Executive Management (%) Percentage of employees with disabilities in the workforce (%) Different nationalities in the workforce (#)	Monitoring of the salary grid in France and deployment at Group level to verify gender equality Employee training and awareness on inclusion, diversity and prevention of discrimination	4.2
Shortcomings in the Group's capacity to attract and retain talent Lack of skills/loss of key skills in positions requiring very strong business expertise	• Continue employee shareholding policy, develop employee commitment, develop the employer brand • Retain and share business expertise by relying on the Group's factories and technical experts • Provide technical development and training plans • Promote technology watch in conjunction with suppliers • Create a team of technical experts in "Field Application Engineering" to take part in the development of the technical training plan	Promotion and internal mobility (#) Percentage of seniors in the workforce (%) Number of training hours (Hours) Number of hires (#)	Develop the employer brand globally and in all countries where the Group operates Establish a formal skills management and annual performance review process at Group level Develop training plans by business line	4.3

		Turnover rate	Continue the deployment of skills transfers with partnerships with schools	

Significant CSR risks	Systems/policies in place	KPIs	2024 action plans	SNFP section
Social topic				
Internal social climate	• Management of social dialogue locally according to the local regulations in force in the countries • Collective agreements are proposed (profit-sharing agreement in France, leave agreement during the Covid-19 period, teleworking agreement being prepared)	Social conflict (#)	Continue to draft charters and roll out collective agreements promoting a good social climate and employee health	4.4
Employee health and safety	• Existence of an internal ethics charter covering the health and safety of the Group's employees (PPE, safety procedures, machine/equipment safety, fire and other emergency situations) • Existence of a database of on workplace safety documents and procedures (in particular for the Group's three factories) • Formalisation of a Single Risk Assessment Document in France taking into account the prevention of psychosocial risks • Health and safety regulatory training delivered to employees • The protection of the health and safety of workers is a clause of the code of ethics dedicated to suppliers, which has been an integral part of purchasing contracts since 2007 • Implementation of CSR audits of suppliers covering occupational health and safety risk	Workplace accidents with lost time (#) Workplace accidents without lost time (#) Average number of days of sick leave (#)	Continue employee health and safety training	4.5
Unsatisfactory working conditions	• Adapt employees' working conditions (remote working, part-time work, working time arrangements) • Promote value sharing (salary policy, grant of variable compensation, etc.)	Peakon survey participation rate (%) Peakon survey results (engagement score)	Implementation of areas for improvement identified during the Peakon surveys	4.6

Significant CSR risks	Systems/policies in place	KPIs	2024 action plans	SNFP section
Environmental topics				
Environmental pollution (water, air, soil) related to the activities of the Group or its suppliers	• Increase waste recovery • Comply with international REACH and RoHS regulations as well as the absence of conflict minerals • Comply with environmental regulations related to pollution prevention • Implement dedicated CSR audits	Non-compliance environmental major on factories of the Group and suppliers (#) Significant pollution incidents on Group factories and suppliers (#) Quantity of hazardous waste produced (metric tons)	Continue to deploy supplier CSR audits with a focus on the environmental compliance of factories, the use of resources, and pollution prevention	5.2
Insufficient efforts to reduce greenhouse gas emissions throughout the Group's value chain	• Calculate the Group's carbon footprint • Reduce the carbon impact of logistics flows: grouping strategy, promotion of maritime transport in quotations, objective of developing rail transport, discussions to diversify the geographical base of suppliers and find suppliers closer to customers • On the Group's direct scope of influence, implementation of reduction actions: increased use of videoconferencing and teleworking to reduce travel, gradual transition of the company vehicle fleet to hybrid or electric vehicles, implementation the tertiary energy decree at the head office in France • Raising awareness among third parties of the importance of reducing emissions of greenhouse gas • Reduce water consumption	GHG emissions Scope 1 (metric tons of CO2e) GHG emissions Scope 2 (metric tons of CO2e) GHG emissions Scope 3 (metric tons of CO2e) only for downstream transport	Fine-tune the greenhouse gas emissions assessment (BEGES)(Scopes 1, 2 & 3) as part of a global decarbonisation strategy Work with the main suppliers on the resource consumption associated with PCB manufacturing in our main partners' factories and on the carbon footprint of the PCBs they manufacture over the entire life cycle (LCA)	5.3
Consumption of sensitive resources (metals, chemicals, water, energy)		Consumption of energy (MWh) Water consumption (m_3) Consumption of chemical products (metric tons)	Initiate a reflection on the reduction of packaging for the transport of products delivered to customers Invest in the supply of renewable energy for our factories and offices	5.4

Significant CSR risks	Systems/policies in place	KPIs	2024 action plans	SNFP section
Societal themes/stakeholders				
Non-compliance with the Group's CSR requirements by suppliers	• Impose social and environmental responsibility requirements prior to inclusion in the list of referenced suppliers • Verify factory compliance through physical audits • Strict requirements imposed on suppliers to be included in the Group's list of qualified and approved suppliers (ISO9001 certification, REACH/RoHS compliance, Conflict Minerals certificates, etc.). • The supplier code of ethics, which has been an integral part of purchasing contracts since 2007, contains clauses relating to regulatory compliance, the fight against corruption, compliance with social laws, environmental protection, protection of human rights, employee health and safety, fairness, and protection of confidentiality • For many years, ethical, environmental and health and safety aspects have been reviewed during supplier quality audits • Implementation in 2022 of CSR audits of our suppliers, covering governance, human rights, working conditions, environment, ethics, consumers and local communities	AVL supplier's CSR incidents (#) AVL supplier non-compliance (#) Share of ISO 14001-certified supplier factories (%) Percentage of suppliers having had a dedicated CSR audit (%)	Continue to deploy supplier CSR audits and make their acceptable results a referencing criterion	6.2
Customer CSR expectations	• The CSR organisation and governance put in place make it possible to meet customer CSR requests, which are bound to increase • Quarterly meeting of the CSR taskforce, responding to customer requests	ICAPE complaint rate Number of ICAPE complaints (#) CIPEM complaint rate Number of CIPEM complaints (#)	CSR training & awareness for all employees; sales support to meet customer reporting requirements Creation of a document to answer customer questions about our CSR policy	6.3

Significant CSR risks	Systems/policies in place	KPIs	2024 action plans	SNFP section
Societal themes/stakeholders				
Confidential data	• Non-Disclosure Agreements are signed with customers and suppliers • Compliance with Common Vulnerabilities and Exposures • Confidentiality clauses included in employee contracts Security standards, including Common Vulnerabilities and Exposures (CVE), are strictly followed • A comprehensive IT charter governs the use of IT systems by all users • IT procedures are in place, including an information system security policy, access management, change management, backup and recovery procedures, a business continuity plan and a disaster recovery plan, as well as mapping of information systems and governance for security incidents • Measures are taken to prevent the risks of confidential data disclosure, such as cyber risk awareness campaigns, penetration tests by security experts, IT security audits, the use of tools such as Ping Castle, encryption of workstations with protection keys, implementation of multi-factor authentication for the office suite tools, monitoring of IT vulnerabilities (CVE), use of management solutions passwords and encrypted keys, network segmentation, etc. • Appointment of two GDPR (General Data Protection Regulation) points of contact and compliance for e-shop and corporate websites (consent requests, cookie management, user access to data deletion, and GDPR point of contact)	Number of personal data losses/leaks	Continue to apply current risk management procedures that have made it possible to avoid any confidential data leaks in the Group's history For the coming months, we plan to strengthen our security infrastructure by introducing multi-factor authentication for VPN SSL access, by deploying a secure password manager, establishing more robust risk governance, segmenting VLANs by department, integrating new software for deeper internal vulnerability analysis, performing an in-depth assessment of external assets, developing a comprehensive incident response plan, purchasing cyber insurance and pursuing our ISO 27001 certification. These initiatives will be essential in strengthening our security posture in the coming months	6.4
Societal commitment Negative impact on local communities and/or insufficient contribution to the	• Mainly local recruitment in the countries where the Group operates • Creation of ICAPE Planète Bleue, a corporate foundation to carry out social, environmental, educational and humanitarian sponsorship actions (around 25 projects supported per year)	Share of local employees	Continue the financing and monitoring of external projects by our foundation ICAPE Planète Bleue	6.5

development of the regions where the Group operates	• Many suppliers invest in the local communities where their factories are located (financial donations to schools, etc.)	Sponsorship expenses *via* the ICAPE Planète Bleue foundation		

In addition to risks, there are also opportunities for the Group in relation to CSR:

- the key role of electronics, and therefore of printed circuits, in the energy transition (renewable energies, energy efficiency, digitisation, connected vehicles, etc.) opens up prospects for growth and development of new markets;

- the implementation of a robust CSR policy and strategy is a differentiating factor compared to our competitors, and can help us win new customers and new market shares.

3. REPORTING ON BUSINESS PRACTICES

3.1 Introduction to Business Ethics

Governance

As part of our commitment to ethics and integrity in business practices, we have implemented strong governance policies and procedures. For the prevention of corruption, we have implemented awareness-raising and detection mechanisms to ensure compliance with applicable corruption laws and regulations. As ethics are at the heart of our values, we regularly raise our employee awareness of these issues through training and ongoing communications. In addition to regulatory compliance, we strive to promote a culture of transparency, responsibility and respect - the pillars of our commitment to ethical and responsible business practices.

Reporting

Within the ICAPE Group, we work to promote business ethics every day. In order to monitor this issue, all unethical incidents, including those related to corruption, are recorded on an ongoing basis. Using the ICAPE Integrity Line platform, accessible to all *via* the Group's website, internal employees and external partners can file reports. Where appropriate, the report is studied in order to decide on the action to be taken, take away constructive lessons, and record the incident. The Human Resources Director and the General Counsel are responsible for this monitoring.

In 2023, as in 2022, we recorded no proven incidents of corruption, or incidents of corruption upstream.

For the first time this year, we undertook to monitor participation in the training courses. The participation rate in ethics training was 76%. In cybersecurity, a vital issue in the current business landscape, we organised specific training sessions, which were attended by 421 employees. This approach demonstrates our commitment, not only to regulatory compliance but also to promoting ethical values within our organisation.

Scope

Business data reporting covers the period from 1 January 2023 to 31 December 2023. The scope covers all ICAPE Group entities over the entire reporting period. Entities acquired from September 2023 onward are excluded from the scope.

At 31 December 2023, income from activities held for sale relate to:

- ICAPE RUSSIA following the Group's decision to withdraw from its activities in this country given the geopolitical context. As the deadlines for obtaining the necessary administrative approvals to sell off shares in the Russian subsidiary are regularly postponed by the local authorities, the Group has decided to liquidate the company during the first half of 2024;

- DIVSYS USA as a result of the Group's intention to end the electronic card assembly activity carried out solely by this company within the Group in order to concentrate on trading activities. In addition, the Group did not identify any indication of impairment on the assets of this subsidiary at the end of 31 December 2023.

3.2 Ethics risk and human rights

Theme	Indicator	2022	2023	Changes
Business practices	Unethical incidents (#)	0	0	0%
Business practices	Ethics training participation rate	N/A	76%	-
Business practices	Number of people who attended cybersecurity trainings (#)	N/A	421	-

Policies

Ethics is one of the ICAPE Group's fundamental values. The Group is constantly alerted to the main situations that could expose it to unethical acts or behaviour (acts of corruption, non-respect of human rights, cases of harassment or discrimination, etc.) by employees or partners. The Group works with several listed PCB suppliers, who are already sensitive to ethics and to their image.

The Group has put in place an internal ethics charter for employees covering, among other things, the Group's fundamental values, compliance with applicable laws and regulations, the fight against corruption, legislation on employment law and the fight against discrimination and harassment. All employees must read and sign the ethics charter upon joining the Group.

A code of ethics for suppliers (Ethics Standard Rules for Supplier) has also been drawn up and has been an integral part of purchasing contracts since 2007. This code covers, among other things, the fight against corruption and the commitment to human rights, with requirements on working hours, fair compensation, the prohibition of underage or forced labour, employee health and safety, non-discrimination, etc. The verification of 'Conflict Minerals' certifications relating to the origin of the raw materials used is also a prerequisite for the approval of suppliers, in order to ensure the absence of conflict minerals (tin, tantalum, tungsten, gold and other minerals from conflict zones) in the PCBs sold by the ICAPE Group. The CSR audit of all our AVL suppliers, initiated in 2022, was completed in 2023, covering ethical and human rights risks, among other things (see §6.1 of the "Formal non-financial performance statement" chapter for more details).

2024 action plans

In 2024, the Group will deepen its CSR approach by continuing to roll out audits at its suppliers. The emphasis will be on ethics and human rights, highlighting our determination to ensure compliance with ethical standards throughout our supply chain.

In addition, the Group will strengthen its commitment to employee training by continuing to deploy its ethics and cybersecurity training. We understand the importance of a well-trained team to effectively navigate the digital landscape, which is essential to doing business. That's why we are especially focused on improving our cybersecurity training.

Ethics training participation rate

The ethics training participation rate is the ratio of the number of people who took part in ethics training to the number of people who were invited to do so.
The rate was 76% in 2023; 436 employees attended this training provided by the General Counsel and the Human Resources Director.

Additional anti-corruption training for sales representatives, not included in this indicator, is also offered on our "Edapp" platform, and was taken by 64 employees during the 2023 financial year.

Unethical incidents

"Unethical incidents" are the number of reports of behaviour contrary to the internal ethics charter made *via* the ICAPE Group Integrity Line platform that led to an investigation establishing an unethical incident. The internal ethics charter covers the Group's fundamental values, compliance with applicable laws and regulations, the fight against corruption, employment legislation, and the fight against discrimination and harassment.

No cases of internal or external unethical behaviour were reported in 2023.

Number of people who attended cybersecurity training

The number of people who attended cybersecurity training is the number of ICAPE Group employees who participated in cybersecurity training.

In 2023, 421 employees were made aware of and trained on these issues.

In addition to these training courses, we carry out phishing tests to assess the vigilance of our employees. In addition, our Information Systems Department regularly distributes newsletters on the subject, in order to raise awareness among all employees in our organisation.

3.3 Risk of corruption

Theme	Indicator	2022	2023	Changes
Business practices	Proven incidents of corruption (#)	0	0	0%
Business practices	Upstream corruption incidents (#)	0	0	0%

<u>Policies</u>

The ICAPE Group is present in several geographical areas (including countries where the Corruption Perception Index is deteriorated), and is in contact with many third parties (customers, suppliers) as well as with public officials (customs). Any failure by a Group employee or partner to comply with applicable anti-corruption laws could have adverse effects on the Group's activity. The Group is developing an anti-corruption programme in accordance with the requirements of the Sapin II law[24].

This programme is under the responsibility of the Legal and Compliance Department, which reports to the Group's Executive Management. Senior Management, the Management Committee, and the Group Audit and Risk Committee are regularly informed of the progress on the programme.

During 2022, the Group carried out its first Group-wide corruption risk mapping, involving managers and the functions most exposed to this risk through interviews and risk rating workshops.

The Group also produced its first anti-corruption code of conduct, based on the corruption risks identified during the mapping exercise.

The ICAPE Group operates in 22 countries and in a constantly changing environment, where complex tax regulations can create risks.

[24] French Law No. 2016-1691 on transparency, the fight against corruption and the modernisation of economic life, applicable to companies with more than 500 employees and €100 million in revenue.

As such, the ICAPE Group insures itself against the risk of tax evasion at two levels:

To manage its subsidiaries' tax issues, it relies on a network of local accountants with in-depth knowledge of the appropriate tax regulations; and when local regulations require, it calls on local auditors.

Additionally, at the central level, the consolidation unit in the Finance Department controls the effective tax rates of the Group's companies.

In addition, in Q4 2022, the *"***ICAPE Integrity Line**", our digital reporting platform, was launched and made accessible to Group employees as well as external stakeholders (shareholders, investors, employees, customers, suppliers and partners). After more than a year of the platform's existence, employees are now trained in and capably using the *"***ICAPE Integrity Line**".

The Group is currently working on rolling out its third-party assessment programme.

Action plans

In accordance with the Sapin II law, the Group will continue to implement its anti-corruption compliance plan, specifically by providing an annual training session for Group employees. This demonstrates our firm commitment to operating with integrity and ethics, in compliance with legal requirements, but also with the expectations of our customers and partners.

Proven incidents of corruption

Proven incidents of corruption are the number of reports of behaviour contrary to the anti-corruption code of conduct made *via* the ICAPE Group Integrity Line platform that led to an investigation establishing an incident of corruption. The anti-corruption code of conduct defines bribery as "directly or indirectly asking for, offering, giving or accepting a bribe or any other improper advantage or prospect, the proper performance of an obligation or conduct required of the recipient of the bribe, the undue advantage or the prospect of it."

No suspected or proven cases of internal or external corruption were reported in 2023.

Upstream corruption incidents

Upstream incidents of corruption are the number of proven incidents of corruption, recorded on the basis of declarative audits used in the preparation of a certificate by suppliers, subcontractors or commercial partners. Corruption upstream of the Company refers to acts of corruption involving suppliers, subcontractors, business partners or any other party interacting with the company before the goods or services reach the Company itself.
In 2023, the Group conducted a survey on upstream corruption incidents at 97 of its suppliers. Out of 90% responses, none revealed any cases of corruption.

In general, no suspected or proven case of upstream corruption was brought to our attention in 2023.

4. SOCIAL REPORTING

4.1 Introduction to social risks

Governance

Governance and control of social risks is a crucial aspect of the Group's management practices. If not correctly identified and controlled, these risks can seriously affect the stability and performance of our business, and can even have considerable legal and financial consequences. Integrating a robust and rigorous social risk management policy is essential for the ICAPE Group. Breaches and risks are monitored, reported and remedied. The Company's governance is built around a robust organisational framework, clearly defining risk management roles and responsibilities, ensuring transparency and accountability. We have taken care to identify social risks by factoring in our working environment, employee health and safety, working conditions and social relations.

Reporting

The ICAPE Group makes a point of promoting diversity, attracting and retaining the best talent, and maintaining an open social dialogue with its employees. To maintain efficient social risk management, we consolidate 20 KPIs that we use to continuously assess our social performance. All social data comes from Factorial or Workday Peakon software. The Group Human Resources Director is in charge of this area. In addition, for the sake of transparency and continuous improvement, we published 11 additional KPIs in 2023. In 2023, the Group had 572 diversified employees, including 55% of women and 11% senior workers. Women hold 44% of management positions and make up 67% of the management team. In addition, our Group stands out for its cultural diversity with 33 different nationalities, mainly divided among Asia, Europe, Africa and the Americas.

Scope

Social information reporting covers the period from 1 January 2023 to 31 December 2023. The scope covers all ICAPE Group entities over the entire reporting period. Entities acquired after September 2023 are excluded from the scope (except for the turnover rate, which does not include any of the acquisitions made in 2023). All employees on fixed-term and permanent contracts (excluding interns, work-study students and temporary staff).

4.2 Diversity and equal treatment risk

Theme	Indicator		2022	2023	Changes
Social	Total workforce (#) at 31/12		557	572	+3%
Social	Workforce by type of contract		N/A	98% permanent contracts	-
Social	Workforce by geographical area	Africa	N/A	11%	-
		Americas	N/A	7%	-
		Asia	N/A	45%	-
		Europe	N/A	37%	-
Social	Workforce by age	< 30 years	N/A	14%	-
		30-40 years	N/A	40%	-
		40-55 years	N/A	35%	-
		> 55 years	N/A	11%	-
Social	% of male/female employees		44%/56%	45%/55%	1 pt
Social	Percentage of women in management positions		44%	44%	0 pt
Social	Percentage of women in Executive Management		N/A	67%	-
Social	Share of employees with disabilities in the workforce (#)		1	4	-
Social	Different nationalities (#)		39	33	-18%

Unjustified disparities in treatment, such as a difference in pay between a man and a woman, or between two employees of different nationalities occupying the same position, could generate dissatisfaction among employees, damage the reputation of the ICAPE Group and possibly lead to legal actions.

No suspected or proven cases of discrimination or unequal treatment were reported in 2023. Included in our scope are all employees on fixed-term and permanent contracts, excluding interns, work-study students and temporary staff, and excluding acquisitions made after September 2023.

Politics

The fundamental principles of non-discrimination and equality are included in the internal ethics charter for employees and are part of the Group's DNA, as is its international and multicultural dimension:

- *"ICAPE Group's policy is to offer equal employment opportunities to all individuals. This policy applies to all phases of recruitment, selection, hiring, placement, mobility, promotion, training, compensation, benefits and any other decision concerning any candidate or employee."*

- *"All employment terms and conditions must be based on the individual's ability to do the job and not on other personal characteristics or beliefs. The ICAPE Group will not accept employees who discriminate on the basis of age, race, colour, religion, gender, origin or disability."*

No salary study has been carried out to date to confirm equal pay between women and men at Group level. In France, all Group entities have fewer than 50 employees, and no entity is currently subject to the obligation to have a collective agreement in place on professional equality, nor to the obligation to calculate and publish its "Gender Equality Index". Nevertheless, the Group took the initiative of conducting an analysis at the ICAPE Group's French entities level based on the 2023 figures and the result was 98/100. The Group stood out in the "gap in increase rate between women and men" and "number of employees of the under-represented gender among the highest paid employees" indicators with a score of 100%.

Action plans

In line with the commitment to equity and inclusion, the Group will gradually extend its rigorous monitoring of the salary grid throughout the Group. This initiative aims to ensure equal treatment of women and men in terms of pay. We are committed to promoting gender equality and will take all necessary measures to eliminate any pay gap that may exist within the Group.

KPIs

Total workforce

The total workforce represents all employees of the ICAPE Group as of 31 December 2023. This includes all employees on fixed-term and permanent contracts, excluding interns, work-study students and temporary staff, and excluding acquisitions made after September 2023.

In 2023, the Group had 572 employees, *i.e.* a change of +15 employees compared to the previous financial year, mainly due to the acquisitions in 2023.

Workforce by type of contract

The workforce by contract type represents all staff employed by the ICAPE Group by contract type, permanent or fixed-term, as of 31 December 2023.

The vast majority of the Group's workforce, *i.e.* 98%, has a permanent contract. The other forms of contracts used include fixed-term contracts (CDD) and *Volontariat International en Entreprise* (VIE), and each represents less than 1% of the workforce.

Workforce by geographical area and different nationalities

33 different nationalities are represented in the workforce, a testament to the importance given by the ICAPE Group to diversity. The ICAPE Group is a cosmopolitan group that has developed through its openness to the world. With a strong foothold in Asia, it mobilises its employees, suppliers and partners around the world to respond in the best possible way to customer requests. Through contact with native speakers, each one cultivates the cultural knowledge of the others in each country where they operate.

The Group's workforce is thus present in Asia (45%), Europe (37%), Africa (11%) and the Americas (7%).

Workforce by age

Workforce by age shows all staff employed by the ICAPE Group by age group, as of 31 December 2023. The age groups are: <30 years old; 30-39 years; 40-55 years; > 55 years. This includes all employees on fixed-term and permanent contracts, excluding interns, work-study students and temporary staff, and excluding acquisitions made after September 2023.
The majority of the Group's employees, *i.e.* 75%, are in the two age groups, 30-39 years and 40-55 years old.

% of male/female employees

The percentage of male and female employees represents the proportion of women and men in the total number of employees in the Group as of 31 December 2023. This includes all employees on fixed-term and permanent contracts, excluding interns, work-study students and temporary staff, and excluding acquisitions made after September 2023.
The workforce breakdown shows a balanced presence of women and men within the ICAPE Group, with 55% of women in the total workforce in 2023, a slight decrease of 1% compared to 2022.

Percentage of women in management positions

The proportion of women managers is the ratio of the number of women managers to the total number of managers.
In 2023, 44% of ICAPE Group managers were women.

Percentage of women in Executive Management and on the Board of Directors

The proportion of women in Executive Management is the ratio of the number of women in Executive Management to the total number of employees in Executive Management.

In 2023, 67% of Executive Management employees were women.

Within the Board of Directors, gender parity is respected.

Percentage of employees with disabilities in the workforce

The share of employees with disabilities in the workforce is the ratio of the number of employees with a disability to the total number of employees. Fully integrating its social responsibility, our company implements a proactive and committed policy in favour of employing people who are recognised as workers with disabilities (RQTH) in France, thus contributing to an inclusive working environment and guaranteeing equal opportunity for everyone. Depending on the country, legislation may or may not allow the identification and monitoring of people with disabilities within the Company. For this reason, it is difficult to define a homogeneous overall indicator to monitor progress in this area. In France, the Group wishes to employ workers with disabilities to comply with the legal obligation[25], but it is difficult to find the right profiles for the activity.

In 2023, the Group had four employees with disabilities.

[25] 6% of employees declared workers with disabilities for entities with more than 20 employees.

4.3 Talent attraction and retention risk

Theme	Indicator	2022	2023	Changes
Social	Promotion and internal mobility (#)	44	56	+21%
Social	Share of seniors in the workforce	18%	11%	-7 pts
Social	Number of training hours (Hours)	N/A	4,807	-
Social	Number of hires (#)	N/A	80	-
Social	Turnover rate	N/A	15%	-

The Group's success and development depend on the commitment of its employees and the ability to attract and retain them, particularly in highly competitive labour markets such as Asia, the United States and Eastern Europe, where turnover rates can be high.

The Group's sustainability and development depend on the teams maintaining advanced skills and expertise in PCB technologies. People with PCB-related skills are becoming increasingly rare in Europe and the USA, so there is a real challenge in retaining talent to ensure the sustainability of the Company. To address this risk and anticipate any loss of skills, the Group has implemented several actions, including establishing a skills management process and implementing personalised training plans or actions for talent attraction and retention. Our experienced engineers also share an internal training programme to maintain best practices and promote the sharing of experience. The Group is engaged in a skills transfer process.

These elements confirm the importance of the training and professional development of our employees.

Policies

The main policies and actions implemented, or in the process of being implemented, to attract and retain talent are as follows:

- continue to open up the capital to employees;
- harmonise employee integration protocols at Group level (with the overhaul of the Welcome Booklet in 2023);
- provide opportunities for promotion and internal mobility (between departments and/or geographical) within the Group;
- offer a stimulating and learning-rich environment (trust, multiculturalism, management of multiple projects);
- promote an attractive compensation policy;
- establishment of business-school partnerships.

In terms of the organisation of working hours, the Group adapts its rules and policies depending on the country, and we apply local social regulations as a minimum. It should be noted that the Group operates mainly in developed countries in Europe, America and Asia, where social regulations, although they may differ from one country to another, are clearly defined, well established, and are not a source of significant risks of abuse of employees. The Group also has activities in China and India, which are countries that present more risks in terms of working conditions. In these countries, the necessary arrangements are in place to ensure that work schedules are organised to respect decent hours; in China, these hours are 9am to 12pm/1pm to 6pm, *i.e.* an 8-hour day interrupted by a 1-hour break.

The working hours are typically 40 hours per week with two days off per week, plus paid leave according to the local regulations in force in the countries. Working conditions can also be adapted on a case-by-case basis according to family or health situations (*e.g.* remote working, part-time). Management of training is decentralised and organised by the various entities according to local needs.

However, great importance is placed on the training of our employees, which takes the form of:

- regular training provided to teams;
- the creation of a "Field Application Engineering" team to provide training and support to sales representatives;
- CSR training for CSR audit contacts;
- training on compliance topics;
- active monitoring in conjunction with suppliers on the latest technological developments.

A training plan for sales representatives was rolled out during the financial year, in coordination with the HR department, the technical department and the sales department. This e-learning platform is accessible to all salespeople, with technical modules aimed at improving their skills. Several themes are addressed through seven webinars entitled: "Mastering Complex keypads", "Press-Fit Technology", "Surfaces Finishing" and "Solderability, Flex & Rigid-Flex & FR4 Semiflex", "Flex & Rigid-Flex Technology", "PCB Manufacturing & Design to cost", and "Mastering Membrance Switch Keypads".

Action plans

In 2024, the Group wants to continue developing its employer brand on a global scale and in all the countries where we operate. Improving our employer brand seems fundamental to attracting and retaining talent in our markets.

In addition, we will establish a formalised Group-wide skills management and annual performance review process. This process will identify and develop the skills essential to our smooth operation, while ensuring that all members of our team are recognised and rewarded for their performance.

In view of the crucial importance of skills management for the Group's sustainability, a working group was set up in 2022 to establish a skills grid dedicated to sales representatives, according to the level of seniority in the position. In 2023, these skills grids apply to all employees. These grids are an important tool for assessing the performance of sales representatives and adapting the training plan.

A career management policy, in particular for experts and young talent, is also in place, as well as an "expert" channel with a dedicated policy to prepare successions, retain and share expertise, and improve the retention policy.

Finally, we will develop business-specific training plans to ensure that all our employees have access to the resources, tools and support they need to excel in their respective roles. These targeted training courses will strengthen key skills and promote a culture of continuous learning within the Group.

KPIs

Promotion and internal mobility

The number of promotions and internal transfers is the sum of promotions carried out internally across the entire Group and the number of employees who have obtained a new position based abroad.

In 2023, the Group recorded 56 promotions and internal mobility movements, *i.e.* 12 more than the previous year. This increase reflects the Group's desire to retain its talent by offering them new career prospects and proactively meeting their expectations.

Share of seniors in the workforce

The share of seniors in the headcount is the ratio of the number of employees considered as "seniors" to the total number of employees. A "senior" at the ICAPE Group refers to a person age 55 and over.

In 2023, the percentage of seniors within the Group decreased by 7% compared to 2022, stabilising at 11%. This decrease was mainly due to retirements.

Number of training hours

The number of training hours is the sum of all training hours provided to all employees on fixed-term and permanent contracts, excluding interns, work-study and temporary employees, and excluding both in-person and remote acquisitions made from September of the current financial year onward. This indicator measures the total time spent on staff training and development in our company during the year. The Group uses this indicator to assess its investment in developing its employees' skills and knowledge. Training may include job-specific technical training, as well as general training in management, personal development, workplace safety, etc.

In 2023, the number of training hours was 4,807 for 572 employees.

Number of new hires

The number of hires is the number of new employees who were recruited and integrated into the Group during the year, as of 31 December of the reporting year. This includes all employees on fixed-term and permanent contracts, excluding interns, work-study students and temporary staff, excluding acquisitions made during the year, and excluding DIVSYS USA. This indicator reflects the attractiveness and organic growth of the ICAPE Group. In 2023, the number of hires was 80.

Turnover rate

The turnover rate, also known as the staff turnover rate, is the ratio of the average number of hires and departures to the total workforce, multiplied by 100, as of 31 December of the reporting year. This indicator shows the ability to retain talent, giving an idea of employee satisfaction. This includes all employees on fixed-term and permanent contracts, excluding interns, work-study students and temporary staff, and excluding acquisitions made during the year.

In 2023, the turnover rate was 15%.

4.4 Internal social climate risks

Theme	Indicator	2022	2023	Changes
Social	Social conflict (#)	0	0	0%

The regulatory framework for dialogue between employers and employee representatives varies from one country to another. However, in addition to compliance with local labour laws, the ICAPE Group strives to respect the freedom of association, negotiation and collective representation of its employees. We apply these principles in all countries where we operate.

<u>*Policies*</u>

Within the Group, social dialogue is managed locally according to the regulations and practices of the countries. In the event of a crisis or serious malfunction, the "ICAPE Integrity Line" platform is accessible to all employees to file a report.

In France, where we employ around 100 employees spread over six legal structures, three of our entities (ICAPE - International Consulting Activities for Printed Circuit Boards, ICAPE Holding, and GIE ICAPE) are above the legal threshold of 11 employees requiring a Social and Economic Committee (SEC).

Elections were organised for three entities, and reports were drawn up establishing the absence of a declared candidate.

In 2024, elections may be organised for two legal entities in France, if the legal conditions are met.

At Group level, a collective agreement was put in place on leave during the Covid-19 health crisis. Other collective agreements, where they exist, are managed at the local level. In France, agreements are in place on working time and profit-sharing.

The CIPEM profit-sharing agreement was updated in 2023, and CESU cheques are now distributed; a value-sharing bonus has been set up for French entities.

<u>*Action plans*</u>

In 2024, the Group will continue to draft and roll out collective agreements. This initiative underscores our commitment to maintaining harmonious and productive working relationships. These agreements play a crucial role in defining working conditions, benefits and workers' rights. As a result, we continually ensure that these agreements are drafted fairly and deployed effectively across the Group.

KPIs

Social conflict

Labour disputes are the sum of strike notices filed and the number of labour convictions over the reporting year. Social conflict, which has a significant influence on the Group's performance, can often refer to disagreements or conflicts between management and employees, or between different groups of employees. These conflicts may relate to issues such as wages, working conditions, company policies, union representation, etc. It mainly depends on the quality of interpersonal relationships, working conditions, human resources management policies, employee benefits, compensation, career prospects, internal communication and social dialogue. This is a crucial element that can affect employee motivation, commitment and satisfaction.

There were no labour disputes within the Group in 2023.

4.5 Occupational health and safety risks

Theme	Indicator	2022	2023	Changes
Social	Workplace accidents with lost time[26] (#)	7	7	0%
Social	Workplace accidents without lost time (#)	N/A	4	-
Social	Average number of days of sick leave[27] (#)	N/A	4.7	-

Health and safety risks are greater for employees working in the Group's factories (TRAX, HMI and MMAB) and for employees working in supplier factories. However, they also exist for Group employees working in offices (commuting accidents, possible accidents in offices, accidents during supplier site visits).

Policies

Health and safety conditions for Group employees are covered by the internal ethics charter for employees, which deals with PPE [28], safety procedures, machine and equipment safety, and management of fires and other emergencies.

Workplace safety documents and procedures are in place for the Group's various entities, in particular at the Group's three factories. On the HMI site, an external company will measure noise and chemical exposures in 2024 in order to compare them with regulatory limits.

The new investments made on the Trax site in 2023 have helped to improve air quality, which will be measured by an external service provider in 2024.

In France, the Single Risk Assessment Document (DUER) as required by regulations has been formalised, taking into account the prevention of psychosocial risks.

[26] Accident occurring to the employee as a result of or in the course of their work, whatever the cause; this includes accidents at Group sites, supplier sites or during business travel.
[27] Workplace accident causing at least one day of lost time from the day after the date of the accident.
[28] Personal Protective Equipment.

Regulatory health and safety training is provided to employees, and the wearing of PPE is required during supplier site visits.

The protection of the health and safety of workers at supplier sites is a clause of the code of ethics dedicated to suppliers, which has been an integral part of purchasing contracts since 2007.

CSR audits of suppliers completed in 2023 also cover the workplace health and safety risk (see §6.1 of Chapter “Formal Statement of Non-Financial Performance” for more details).

Action plans

In 2024, we will continue to prioritise the health and safety of our employees by continuing to implement OHS training. Our goal is to ensure that every member of our team understands and adheres to workplace health and safety best practices. These trainings will be adapted to the various roles and responsibilities within the Company, ensuring comprehensive and appropriate coverage of all health and safety aspects.

KPIs

Workplace accidents with lost time

The number of workplace accidents is the number of accidents involving a Group employee, occurring during working time and resulting in lost time.

In 2022, we recorded seven workplace accidents resulting in lost time for our employees, five of which occurred at our ICAPE TRAX factory in South Africa.

In 2023, we also recorded seven accidents. All accidents were monitored by our local HSE teams. Monitoring is reported to the head office on a quarterly basis. The most common accidents are mainly associated with chemical product handling or occasional incidents (falls, handling errors, muscle strains, etc.).

Workplace accidents without lost time

The number of workplace accidents is the number of accidents involving an employee of the ICAPE Group, occurring during working time, which did not result in lost time.

In 2023, we recorded five workplace accidents without lost time.

Average number of days lost

The average number of days lost is the sum of all working days lost following a workplace accident resulting in lost time, out of the sum of the number of accidents resulting in lost time.

In 2023, work stoppages lasted an average of four days.

4.6 Risks of inadequate working conditions

Theme	Indicator	2022	2023	Changes
Social	Peakon participation rate	90%	87%	-3pts
Social	Peakon survey results (engagement score)	8/10	8/10	0

The Group is very attentive to the expectations of employees, and implements actions that promote their well-being and satisfaction at work, and support their commitment to the Group.

Policies

Since 2021, internal satisfaction surveys have been carried out on a quarterly basis *via* the Workday Peakon tool to obtain employee feedback on the atmosphere at work, their engagement and their aspirations, and to involve middle management in improving the working conditions and daily lives of employees. The last survey carried out in December 2023 revealed the following main results:

- the participation rate was 90% at Group level;
- the engagement score (which takes into account employee engagement, loyalty and satisfaction) is 8.0/10 at Group level;
- the main strengths identified by the survey concern the workload, which remains appropriate, as well as the recognition shown by management on a daily basis;
- the main areas for improvement identified by the survey concern reward and flexibility at work.

Action plans

In 2024, the Group will take concrete measures to address the areas for improvement identified during the Peakon surveys. These surveys provide important information on the experience of our employees. Implementing these improvements will demonstrate our constant commitment to listening, learning and changing according to the comments and needs expressed. These actions aim to strengthen workplace fulfilment and the satisfaction and daily life of our employees.

KPIs

Peakon participation rate

The participation rate in the Peakon survey is the average of the ratio of the number of responses to the survey to the number of invitations sent, three times during the year.

The participation rate was 87% at Group level, compared to 90% last year.

Engagement rate

The engagement rate established *via* the Peakon survey is the average rating assigned to the Company *via* the Peakon survey. The engagement score (which takes into account employee engagement, loyalty and satisfaction) is 8/10 at Group level. The main strengths identified by the survey concern the workload, which remains appropriate, as well as the recognition shown by management on a daily basis. The main areas for improvement identified by the survey concern reward and flexibility at work.

5. ENVIRONMENTAL REPORTING

5.1 Introduction to environmental risks

Governance

Governance of our environmental risks is at the heart of our technical studies, industrialisation and manufacturing operations. We take into account that our industry can have a significant impact on the environment, and we implement measures to monitor our environmental activity and minimise its negative impacts. Environmental issues are monitored at site level, and information is then reported to the head office, under the responsibility of the Industrial Director.

We have established a dedicated CSR Committee that oversees our environmental strategy. This approach leads us to consider actions such as implementing the best industry standards in terms of efficiency, optimising water and energy consumption, sorting production waste and recycling waste that can be put to use, as well as monitoring CO2 emissions. In regular liaison with local environmental protection agencies, two of our production sites, TRAX and MMAB, are subject to environmental permits. Environmental audits are regularly conducted by the ICAPE Group, both internally and with our partners, to ensure compliance with our objectives as well as with regulations. Our strict anti-corruption policy ensures that any environmental misconduct by our partners is treated with the utmost seriousness. Environmental risks are thus an integral part of our decision-making processes and the management of the Group.

Reporting

To ensure full transparency about our activities, as well as the accuracy and integrity of our environmental reporting, we have implemented a systematic data collection, validation and reporting process. This process begins with the identification and collection of the necessary data by the on-site teams, including energy and water consumption, chemical use, waste production, etc. These data are reported annually to the head office, under the responsibility of the Industrial Director, and are then processed by the CSR Committee to ensure accuracy and uniformity, before being analysed and interpreted and used as a basis for the Group's future environmental policies. Any incident of non-compliance or pollution that occurred would, after reporting, be rigorously recorded and dealt with. Monitoring these indicators helps us to identify areas for improvement and set targets aimed at minimising the potential negative impacts of our activities. Finally, this information is recorded in our non-financial performance report, reviewed by the CSR Committee and then submitted to our Board of Directors before it is made available to our stakeholders and the general public. This rigorous environmental reporting process allows us to ensure full transparency and demonstrate our commitment to doing business sustainably. Environmental data was collected from the Group's main entities (factories, main offices and logistics centres). Most of the data required for BEGES scope 3 (quantities of PCBs and technical parts delivered, logistics data for product transport) come from the SAP ERP.

Scope

Environmental information reporting covers the period from 1 January 2023 to 31 December 2023.

In financial year 2022, environmental indicators were limited to the TRAX factory and all our sales offices, in terms of reporting scope. However, this scope has been extended for the 2023 financial year and now concerns the TRAX, MMAB and HMI factories. The scope does not include acquisitions made from September 2023 onward. DIVSYS USA is excluded from the scope.

More specifically:

- energy consumption (and resulting Scope 1 & 2 GHG emissions): all entities except DIVSYS USA and acquisitions since September 2023 are included, *i.e.* more than 90% of the Group's total revenue;

- other environmental data (water, raw materials, waste, refrigerants): the TRAX, MMAB and HMI factories are included; these data are either not applicable or not very relevant for offices and logistics centres; some environmental data may be relevant for the DIVSYS factory, but were not reported as part of the DIVSYS USA disposal process announced in February 2023;

- Scope 3 GHG emissions: all entities using SAP software have reported their Scope 3 downstream transport.

5.2 Risk of pollution

Theme	Indicator	2022	2023	Changes
Environment	Environmental non-compliance (#)	0	0	0
Environment	Pollution incidents (#)	0	0	0
Environment	Quantity of hazardous waste (metric tons)	27.3	48.62	+78.1%

<u>Policies</u>

The manufacturing of PCBs is a polluting activity due to the extraction of metals as raw materials, the use of chemicals, the consumption of water and energy, the discharge of wastewater, and the production of waste.

Scarcity of metals, bans of the most dangerous chemicals/pollutants, restriction of water in water-stressed areas such as South Africa, increase in the price of energy in connection with the geopolitical context, etc: the resources required for the production of PCBs will probably be increasingly subject to restrictions and shortages in the future.

Environmental regulations - for example on wastewater discharges or waste management - also tend to evolve internationally, and regulatory requirements are becoming more comprehensive in the countries where we and our suppliers have production operations (China and South Africa in particular).
All of these elements require us to be exemplary in terms of environmental compliance and drive us to seek solutions to reduce our environmental impact throughout our value chain.

In the Group's value chain, resource management and pollution prevention mainly concern the manufacturing factories of our suppliers. In our direct scope, our TRAX and MMAB factories are the top resource consumers and emissions generators (airborne, wastewater, and waste). Our logistics centres, offices and laboratories make only a small contribution by comparison. This is why we detail the main environmental impacts of the TRAX factory in section 5.6 of the SNFP.

Action plans

In 2024, the Group will continue to roll out CSR audits of our suppliers, with a specific focus on the environmental compliance of their sites. We ensure that our partners strictly comply with environmental standards on resource use and pollution prevention. These actions are part of our approach to sustainability and respect for the environment, involving rigorous selection of our partners.

KPIs

Pollution incidents

Pollution incidents are recorded on the basis of data reported by the sites; certificates are drawn up stating that no incident occurred during the year. Pollution incidents refer to all events or situations occurring from time to time in which a harmful substance is introduced into the environment, thus altering its quality. These incidents may include accidental spills of chemicals, oil or other contaminants; illegal or excessive greenhouse gas emissions; or the dispersion of untreated solid or liquid waste in the ground, water or air.

No incidents were reported in 2023.

Environmental non-compliance

The cases of environmental non-compliance are the number of tests during which levels above compliance thresholds were detected. Environmental non-compliance refers to any situation in which the Group does not comply with applicable environmental regulations, laws, standards or policies. This may include actions such as the release of pollutants in excess of authorised levels, inappropriate waste disposal, failure to obtain necessary environmental permits, or failure to comply with environmental management guidelines. Monthly data is reported and tested on the basis of previously established thresholds. No cases were identified in 2023.

Quantity of hazardous waste

The quantity of hazardous waste is the sum of the total volume of hazardous waste produced by each of the Group's industrial sites over a year, expressed in metric tons. This can include solid, liquid, or gaseous waste. Pending standardisation of measurement and reporting on all industrial sites, the 2023 reporting is done on 2022, including the MMAB and HMI sites.

The quantity of hazardous waste in 2023 was 48.62 metric tons, *i.e.* a significant increase of 71.8% compared to 2022. This increase is mainly due to the change in the scope of activity during this financial year (the integration of the MMAB and HMI factories in the 2023 reporting).

Based on the same scope as in 2022, *i.e.* taking into account only the hazardous waste produced by the TRAX factory, there was a 40% decrease. Hazardous waste decreased from 27.3 metric tons to 16.24 metric tons, due to a reduction in site activity.

5.3 Risk of insufficient mitigation to climate change

Our main impacts in terms of GHG emissions are on our supply chain (production of PCBs and technical parts by suppliers, transport to customers, use and end-of-life of the products delivered), much more than on our direct scope of operation (factories, offices and logistics centres).

Theme	Indicator	2022	2023	Changes
Environment	Scope 1 carbon footprint (metric tons of CO_2e)	266	434	+63%
Environment	Scope 2 carbon footprint (metric tons of CO_2e)	1,624	1,051	- 35%
Environment	Scope 3 carbon footprint (metric tons of CO_2e)	5,090	5,325	+4.6%

Policies and action plans

Today, the international standard and French regulations have established a greenhouse gas emissions assessment (BEGES) according to a recognised methodology such as the GHG Protocol,[29] and setting medium- and long-term reduction targets for Scopes 1, 2 & 3 (*i.e.* across the entire value chain).

In order to assess the climate impact on the entire value chain, in 2022 we carried out an initial BEGES on Scopes 1, 2 & Scope 3 Upstream Transport, in accordance with GHG Protocol methodology.

We first carried out an initial screening to determine the most relevant emission categories in view of our activities, and have developed the calculation methods (activity data, emission factors) for each of these categories. We collected the required activity data for the 2022 financial year, which is the reference year. It should be noted that this first greenhouse gas emissions assessment (BEGES) was carried out on the basis of available activity data (some at a fairly macro level, some on the basis of financial rather than physical data, etc.) and standard/default emissions factors from public databases such as the ADEME footprint database. This approach has enabled us to assess the orders of magnitude of each category of emissions and thus identify the most contributing items on which reduction efforts will have to be focused in the coming years. For these items that contribute the most, it will be necessary, however, to refine the calculations by analysing the activity data at a more micro level and by applying more specific emission factors (taken from specialised databases and/or obtained directly from suppliers) - this will be a prerequisite for obtaining more detailed and precise emission levels, and thus identifying and assessing potential reduction levers.

Action plans

Initial discussions have been initiated and actions have been implemented to reduce the carbon footprint of our logistics chain:

- Our grouping strategy (*via* our logistics platform located in Hong Kong and then *via* the warehouses associated with our profit centres, before shipping to customers) makes it possible to group orders and optimise routes.

We promote maritime rather than air transport in our quotations, a solution that can be offered even for small volumes, thanks to our grouping strategy.

- We are considering diversifying the geographical base of our suppliers and finding suppliers closer to customers. We currently have suppliers in 15 countries in addition to China, as well as our own in-house PCB manufacturing.

[29] https://ghgprotocol.org/.

- In terms of packaging used for the transport of PCBs and technical parts, these are imposed on suppliers, and are typically composed of plastic protections with dehumidifiers, cardboard boxes with polyester foam for filling empty spaces, and wooden palleting. Reusable packaging is used to transport products when possible, and cardboard packaging is gradually replacing polyester foam to fill empty spaces.

In 2024, the Group will take significant steps to refine greenhouse gas emission assessments (BEGES) completed. We intend to set specific targets for the reduction of Scope 1, 2 and 3 emissions.

In addition, in our approach to reducing our environmental impact, we will work closely with our main partners to examine resource consumption in the manufacture of PCBs. We'll endeavour to collaborate to minimise the use of resources and reduce the carbon footprint of PCBs throughout their life cycle.

KPIs

Scopes 1 & 2 carbon footprint

Scope 1 concerns direct emissions from fixed or mobile facilities owned or controlled by the ICAPE Group. This includes combustion of stationary and mobile sources, industrial processes excluding combustion, refrigerants (these fluids are consumed by recharging without a level gauge, so only the amount of purchases for the period referring to this recharging is recorded in the calculation of the scope), etc. Scope 2 refers to indirect emissions related to the production of electricity, heat or steam imported for the Group's activities.

Scope 1 & 2 GHG emissions, which concern the Group's direct scope of activity (*i.e.* mainly energy consumption as presented in §5.1 of the "Formal Statement of Non-Financial Performance" chapter) are minimal compared to Scope 3 GHG emissions throughout our value chain (less than 0.5%), which is logical given the Group's predominantly trading activity. The actions identified and/or implemented to reduce our energy consumption, and therefore our Scope 1 & 2 GHG emissions, are presented above in §5.1 of Chapter "Formal Statement of Non-Financial Performance".

In 2023, the Group emitted 2.5% fewer metric tons of CO_2 compared to the previous year. This change is mainly due to the decline in activity and the exclusion of Divsys-International in 2023.

Scope 3 carbon footprint

Scope 3 concerns indirect emissions generated by all of the Group's activities that are not directly accounted for, but are associated with the entire value chain. This includes the purchase of raw materials, services or other products; employee travel; upstream and downstream transport of goods; management of waste from company activities; use and life of the products and services sold; capitalisation of goods; and more. For the 2023 financial year, we assess energy consumption that fits within Scope 3 on the downstream transport item. For upstream transport, we are unable to obtain reliable and consistent information from our suppliers. We continue to analyse the other categories included in this scope.

For 2023, we are only publishing Scope 3 of downstream transport, which is 5,325 TCO_2e, an increase of 4.61%.

5.4 Risk of consumption of sensitive resources

Theme	Indicator	2022	2023	Changes
Environment	Energy consumption (MWh)	3,170	3,749	18.3%
Environment	Water consumption (m^3)	13,937	19,111	+37%
Environment	Chemical consumption (metric tons)[30]	43.8	56.63	+29.2%

Policies

We have already implemented or identified certain actions to reduce our energy consumption within the Group's direct scope of influence:

- implementation of the tertiary energy decree[31] at the head office in France, with support from an external service provider; collection of energy consumption since 2018 (reference year) for declaration to the ADEME (French Environment and Energy Management Agency); and use of the Hypervision software, with sensors installed in the offices to monitor energy consumption in real time;

- replacement of obsolete lighting with LED systems;

- at our TRAX factory, a study is underway to install solar panels on the roofs of buildings, which would provide up to 40% of the site's electricity needs. This facility should be operational in the second half of 2024;

- in our offices in France, a study is underway for the installation of solar panels on the roofs;

- gradual transition of the Company vehicle fleet to hybrid/electric;

- increased use of videoconferencing and remote working to reduce business travel.

Action plans

In 2024, the Group will strive to collect all Scope 3 components.

In 2024, the Group will review how to reduce packaging for the transport of products delivered. We are aware of the environmental impact that packaging waste can have, and we are continually seeking environmentally-friendly, sustainable solutions.

We also plan to invest in renewable energy supply for our factories and offices. This is part of our ongoing commitment to sustainability and reduced carbon emissions. By switching to renewable energy sources, we hope to significantly reduce our carbon footprint.

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[30] Certain quantities of chemical products are tracked in litres and not in kg in the inventory management software; for simplicity, a density of 1 was assumed for these products to convert the volumes into tonnages. The exact figures are 36.3 t on the one hand (mainly general chemicals) and 7.5 m^3 on the other hand (exclusive/proprietary chemicals).

[31] French decree No. 2019-771 of 23 July 2019 relating to obligations to reduce final energy consumption in buildings for tertiary use.

KPIs

Energy consumption

Energy consumption is the sum of the energy consumed at all Group sites over a 12-month period, expressed in MWh.

At the level of the Group's direct scope, energy consumption includes:

Electricity consumption at all Group sites, which represents 64% of our total energy consumption. The main contributors to our electricity consumption are the TRAX, MMAB and HMI factories, as well as our offices and laboratory in China, France and Germany.

The consumption of heating oil for the backup generators at the TRAX factory and the consumption of natural gas for heating in certain offices (Germany, the Netherlands), which together account for 6% of our total energy consumption.

Fuel consumption (gasoline, diesel) for company and service vehicles, which represents 30% of our total energy consumption.

Water consumption

Water consumption is the sum of water consumed at all ICAPE Group industrial sites over a 12-month period, expressed in m^3. The scope does not include acquisitions in the reporting year.

Water consumption amounted to 19,111 m^3 in 2023, an increase of 37% compared to 2022. The main reason for this increase is due to the change in scope and the inclusion of the MMAB and HMI factories in the 2023 reporting framework. Based on the same scope as in 2022, *i.e.* taking into account only the TRAX factory, water consumption was 11,876 m^3. This decrease was mainly due to a slowdown in activity on the site.

Chemical consumption

Chemical consumption is the sum of all chemicals used in the Group's business over one year. Certain quantities of chemical products are tracked in litres in the inventory management software; for simplicity's sake, a density of 1 was assumed for these products to convert volumes into tonnages.

In 2023, the Group's chemical consumption increased by 29.2% to 56.63 metric tons of chemical products. This increase is explained by the change in scope and the inclusion of the MMAB and HMI factories in the 2023 reporting scope. Based on the same scope as in 2022, *i.e.* taking into account only the TRAX factory, chemical consumption there was 33.02 metric tons. This significant decrease can mainly be attributed to a decrease in activity within the site.

Environmental management for the Group's suppliers

Compliance with local environmental regulations and the prevention of pollution (in particular wastewater treatment) are clauses of the code of ethics dedicated to suppliers, which has been an integral part of purchasing contracts since 2007. The first audits and discussions with Chinese suppliers were initiated by the Group in 2007, leading to corrective actions by suppliers concerning the construction of new correctly sized treatment factories .

The CSR audits of all AVL suppliers, initiated in 2022, now cover environmental compliance and pollution prevention (see §6.1 of the "Formal Statement of Non-Financial Performance" chapter for more details).

5.5 Adaptation to climate change

To date, no risks have been identified that are specifically related to climate change adaptation.

To our knowledge, our TRAX and MMAB factories have never faced natural and climate hazards such as earthquakes, storms or cyclones, floods or forest fires. They may be exposed to a risk of water stress, and are therefore working to reduce their water consumption, as described in §5.1 of the "Formal Statement of Non-Financial Performance" chapter.

5.6 Environmental management at the TRAX factory in South Africa

The TRAX factory has the highest environmental impact of all our production sites. In addition to energy consumption, the issues of environmental management and pollution prevention are mainly material for our TRAX factory in South Africa:

- <u>Water consumption:</u> the factory consumes groundwater (around 65%) and tap water (around 35%) for domestic uses and in the manufacturing process (mainly rinses). Minimising water consumption is a critical issue in view of the water stress situation in the Cape Town region where the factory is located. A detailed analysis of the factory's water network was carried out a few years ago in order to identify leaks and sources of overconsumption, following which corrective actions were implemented (installation of control valves, pressure equipment to reduce the risk of leaks, sensors to automatically start/stop the water supply according to manufacturing cycles). A study was also carried out to assess the opportunities to recycle and reuse some of the process wastewater internally; this solution will be reassessed shortly.

- <u>Wastewater discharge:</u> the rinsing water used in the manufacturing process generates metal-contaminated effluents, which are treated in the internal treatment factory before being discharged into the municipal network, in accordance with regulatory limits. Domestic wastewater is discharged directly into the municipal network.
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- <u>Waste management:</u> several initiatives have been put in place to recover/recycle the different types of waste produced in the factory during the manufacturing of PCBs as much as possible:

  - used PCBs, cardboard and organic waste are recycled;
  - chemical reagents are used in a closed loop with recovery of copper;
  - a specialised external company is responsible for the recovery of precious metals;
  - a project is underway to solidify chemical waste on site before external treatment, in accordance with the new regulations in force. Today, chemical waste is sent to a storage centre after neutralisation.

- <u>Soil pollution:</u> there is no suspected or proven soil or groundwater pollution at the TRAX site. The factory has been in existence for more than 30 years and has the necessary protection systems in the event of a spill or accidental spill of hazardous products.

6. SOCIETAL REPORTING

6.1 Introduction to societal risks

Governance

Adoption of a solid governance of societal risks is essential for the responsible management of operations and successful integration of the Group in the environments in which it operates. This includes the management of CSR incidents of our suppliers and their compliance with standards and regulations, as well as ISO certifications, customer complaints, and the Group Foundation's sponsorship activities. Such governance not only improves the Company's reputation, but also reduces the financial, sustainability and reputational risks to which the Group may be exposed.

Reporting

The information on supplier audits comes directly from the audits we carry out on them. Projects funded by the Foundation are monitored to ensure that allocated funds are properly distributed. Customer returns are processed on a case-by-case basis, assessed and resolved when necessary. We are committed to responding to every request.

We are also committed to promoting the Nation-Army link in France. An internal procedure specifies the Group's support for reservists and undertakes to satisfy any request received within our organisation. To date, no reserve availability request has been sent to us.

Scope

Environmental information reporting covers the period from 1 January 2023 to 31 December 2023.

6.2 Supplier CSR management risk

Theme	Indicator	2022	2023	Changes
Societal & Stakeholders	AVL supplier CSR incidents (#)	0	0	0%
Societal & Stakeholders	AVL supplier non-compliance (#)	0	0	0%
Societal & Stakeholders	Share of supplier factories certified ISO 14001 (%)	67%	69%	+2pt
Societal & Stakeholders	Share of suppliers having had a dedicated CSR audit (%)	74%	100%	+26 pts

In view of the Group's trading activity, it is essential to establish healthy, balanced and long-term relationships with our suppliers.

The main CSR risks also concern the Group's suppliers (corruption, unethical behaviour, non-compliance with social regulations, unsuitable working conditions, workplace accidents, environmental pollution, etc.).

We maintain good relations with our suppliers in terms of communication and mutual respect, which translates into very stable partnerships, most of which have been in place for more than 10 years. The aim is to build and maintain long-term relationships with our suppliers in a process of continuous improvement, which is done, in particular, *via* the quality audits that we have been conducting for many years, and *via* the CSR audits initiated in 2022 and finalised in 2023 (see below).

Policies

Strict requirements are imposed on suppliers to integrate the Group's list of qualified and approved suppliers, including ISO 9001 certification for their quality management system, compliance with REACH and RoHS regulations on chemicals/hazardous substances, or the provision of Conflict Minerals certificates relating to the origin of the raw materials used, in order to ensure the absence of conflict minerals in the PCBs.

The code of ethics dedicated to suppliers, which has been an integral part of purchasing contracts since 2007, also contains clauses relating to regulatory compliance, the fight against corruption, compliance with social laws and environmental protection (wastewater treatment and RoHS regulations in particular), the protection of human rights (working time, fair compensation, prohibition of child labour/forced labour, non-discrimination, etc.), employee health and safety, fairness, and the protection of the confidentiality of customer information.

For many years, ethical, environmental and health and safety aspects have been reviewed during supplier quality audits. In early 2022, it was decided to deploy dedicated CSR audits, covering governance, human rights, working conditions, the environment, ethics, consumers and local communities. These audits are conducted by a team of auditors who have been trained by independent specialists. For new suppliers, a score above 75% is essential for this supplier to be included on the list of approved suppliers (AVL)

Action plans

In 2024, the Group will continue to roll out its CSR audits to suppliers. This is part of our commitment to a sustainable and responsible supply chain. The Group will continue to review the performance of suppliers in terms of CSR prior to contracting. This will strengthen our commitment to an ethical and sustainable supply chain, and encourage our suppliers to prioritise CSR best practices.

KPIs

AVL supplier CSR incidents

The CSR incidents of AVL suppliers correspond to the number of incidents or non-compliance identified during the CSR audit or during a supplier visit. This may include a wide range of incidents of events or situations that occur from time to time and may be related to human rights, working conditions, the environment and more.

No significant CSR incident with our AVL suppliers has been reported to date.

AVL supplier non-compliance

Cases of non-compliance by AVL suppliers are the number of subjects with levels below the compliance thresholds recorded during the Group's CSR audits. The audits cover seven pillars and a minimum total threshold of 75%. Cases of non-compliance cover a wide range of CSR issues, such as human rights, working conditions, or the environment.
No AVL supplier non-compliance has been reported to date.

Percentage of supplier factories ISO 14001 certified

The share of supplier factories certified ISO 14001, the international standard for environmental management systems, corresponds to the ratio of the number of AVL suppliers certified ISO 14001 to the total number of AVL suppliers, multiplied by 100. The ISO 14001 standard defines the criteria for an environmental management system and provides guidance on how a company can improve its

environmental performance, including efficient resource use and waste reduction. The certification proves that the supplier is committed to minimising negative impacts on the environment, complying with applicable environmental laws and continuously improving its environmental performance.
In 2023, 69% of supplier factories were ISO 14001 certified.

Share of suppliers having had a dedicated CSR audit

The share of AVL suppliers having had a dedicated CSR audit corresponds to the ratio of the number of suppliers having had a dedicated CSR audit out of the total number of AVL suppliers, multiplied by 100. These audits are designed to assess suppliers on CSR-related topics, such as respect for human rights, working conditions, environmental protection, the fight against corruption, and other ethical practices. These are carried out internally by the Group.

In 2023, 100% of our PCB suppliers and 100% of our AVL suppliers of technical parts based in China were audited on these CSR criteria.

ICAPE best practices

No supplier in a situation of economic dependency on the Group has been identified, with the Group representing a maximum of 20% of the revenue of each supplier, and much less for most suppliers.

6.3 Risk of CSR expectations and customer management

Theme	Indicator	2022	2023	Changes
Societal & Stakeholders	ICAPE complaint rate	1.6%	1.37%	-0.23 pts
Societal & Stakeholders	Number of ICAPE complaints (#)	448	492	+9%
Societal & Stakeholders	CIPEM complaint rate	3.2%	2.59%	-0.61 pts
Societal & Stakeholders	Number of CIPEM complaints (#)	122	133	+8%

Customer satisfaction is an absolute priority for the ICAPE Group. We must be able to meet our customers' requirements in terms of quality, price, deadlines and confidentiality, and also the CSR-related requests that began to be made by several customers in 2022.

Policies

HMI, TRAX, MMAB and ICAPE Dongguan (China), a company that covers all our operations, are ISO 9001 certified for their quality management system, and have numerous procedures in place to ensure product quality and customer satisfaction. They have also set up detailed procedures for handling customer complaints, which describe the responsibilities and handling process (receipt, analysis, corrective actions with the supplier concerned, etc.).
According to the CSR diagnostic carried out by an external service provider in December 2021, the CSR expectations of customers towards their suppliers focus on respect for human rights, ethical business practices, regulatory compliance, GHG emissions, and data confidentiality. This trend was confirmed by the numerous requests and discussions initiated by customers in 2023.

Action plans

In 2024, the Group will set up a CSR task force that will address the specific demands of our customers in terms of sustainability and ethics. This specialised team will work closely with our clients to understand their CSR needs and concerns, and will strive to resolve their requests effectively.

Particular attention will also be paid to the CSR training of all our employees, in particular those of the sales department. This initiative aims to ensure that all our staff understand the value and importance of CSR and are able to convey this message to our customers and business partners.

Finally, we will create a detailed document answering customer questions about our CSR policy. This document will serve as a practical reference for both our customers and our staff, thus reinforcing the Group's transparency and commitment to CSR.

KPIs

ICAPE complaint rate

The ICAPE complaint rate measures the number of complaints received compared to the total number of orders received over a given period covering a scope of 98.6% of the Group's consolidated revenue.

The customer complaint rate was 1.37% on average in 2023.

Number of ICAPE complaints

The number of ICAPE claims is the sum of all claims completed during the current financial year covering a scope of 98.6% of the Group's consolidated revenue.

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On the ICAPE side, 492 customer complaints were recorded in 2023. The change is due to the change in scope for the current financial year.

CIPEM complaint rate

The CIPEM complaint rate measures the number of complaints received in relation to the total number of orders received over a given period covering a scope of 98.6% of the Group's consolidated revenue.

In 2023, the CIPEM customer complaint rate averaged 2.59%.

Number of CIPEM claims

The number of CIPEM claims is the sum of all claims completed during the current financial year covering a scope of 98.6% of the Group's consolidated revenue.

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CIPEM recorded 133 customer complaints in 2023. The change is due to the change in scope for the current financial year.

Protection of confidential customer data

The Group has always been attentive and vigilant when it comes to protecting customers' confidential data. From the initial discussions, Non-Disclosure Agreements (NDAs) are signed with customers and suppliers to protect their data.

In addition, the Group has a cyber-attack risk management system built around prevention, detection and remediation.

6.4 Protection of confidential customer data

Theme	Indicator	2022	2023	Changes
Societal & Stakeholders	Number of personal data losses/leaks	0	0	0%

Policies

For several years, the ICAPE Group has been committed to a programme of compliance with the Personal Data Protection Regulation (EU) 2016/676 of 27 April 2016. The Group appointed two Data Protection Officers in 2018 who are responsible for the compliance programme for the entire Group.

As a data controller or subcontractor, the ICAPE Group ensures compliance with the principles laid down by the regulations in force for all activities and processing involving personal data.

No cases of loss of personal data or non-compliance with the GDPR have been reported in the Group's history.

Action plans

In 2024, the Group will continue to rigorously apply the proven risk management procedures that have so far avoided any leakage of confidential data. The protection of confidential and sensitive information is a top priority for ICAPE, and we are committed to maintaining the highest level of security and confidentiality in all our processes and operations. Our commitment to information security helps to strengthen the trust of our customers and partners and ensure compliance with data protection standards and regulations.

KPIs

Number of personal data losses/leaks

Personal data loss/leakage refers to a situation where digitally stored personal information is accidentally or intentionally exposed through unsecured means and accessible to unauthorised individuals. This can occur as a result of a security breach, careless behaviour, theft or a malicious attack, such as hacking.

No cases of data loss or leakage were reported in 2023.

6.5 Risk of societal commitments

Theme	Indicator	2022	2023	Changes
Societal & Stakeholders	Share of local employees[32]	87%	89%	+2 pts
Societal & Stakeholders	Sponsorship expenses *via* the ICAPE Planète Bleue foundation	€95 thousand	€95 thousand	€0 thousand

In view of the Group's predominantly trading activity, relations with local communities are limited as the Group has few production factories. Our three factories, TRAX, HMI and MMAB, are also located in industrial areas. However, the TRAX factory is located at the edge of an industrial zone, and is

[32] Employees of the same nationality as the country where they work.

bordered on one side by a residential zone. Relations with the neighbourhood are good, and there has been no tension with the neighbourhood or complaints from local communities in the factory's history.

Policies

The year 2021 saw the creation of ICAPE Planète Bleue, the corporate foundation to carry out sponsorship actions. The foundation has a budget of €1.5 million over five years (€300,000 per year), which in 2023 was set at €3 million over 10 years. Part of the foundation's budget is devoted to external support for social, educational, environmental and humanitarian projects. Another part of the budget is dedicated to the ecological and innovative renovation of a former legendary boat, Magie Bleue, which will be made available for social, educational and environmental missions to the oceans and their protection.

Three committees have been created within the foundation:

- the Ocean and Maritime Affairs Committee, to manage the renovation of the Magie Bleue boat;
- the Environmental and Social Committee, for the research, selection and analysis of projects for submission to the Board of Directors; and
- the Finance, Administration and Communication Committee, for project financing, administrative management and communication.

Action plans

In 2024, the Group will continue to actively support the ICAPE Planète Bleue foundation by financing and closely monitoring various external projects. These projects are chosen based on their alignment with the values of our foundation, including the promotion of sustainability, environmental protection and education. By maintaining our commitment to the foundation, we hope to make a significant contribution to the achievement of these important goals, while reinforcing our own commitment to responsible social action.

KPIs

Share of local employees

The share of local employees is the number of employees who are of the same nationality as the country where they work.

With an international presence and strong growth in hires in recent years, the Group promotes local recruitment and generates job creation in the various countries where it operates. 33 different nationalities are represented in the workforce, more than half of which are Chinese, with more than 250 employees in China.

89% of the total workforce is local, a testament to the desire to create jobs locally.

Sponsorship expenses via the ICAPE Planète Bleue foundation

Sponsorship expenses *via* the ICAPE Planète Bleue function are the ICAPE Group's expenses allocated to the Planète Bleue foundation, created in 2021 and whose objectives are to promote environmental, educational, social and humanitarian projects.

In 2023, the ICAPE Planète Bleue Foundation supported 20 environmental, educational, social and humanitarian projects. Total funds allocated to these projects amounted to €95,000.

Project title	Description	Budget (€K)
CARE	Humanitarian	5k
ITALY	Humanitarian	5k
Collège Blanche de Castille	Educational	5k
SOS Grand Bleu	Environment	5k
SOS Grand Bleu	Environment	5k
Aidocean	Humanitarian	5k
Civil Protection	Humanitarian	5k
Ani'Nomade	Social	5k
ARD	Social	6k
Coco an Dlo	Educational	5k
SeaPlastics Association	Scientific	5k
Grand Largue	Social	5k
ARPROE	Environment	5k
SNSM	Maritime	2k
Ensemble et Différents	Social	5k
Follow Me Production	Educational	5k
WaterFamily	Environment	5k
Expedition 7^{e} Continent	Environment	5k
ENVOL	Social	5k
Coopilote Ta vie	Social	5k

7. DATA REVIEW

Business practices	2022	2023	Unit	Comments
Ethics and human rights				
Unethical incidents (#)	0	0	Number of	
Ethics training participation rate	N/A	76	%	
Number of people who attended cybersecurity training	N/A	421	Number of	
Corruption				
Proven incidents of corruption (#)	0	0		
Upstream corruption incidents (#)	0	0	Number of	

Social		2022	2023	Unit	Comments
Diversity and equal treatment					
Total workforce		557	572	Number of	
Workforce by type of contract		N/A	98	% permanent contracts	
Workforce by geographical area	Africa	N/A	11	%	
	Americas	N/A	7		
	Asia	N/A	45		
	Europe	N/A	37		
Workforce by type of contract	<30 years	N/A	14	%	
	30-40 years	N/A	40		
	40-55 years	N/A	35		
	>55 years	N/A	11		
% of male/female employees		44/56	45/55	%	
Percentage of women in management positions		44	44	%	
Percentage of women in Executive Management		N/A	67	%	
Share of employees with disabilities in the workforce		1	4	Number of	
Different nationalities		39	33	Number of	
Talent attraction and retention					
Promotion and internal mobility		44	56	Number of	
Share of seniors in the workforce		18%	11%	%	
Number of training hours		N/A	4,807	Hours	

Number of hires	N/A	80	Number of	
Turnover rate	N/A	15	%	
Social	2022	2023	Unit	Comments
Internal social climate				
Social conflict	0	0	Number of	
Occupational health and safety				
Workplace accidents with lost time	7	7	Number of	
Workplace accidents without lost time	N/A	4	Number of	
Average number of days of sick leave	N/A	4.7	Number of	
Adequate working conditions				
Peakon participation rate	90	87	%	
Peakon survey results (engagement score)	8	8	Score/10	
Environment	2022	2023	Unit	Comments
Pollution				
Environmental non-compliance	0	0	Number of	*Scope extended to MMAB and HMI (only TRAX in 2022)*
Pollution incidents	0	0	Number of	
Quantity of hazardous waste	27.3	48.62	Metric tons	
Greenhouse gases				
Scope 1 carbon footprint	266	434	Metric tons of CO_2e	*Scope extended to MMAB and HMI (only TRAX in 2022)*
Scope 2 carbon footprint	1,624	1,051	Metric tons of CO_2e	
Scope 3 carbon footprint	5,090	5,325	Metric tons of CO_2e	
Consumption of sensitive resources				
Energy consumption	3,170	3,745	MWh	*Scope extended to MMAB and HMI (only TRAX in 2022)*
Water consumption	13,937	19,111	m^3	
Chemical consumption	43.8	56.63	Metric tons	
Societal	2022	2023	Unit	Comments
CSR management of suppliers				

AVL supplier CSR incidents	0	0	Number of	
AVL supplier non-compliance	0	0	Number of	
Percentage of supplier factories ISO 14001 certified	67	69	%	
Share of suppliers having had a dedicated CSR audit	74	100	%	
Customer CSR expectations				
ICAPE complaint rate	1.6	1.37	%	
Number of ICAPE complaints	448	492	Number of	
CIPEM complaint rate	3.2%	2.59%	%	
Number of CIPEM claims	122	133	Number of	
Societal	2022	2023	Unit	Comments
Confidential data				
Number of personal data losses/leaks	0	0		
Societal commitments				
Share of local employees	87	89	%	
Sponsorship expenses *via* the ICAPE Planète Bleue foundation	€95 thousand	€95 thousand	€K	

8. METHODOLOGICAL NOTE

Reporting period:

This report covers the period from 1 January 2023 to 31 December 2023.

Reporting scope and change in scope:

The scope of this report covers the activities of the ICAPE Group and all subsidiaries that were part of the Group over the entire reporting period (*i.e.* from 1 January 2023 to 31 December 2023), *i.e.* 35 international subsidiaries in 22 countries. However, the exact scope differs according to the themes and indicators as described below.

For entities/subsidiaries acquired by the Icape Group during the reporting period, the rule is to try to include them in the non-financial reporting from the year of acquisition (if the acquisition took place early enough in the year and if the data are available), and if not, integrate them from the following financial year. Thus, for the 2023 financial year: FIMOR ELECTRONICS (2.27% of the workforce and 3% of revenue at 31/12/2022) acquired in February 2023 has been fully included in the non-financial reporting scope; PRINCITEC (1.5% of the workforce and 1.4% of revenue at 31/12/2023) acquired in September 2023 is not included in this report.

In more detail, the reporting scope according to the indicators is as follows:

- **Social indicators (workforce, training, accidents):** all entities already present at 31/12/2022 as well as FIMOR ELECTRONICS, *i.e.* **more than 98%** of the Group's workforce.

- **Energy consumption (and resulting Scope 1 & 2 GHG emissions)**: all entities already present at 31/12/2022 as well as FIMOR ELECTRONICS are included, *i.e.* **98.6%** of the Group's total revenue.

- **Other environmental data (water, raw materials, waste, refrigerants):** the Group's three factories (TRAX - MMAB - HMI) are included; these data are either not applicable or irrelevant for offices and logistics centres.

- **Scope 3 GHG emissions (downstream transport only):** all entities already present at 31/12/2022 as well as FIMOR ELECTRONICS are included, while the following entities (which are not integrated into SAP) are excluded: TRAX, ICAPE South Africa, ICAPE Denmark, and Lusodabel, *i.e.* **81.7%** of Group revenue.

A summary table comparing the scopes for the 2023 and 2022 SNFPs is presented below:

Entities	Financial year 31/12/2023		Financial year 31/12/2022	
	Scope of consolidation	SNFP scope	Scope of consolidation	SNFP scope
CIPEM DEUTSCHLAND	Yes	Yes	Yes	Yes
CIPEM FRANCE	Yes	Yes	Yes	Yes
CIPEM HONG KONG	Yes	Yes	Yes	Yes
CIPEM USA	Yes	Yes	Yes	Yes
DIVSYS FRANCE	N/A	N/A	Yes	Yes
DIVSYS USA	Yes	No	Yes	Yes
GIE CIPEM	Yes	Yes	Yes	Yes
GIE ICAPE	Yes	Yes	Yes	Yes
ICAPE AB	N/A	N/A	Yes	Yes
ICAPE BRAZIL	Yes	Yes	Yes	Yes
ICAPE CALIFORNIA	Yes	Yes	Yes	Yes
ICAPE CANADA	Yes	Yes	Yes	Yes
ICAPE CHANG AN EXPRESS	Yes	Yes	Yes	Yes
ICAPE CHINA	Yes	Yes	Yes	Yes
ICAPE CZECH REPUBLIC	Yes	Yes	Yes	No
ICAPE DENMARK	Yes	Yes	Yes	Yes
ICAPE DEUTSCHLAND	Yes	Yes	Yes	Yes
ICAPE FRANCE	Yes	Yes	Yes	Yes
ICAPE HOLDING	Yes	Yes	Yes	Yes
ICAPE HONG KONG	Yes	Yes	Yes	Yes
ICAPE HUNGARY	Yes	Yes	Yes	No
ICAPE IBERICA	Yes	Yes	Yes	Yes
ICAPE INDIA	Yes	Yes	Yes	Yes
ICAPE ITALIA	Yes	Yes	Yes	Yes
ICAPE JAPAN	Yes	Yes	Yes	Yes
ICAPE MALMO MONSTERKORT	Yes	Yes	Yes	No
ICAPE MEXICO	Yes	Yes	Yes	Yes
ICAPE NETHERLANDS	Yes	Yes	Yes	Yes
ICAPE POLSKA	Yes	Yes	Yes	Yes
ICAPE PORTUGAL	Yes	Yes	Yes	Yes
ICAPE RUSSIA	Yes	No	Yes	Yes
ICAPE SINGAPORE	Yes	Yes	Yes	Yes
ICAPE SOUTH AFRICA	Yes	Yes	Yes	Yes
ICAPE TRAX	Yes	Yes	Yes	Yes
ICAPE USA LLC	Yes	Yes	Yes	Yes
IDELEC	Yes	Yes	Yes	Yes
MMAB GROUP AB	N/A	N/A	Yes	No
PRINCITEC	Yes	No	N/A	N/A
SAFA 2000	Yes	Yes	Yes	Yes

Consolidation rules:

The Icape Group has financial and operational control over all subsidiaries included in the reporting scope; the data of all subsidiaries are therefore fully consolidated in the figures mentioned in this report.

Reporting tools:

Social data comes from the various human resources management tools and software used by the Icape Group (Factorial HRIS for workforce data, Workday Peakon for the results of internal satisfaction surveys); environmental data was collected from the Group's main entities (factories, main offices and logistics centres); most of the data required for Scope 3 (logistics data for product transportation) come from the SAP ERP.

Comparability of information:

The performance indicators published in this report are compared with the performance indicators for 2022, with the exception of new indicators for which there is no comparison.

Indicator definitions:

For each CSR indicator published in this report, the definition and/or calculation elements necessary for the proper understanding/interpretation of the data are provided in the body of the text or in a footnote throughout the report.

Additional information relating to the preparation of the greenhouse gas emission assessment (BEGES) Scope 1, 2 & 3 is provided below:

- in general, GHG emissions are calculated on the basis of available activity data (physical data such as energy consumption, or monetary data such as expenditure for purchases of products and services; actual data on database of invoices or extracted from the ERP, or estimated data for commuting, for example) and relevant standard/default emission factors from public databases (ADEME, US EPA, UK DEFRA);

- Scope 1 and Scope 2 GHG emissions were calculated on the basis of electricity, heating oil and natural gas consumption obtained from invoices (for small offices using no invoices, estimates were made - this concerns less than 1% of electricity consumption), and fuel consumption for company/service vehicles obtained from the ERP;

- emissions related to the transport of products to customers were calculated for each type of transport (air, sea, road) on the basis of the tonnages transported from the ERP and the estimated distances between the source location and the delivery points (obtained *via* specialised websites such as googlemaps.com, sea-distances.org or airmilescalculator.com). For FOB (Free On Board) transport for which the transfer of responsibility for products and transport takes place at the depot in Hong Kong, only first mile transport from suppliers to Hong Kong is included in the calculations, since it is then the customers who are responsible for transport and the modes of transport and final destinations are not known by ICAPE;

- emissions related to packaging for the transport of products were calculated on the basis of the quantities of packaging, themselves estimated from a standard packaging for a product and the total quantities of products delivered;

- waste-related emissions were calculated on the basis of the quantities of hazardous waste and the volumes of wastewater produced at our three factories (TRAX - MMAB - HMI).

9. VERIFICATION BODY'S REPORT

ICAPE

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated statement of non-financial performance

Financial year ended 31 December 2023
ICAPE
33, Avenue du Général Leclerc, 92 260 Fontenay-aux-Roses, France

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Tour Eqho
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CS 60055
92066 Paris la Défense Cedex

ICAPE

33, Avenue du Général Leclerc, 92 260 Fontenay-aux-Roses

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated statement of non-financial performance

Financial year ended 31 December 2023

To the Shareholders' Meeting of the Company,

In our capacity as Statutory Auditors of your Group (hereinafter "entity") appointed as an independent third party, or ITP ("third party"), accredited by COFRAC under number 3-1884, we carried out work to formulate a reasoned opinion expressing a conclusion of moderate assurance on the historical information (observed or extrapolated) of the consolidated statement of non-financial performance, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the financial year ended 31 December 2023 (hereinafter the "Information" and the "Statement" respectively), presented in the Group's management report in accordance with the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures we have implemented, as described in the "Nature and scope of the work" section, and the information we have collected, we have not identified any significant anomaly that would call into question the fact that the consolidated statement of non-financial performance complies with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented in accordance with the Guidelines.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- Reporting procedures need to be formalised further;

- As mentioned in the methodological note, the scope may vary depending on the indicators;

- Greenhouse gas emissions related to upstream transport activities are not presented in the Statement, as the reporting of this indicator could not be deployed by the Group as mentioned in Chapter 5.3 "Risk of insufficient climate change mitigation".

Preparation of the statement of non-financial performance

The absence of a generally accepted and commonly used reference framework or established practices on which to evaluate and measure the Information allows the use of different but acceptable measurement techniques that may affect comparability between entities and over time.

Consequently, the Information must be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement (or available on the entity's website or on request).

Limitations inherent in the preparation of the Information

As indicated in the Statement, the Information may be subject to inherent uncertainty in the state of scientific or economic knowledge and the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it and presented in the Statement.

Responsibility of the entity

Management is responsible for:

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators;
- preparing the Statement by applying the entity's Guidelines as mentioned above; as well as
- implementing the internal control procedures that it deems necessary to prepare the information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

Responsibility of the Statutory Auditor appointed as an independent third party

It is our responsibility, on the basis of our work, to issue a reasoned opinion expressing a conclusion of moderate assurance on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (recorded or extrapolated) provided in accordance with I and II of Article R. 225-105 (3) of the French Commercial Code, *i.e.* the results of the policies, including key performance indicators and actions relating to the main risks.

As we are responsible for making an independent conclusion on the Information as prepared by management, we are not authorised to be involved in the preparation of such Information as this could compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly with regard to the fight against corruption and tax evasion;
- the compliance of the products and services with the applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* relating to this intervention, in particular the technical opinion of the *Compagnie Nationale des Commissaires aux Comptes*, *Intervention of the Statutory Auditor, intervention of the ITP - Non-financial performance statement*, in lieu of verification programme, and the international standard ISAE 3000 (revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the French National Association of Statutory Auditors for this intervention.

Means and resources

Our work mobilised the skills of five people and took place between January and March 2024 over a total intervention period of three weeks.

To assist us in carrying out our work, we called on our specialists in sustainable development and social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement.

Nature and scope of work

We have planned and carried out our work taking into account the risk of material misstatement of the Information.

We believe that the procedures we have conducted, exercising our professional judgement, enable us to draw a conclusion of moderate assurance:

- we took note of the activity of all the entities included in the scope of consolidation and the description of the main risks;
- we assessed the appropriateness of the Guidelines with regard to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, where applicable, best practices in the sector;
- we verified that the Statement covers each category of information provided for in Article L. 225-102-1 III on social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion, and includes, where applicable, an explanation of the reasons justifying the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the information provided for in Article R. 225-105 II when it is relevant with regard to the main risks;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation, including, where relevant and proportionate, risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators relating to the main risks;
- we verified that the Statement includes a clear and reasoned explanation of the reasons justifying the absence of a policy concerning one or more of these risks in accordance with Article R. 225-105 I of the French Commercial Code;

we consulted documentary sources and conducted interviews to:

  - assess the process for selecting and validating the main risks as well as the consistency of the results, including the key performance indicators selected, with regard to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered to be the most important presented in the Appendix; Our work was carried out at the registered office of the consolidating entity;
  - we verified that the Statement covers the consolidated scope, *i.e.* all entities included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement;

- we reviewed the internal control and risk management procedures implemented by the entity and assessed the collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results that we considered to be the most important presented in the Appendix, we implemented:

– analytical procedures consisting of verifying the correct consolidation of the data collected as well as the consistency of their changes,

– detailed tests on the basis of sampling or other means of selection, consisting of verifying the correct application of definitions and procedures and reconciling the data with the supporting documents. This work was carried out at the entity's registered office and covered 100% of the consolidated data selected for these tests but also at the level of the main contributors when the indicator is not centralised;

- we assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures implemented as part of a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the French National Association of Statutory Auditors; a higher level of assurance would have required more extensive verification work.

Paris la Défense, 27 mars 2024

KPMG S.A.

Rémi Toulemonde Partner	Anne Garans ESG expert

Appendix

Qualitative information (actions and results) considered to be the most important
Anti-corruption measures
Mobility policies
Employee well-being assessment systems
Scope 3 GHG emissions
CSR criteria in contracts with suppliers

Key performance indicators and other quantitative outcomes considered to be the most important	Insurance level
Reported cases of unethical behaviour	Moderate
Turnover rate	Moderate
Percentage of women in management positions	Moderate
Number of workplace accidents with lost time	Moderate
Greenhouse gas emissions Scopes 1 & 2	Moderate
Water consumption	Moderate
Quantity of hazardous waste	Moderate
Percentage of supplier factories ISO 14001 certified	Moderate
Number of complaints (ICAPE and CIPEM)	Moderate

1. CONSOLIDATED FINANCIAL STATEMENTS

ICAPE GROUP

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2023

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(In thousands of euros)	Notes	31/12/2023	31/12/2022
Goodwill	4.1.0	23,667	20,907
Intangible assets	4.1.1	23,269	16,438
Property, factory and equipment	4.1.2	3,755	3,744
Rights of use	4.1.3	5,721	6,982
Non-current financial assets	4.2	559	520
Deferred tax assets	4.10	1,218	1,599
Other non-current assets		5	245
Total non-current assets		**58,194**	**50,434**
Current financial assets		1	1
Inventory and work-in-progress	4.3	11,357	13,856
Trade and other receivables	4.4	41,888	45,297
Other current assets	4.5	1,507	1,156
Cash and cash equivalents	4.6	32,747	27,988
Total current assets		**87,500**	**88,298**
Total non-current assets and groups of assets held for sale	4.12	**5,149**	**6,009**
Total assets		**150,843**	**144,741**
Share capital	4.7.1	3,235	3,235
Share premiums		16,912	16,912
Treasury shares	4.7.3	(329)	(196)
Translation differences		20	272
Other reserves (including other non-recyclable comprehensive income)		7,055	2,747
Net result for the year		4,482	5,476
Total equity, Group share		**31,375**	**28,447**
Non-controlling interests		312	623
Total equity		**31,687**	**29,070**
Borrowings and financial debt	4.9	32,263	14,555
Non-current lease liabilities	4.9	4,386	5,703
Employee benefit obligations	4.8	483	456
Deferred tax liabilities	4.10	3,008	2,976
Other non-current liabilities		297	297
Total non-current liabilities		**40,436**	**23,987**
Borrowings and bank overdrafts	4.9	20,983	21,529
Current lease liabilities	4.9	1,870	1,808
Trade and other payables	4.11	48,664	56,550
Current tax liabilities		1,053	1,789
Other current liabilities	4.12	4,522	6,540
Total current liabilities		**77,089**	**88,215**
Total liabilities related to a group of assets held for sale	4.13	**1,630**	**3,469**
Total liabilities		**119,156**	**115,672**
Total liability		**150,843**	**144,741**

CONSOLIDATED STATEMENT OF NET INCOME

(In thousands of euros)	Notes	31/12/2023	31/12/2022
Revenue	3.1	179,541	219,644
Consumables purchased		(121,108)	(157,422)
External expenses	3.2	(18,509)	(20,552)
Employee benefits expense	3.3	(25,835)	(26,514)
Taxes and charges	3.4	(393)	(241)
Other operating income and expenses		51	(353)
EBITDA (*)		**13,748**	**14,562**
Operating depreciation charge	3.5	(3,753)	(3,737)
EBITA (*)		**9,995**	**10,825**
Depreciation charge of intangible assets related to acquisitions	3.5	(1,075)	(867)
Net income (loss) from continuing operations		**8,920**	**9,959**
Gains and losses on disposal of consolidated investments		(0)	(50)
Other operating income and expenses	3.6	(350)	123
Net income (loss) from operations		**8,570**	**10,032**
Cash income and expenses		(147)	(446)
Cost of gross financial debt	3.7	(1,579)	(524)
Cost of net financial debt		**(1,726)**	**(970)**
Other financial income and expenses	3.8	(552)	(1,358)
Income before tax		**6,292**	**7,703**
Income tax	3.9	(1,059)	(439)
Net income from operations held for sale or discontinued operations	3.11	(1,003)	(1,974)
Net income		**4,230**	**5,291**
Group share		**4,482**	**5,476**
Share of non-controlling interests		**(252)**	**(185)**
Earnings per share, Group share	3.10	**€0.55**	**€0.80**
Diluted earnings per share, Group share	3.10	**€0.55**	**€0.80**

(*) EBITDA and EBITA are part of the business management indicators used to measure the Group's operating performance, see note 2.5.15.

STATEMENT OF NET INCOME AND OTHER COMPREHENSIVE INCOME

(In thousands of euros)	31/12/2023	31/12/2022
Net result for the year	**4,230**	**5,291**
Translation differences	(311)	73
Other comprehensive income that may subsequently be reclassified to net income	**(311)**	**73**
Revaluation of net liabilities of defined benefit plans	93	284
Deferred taxes related to the revaluation of net liabilities of defined benefit plans	(23)	(71)
Other comprehensive income that may not subsequently be reclassified to net income	**70**	**213**
TOTAL COMPREHENSIVE INCOME	**3,989**	**5,577**
Comprehensive income, Group share	4,300	5,746
Comprehensive income, Share of non-controlling interests	(311)	(169)

CONSOLIDATED CASH FLOW STATEMENT

(In thousands of euros)	**Notes**	**31/12/2023**	**31/12/2022**
Net income		4,230	5,291
Adjustments			
Elimination of depreciation, amortisation and provisions		5,399	3,298
Elimination of gains and losses on disposal and dilution gains and losses		(20)	141
Calculated income and expenses related to share-based payments		-	51
Cash flow after cost of net financial debt and tax		**9,609**	**8,781**
Elimination of tax expense (income)		1,059	439
Elimination of the cost of net financial debt		1,726	970
Cash flow before cost of net financial debt and tax		**12,395**	**10,190**
Change in working capital requirement	5.1	(1,174)	(6,714)
Impact of the change in loan issuance costs		(873)	(243)
Taxes paid		(2,118)	(271)
Cash flow from operating activities		**8,229**	**2,961**
Acquisition of operating assets and subsidiaries, less cash acquired	4.1.0	(11,214)	(16,513)
Acquisition of property, factory and equipment and intangible assets		(1,621)	(4,536)
Acquisition of financial assets		1	-
Change in loans and advances granted		(19)	219
Disposal of property, factory and equipment and intangible assets		174	403
Other cash flows related to investing operations		(2,500)	-
Cash flow from investment activities		**(15,179)**	**(20,428)**
Capital increase		0	17,678
Net disposal (acquisition) of treasury shares	4.7.3	(133)	(196)
Borrowings	4.9	45,578	16,020
Repayment of borrowings	4.9	(30,346)	(13,537)
of which repayment of borrowings IFRS 16	4.9	*(2,087)*	*(2,019)*
Financial interest paid		(1,654)	(946)
of which net financial interest paid IFRS 16		*(217)*	*(244)*
Dividends paid to Group shareholders		(1,614)	-
Cash flow from financing activities		**11,832**	**19,020**
Impact of exchange rate fluctuations (*)		(300)	713
Impact of the application of IFRS 5		160	(220)
Change in cash		**4,743**	**2,046**
Cash and cash equivalents	4.6	27,988	26,006
Bank loans (passive cash)	4.9	(47)	(109)
Opening cash position		**27,941**	**25,897**
Cash and cash equivalents	4.6	32,747	27,988
Bank loans (passive cash)	4.9	(63)	(47)
Closing cash		**32,684**	**27,941**

(*) includes mainly changes in exchange rates related to USD amounting to €(233) thousand in 2023, +€450 thousand in 2022.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of euros)	***Number of shares***	**Share capital**	**Share premiums**	**Treasury shares**	**Translation differences**	**Other reserves (including other non-recyclable comprehensive income)**	**Net result for the year**	**Total equity, Group share**	**Non-controlling interests**	**Total equity**
Position at the end of the financial year December 2021	***229,086***	**2,291**	**327**	**-**	**215**	**32**	**2,451**	**5,316**	**693**	**6,009**
Result for the period							*5,476*	*5,476*	*(185)*	*5,291*
Other comprehensive income					*57*	*213*	*-*	*270*	*16*	*286*
Comprehensive income					**57**	**213**	**5,476**	**5,746**	**(169)**	**5,577**
Allocation of results and dividends distributed						2,451	(2,451)	-		-
Change in scope and shareholding rate								-	99	99
Share buyback programme				(196)				(196)		(196)
Payments in shares						51		51		51
Capital increase	*2,361,032*	944	16,585					17,529		17,529
Miscellaneous (*)	*5,498,064*							-		-
Position at the end of the financial year December 2022	***8,088,182***	**3,235**	**16,912**	**(196)**	**272**	**2,747**	**5,476**	**28,447**	**623**	**29,070**
Result for the period							*4,482*	*4,482*	*(252)*	*4,230*
Other comprehensive income					*(252)*	*70*	*-*	*(182)*	*(59)*	*(241)*
Comprehensive income					**(252)**	**70**	**4,482**	**4,300**	**(311)**	**3,989**
Allocation of results and dividends distributed						3,862	(5,476)	(1,614)		(1,614)
Change in scope and shareholding rate								-		-
Share buyback programme				(133)				(133)		(133)
Payments in shares						-		-		-
Capital increase			-					-		-
Miscellaneous						375		375	(0)	375
Position at the end of the financial year December 2023	***8,088,182***	**3,235**	**16,912**	**(329)**	**20**	**7,055**	**4,482**	**31,375**	**312**	**31,687**

(*) Division of the par value of one share by 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

1. GENERAL INFORMATION AND HIGHLIGHTS

1.1 General information

The ICAPE Group (known after as the "Group") is made up of the financial holding company ICAPE HOLDING (known after as the "Company") and 35 subsidiaries around the world, specialising in the production of printed circuit boards and customised technical parts since 1999.

Its main subsidiaries are located in Germany, the United States, France and Hong Kong.

ICAPE HOLDING, a French public limited company (*société anonyme*) governed by French law, is the consolidating entity of the Group. Its registered office is located at 33, Avenue du General Leclerc, 92260 Fontenay-Aux-Roses, France.

The consolidated financial statements reflect the accounting position of ICAPE HOLDING and its subsidiaries.

1.2 Highlights

Acquisitions:

On 15 February 2023, the Group acquired all of the share capital of FIMOR ELECTRONICS, a French company specialising in the trading of customised technical parts, which represents 80% of its revenue. The company also has a factory specialising in the manufacturing of human-machine interface solutions, which is the company's second-largest activity and generates 20% of its annual revenue. The company has of a portfolio of 350 customers, mainly from the medical, automotive, high technology or telecommunications sectors. Its revenue amounted to €6.2 million in 2022.

On 29 May 2023, the Group acquired the operating assets of HEISSENBERGER LEITERPLATTENTECHNIK ("HLT"), a German distributor of printed circuit boards. This acquisition, which includes customers associated with HLT's distribution of printed circuit boards business, aims to consolidate the Group's presence in the German market. Its revenue amounted to €4.1 million in 2022.

On 13 September 2023, the Group acquired all of the share capital of PRINCITEC, a German company specialising in the distribution of printed circuit boards. With a base of 35 active customers mainly located in Germany. Its revenue amounted to €6.5 million in 2022.

On 29 September 2023, the Group acquired the operating assets of the American companies PCB SOLUTIONS, NUJAY TECHNOLOGIES and USTEK INCORPORATED, all specialised in the trading of printed circuit boards. Established in the United States through its subsidiary ICAPE USA for the distribution of PCBs and its subsidiary CIPEM USA for services related to technical parts, the Group is significantly strengthening its presence in this major market. In 2022, these three companies generated cumulative annual revenue of more than $5 million.

On 24 November 2023, the Group also acquired the operating assets of BORDAN ELECTRONIC CONSULT, a German company specialising in the design of "tailor-made" technical parts. The Group is finalising the establishment of its CIPEM activity in Germany *via* this transaction. In 2022, the company generated revenue of €0.9 million.

Financing:

To refinance the acquisition price of the MMAB Group, the Company asked Crédit Agricole, HSBC, BNPP and Crédit du Nord for confirmation of the Capex Loan, which was confirmed on 31 January 2023 and was fully drawn down in the amount of €10 million.

On 22 June 2023, the Group obtained an International Growth loan from BPI in the amount of €5 million to finance its external growth.

On 13 September 2023, the Group obtained a loan from CIC in the amount of €2 million to partially finance the acquisition of 100% of the shares of PRINCITEC.

On 20 December 2023, the Group also announced the establishment of financing with a pool of nine European banks, as well as the issuance of Relance Bonds. The financing transaction consists of a refinancing loan for a total amount of €21 million and an external growth credit line of €40 million, of which €20 million confirmed but not drawn. to date. Lastly, the Group issued €6 million in Relance Bonds subscribed by the Obligations Relance France fund, an investment managed by Tikehau Capital.

Governance:

On 19 June 2023, the Board of Directors appointed Yann Duigou, previously Group Chief Marketing Officer, as Group Chief Executive Officer following the resignation of Cyril Calvignac. In addition, the Board of Directors decided to strengthen the Group's Executive Management with the appointment of two new Deputy Chief Executive Officers, namely Arnaud Le Coguic, who becomes Group Chief Financial Officer, and Bingling Li Sellam, who replaces Yann Duigou, as Chief Marketing Officer. Shora Rokni, Deputy Chief Executive Officer, sees her scope of responsibility focused on the Group's acquisition and integration strategy. The Group's General Management is composed of a Chief Executive Officer, supported by five Deputy Chief Executive Officers.

2. ACCOUNTING PRINCIPLES AND VALUATION METHODS

2.1 Basis of preparation of the financial statements

2.1.1 Context of publication of the consolidated financial statements and statement of compliance

The ICAPE Group's consolidated financial statements were prepared in accordance with IFRS (International Financial Reporting Standards) as published by the IASB (International Accounting Standards Board) and adopted by the European Union as of 31 December 2023.

This set of consolidated financial statements covering the financial year ended 31 December 2023 was examined by the Audit and Risk Committee on 21 March 2024 and approved by the Board of Directors on 26 March 2024.

2.1.2 Functional and reporting currency

The consolidated financial statements are presented in euros, which is also the functional currency of the financial holding company, ICAPE HOLDING. Unless otherwise indicated, the consolidated financial statements are presented in thousands of euros, after rounding.

2.1.3 Applicable standards

The Group's consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union, based on the standards and interpretations applicable as of 31 December 2023. The IFRS reference document includes the IFRS standards of the IASB (International Accounting Standards Board), the IAS (International Accounting Standard), as well as their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

In accordance with IFRS 1, these standards and amendments are applied for the financial year ended 31 December 2023.

New mandatory implementing texts in 2023
The standards and amendments published in the Official Journal of the European Union with mandatory application from 1 January 2023 are as follows:

- Amendments to IAS 1 - Disclosure of accounting policies;
- Amendments to IAS 8 - Definition of accounting estimates;
- Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from the same transaction and international tax reform (Pillar 2);
- IFRS 17 - Insurance contracts (replacing IFRS 4).

The application of these standards and amendments from 1 January 2023 has no significant effect on the Group's financial statements.

New texts not applied in advance by the Group
IFRS standards and amendments not applied in advance by the Group are as follows:

- Amendment to IAS 1 - Classification of liabilities as current or non-current - effective 1 January 2024 according to the IASB;
- Amendment to IFRS 16 - Lease liabilities under sale-leaseback agreements - effective 1 January 2024 according to the IASB.

At this stage, the Group does not anticipate any significant impact on its financial statements as a result of the application of these standards and amendments.

Other standards and amendments not yet adopted by the European Union
In addition, the IASB has published new standards and amendments not yet adopted by the European Union:

- Amendment to IAS 7 - Supplier financing agreements - effective 1 January 2024 according to the IASB;
- Amendment to IAS 21 - Effects of changes in foreign exchange rates (no convertibility) - effective 1 January 2024 according to the IASB.

At this stage, the Group does not anticipate any significant impact on its financial statements as a result of the application of these standards and amendments.

2.2 Basis of valuation

The consolidated financial statements are prepared on the basis of historical cost, except for assets and liabilities measured at fair value.

2.3 Use of judgements and estimates

The preparation of the financial statements requires the Group's management to make estimates and assumptions that have an impact on the amounts of assets and liabilities recorded in the consolidated balance sheet, the amounts of expenses and income in the income statement as well as the information given in the appendices.

Estimates and underlying assumptions are reviewed on a regular basis. Revisions to estimates are accounted for prospectively. These assumptions are determined on a going concern basis based on the information available at the date of they are prepared. At each reporting date, these assumptions and estimates may be revised if the circumstances on which they were based have changed or if new information becomes available to senior managers. It is possible that future results may differ from these estimates and assumptions.

The main accounting judgements and estimates made by management when preparing the financial statements relate in particular to:

- determining the recoverable amount of non-current assets (see Note 2.5.4);
- determining the amount of identifiable assets and liabilities in the context of business combinations (see Note 2.5.1);
- determining the impairment of trade receivables (see Note 2.5.10);
- determining lease terms with regard to the optional periods of property contracts (see Note 2.5.7);
- recognising deferred tax assets (see Note 2.5.19.3);
- determining retirement benefit obligations (see Note 2.5.13).

2.4 Accounting principles

2.4.1 **Consolidation scopes and methods**

Companies controlled by the Group are consolidated.

The Group controls a subsidiary when it is exposed or entitled to variable returns from its ties with the entity and has the ability to influence these returns through its power over it.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ceases.

The accounting policies of the subsidiaries are modified if necessary to bring them into line with those adopted by the Group.

Reciprocal transactions as well as reciprocal assets and liabilities between consolidated companies and results of internal transactions with controlled companies are eliminated in full.

2.4.2 **Conversion into foreign currencies**

The financial statements of each of the Group's consolidated companies are prepared in the functional currency, i.e. in the currency of the economic environment in which the company operates, which is generally the local currency of the country. No country where the subsidiaries are located was considered hyperinflationary during the periods presented.

The financial statements of companies whose functional currency is not the euro are converted into euros at the closing exchange rate for assets and liabilities on the balance sheet and at the average exchange rate for the period for income statement and cash flow items in the absence of significant exchange rate fluctuations. Translation differences generated are initially recognised in other comprehensive income and maintained in equity, under translation differences.

The conversion rates used to convert the financial statements of companies whose functional currency is not the euro are as follows:

	Closing rate 2023	Average rate 2023	Closing rate 2022	Average rate 2022
BRL Brazilian Real	5.3618	5.4016	5.6386	5.4432
CAD Canadian Dollar	1.4642	1.4596	1.4440	1.3703
CNY Chinese Yuan	7.8509	7.6591	7.3582	7.0801
CZK Czech Koruna	24.7240	24,0006	24.1160	24.5602
DKK Danish Krone	7.4529	7.4510	7.4365	7.4396
EUR Euro	1.0000	1.0000	1.0000	1.0000
HUF Hungarian Forint	382.8000	381.7583	400.8700	390.9442
INR Indian Rupee	91.9045	89.3249	88.1710	82.7145
JPY Japanese Yen	156.3300	151.9425	140.6600	138.0050
MXN Mexican Peso	18.7231	19.1897	20.8560	21.2046
PLN Polish Zloty	4.3395	4.5421	4.6808	4.6845
RUB Russian Ruble	102.0620	92.3156	78.8640	74.3264
SEK Swedish Krona	11.0960	11.4728	11.1218	10.6274
SGD Singapore Dollar	1.4591	1.4523	1.4300	1.4520
USD US Dollar	1.1050	1.0816	1.0666	1.0539
ZAR South African Rand	20.3477	19.9544	18.0986	17.2097

Transactions carried out by Group entities in foreign currencies are converted into euros at the exchange rate prevailing on the transaction date. At the end of the period, monetary financial assets and liabilities denominated in foreign currencies are converted into euros at the exchange rate at the end of the period. The resulting foreign exchange gains and losses are presented in other financial income and other financial expenses in the income statement.

2.5 Valuation methods and rules

2.5.1 Business combination

The Group recognises business combinations using the acquisition method in accordance with IFRS 3 "Business combinations".

At the acquisition date, goodwill corresponds to:

- the fair value of the consideration transferred; plus
- the amount recognised for any non-controlling interest in the acquired business (either at their fair value or at their share in the fair value of the identifiable net assets), if any; plus
- the net amount recognised (generally at fair value) for the identifiable assets acquired and liabilities assumed;
- when the difference is negative (Badwill), a gain on the acquisition is immediately recognised in profit under “Other operating income”.

The consideration transferred corresponds to the fair value, at the acquisition date, of the assets transferred, liabilities incurred and/or equity instruments issued in exchange for control of the acquired entity. Any price adjustments corresponding to debt instruments are determined at their fair value at each closing date.

Costs directly attributable to the acquisition such as due diligence and other related fees are recognised as an expense when incurred.

As from the end of the period for allocating the purchase price, which occurs no later than one year from the acquisition date, any change in the fair value of any earn-out is recognised in profit or loss. Within the allocation period, changes in this fair value explicitly linked to events after the acquisition date are also recognised in the income statement under “Other operating income and expenses”. Other changes are recognised against goodwill.

2.5.2 Intangible assets

Intangible assets, excluding goodwill, are valued at acquisition cost minus accumulated amortisation and impairment losses.

Intangible assets are customer relationships, licences and software.

Development costs, *i.e.* from the application of research results to a plan or model for the production of new or substantially improved products and processes, are recognised as non-current assets if, and only if, they meet the following criteria defined by IAS 38 “intangible assets”:

- the project is clearly defined and the costs are separately identified and reliably measured;

- the technical and industrial feasibility of the project is demonstrated;
- the project is intended to be completed and the resulting intangible asset used and marketed;
- the Group is able to use or sell the intangible asset resulting from this project;
- the Group can demonstrate how the project will generate future economic benefits;
- the Group has adequate technical, financial and other resources to complete the project and use or sell the intangible asset resulting from this project.

When these conditions are not met, development costs incurred by the Group are recognised as expenses in the financial year in which they are incurred.

The costs incurred in respect of the 2023 financial year are not material.

The main useful lives of the various categories of intangible assets are as follows:

	Depreciation period
Customer relations(1)	8 to 20 years
Software	3 to 5 years
Concessions and patents	3 to 5 years

(1) The amortisation period of customer relations is based on an analysis of the attrition rate.

2.5.3 **Property, factory and equipment**

Property, factory and equipment are recognised at their acquisition or production cost, minus investment subsidies, accumulated depreciation losses and any accumulated impairment losses. Borrowing costs are not included in the cost of non-current assets if there is no qualifying asset.

Depreciation of property, factory and equipment is generally determined on a straight-line basis over the useful life of the asset.

For complex non-current assets consisting of various components, including certain buildings, each component of the asset is depreciated over its own useful life.

The main useful lives of the various categories of property, factory and equipment are as follows:

	Depreciation period
Buildings	20 to 50 years
Technical installations, equipment & tools	5 to 15 years
General installations, fixtures and fittings	3 to 10 years
Transport equipment	4 to 5 years
Office and IT equipment	3 to 10 years

The depreciation start date is the date on which the asset is commissioned.

2.5.4 **Goodwill impairment test and non-current assets**

Goodwill and intangible assets with an indefinite useful life or not yet ready to be commissioned are not amortised and are tested for impairment at least once a year at the reporting date but also at any time if there are any indicators of impairment in accordance with IAS 36.10 (a).

Other assets are tested for impairment if there are any indicators of impairment.

Goodwill and non-current assets are tested at the level of each Cash Generating Unit (CGU) which they are allocated to, *i.e.* the smallest identifiable group of assets whose continued use generates inflows of cash that are separate from cash inflows from other assets or groups of assets.

The structure of CGUs is determined at the countries or group of countries level, where applicable, when it constitutes a homogeneous group generating identifiable flows by type of product sold on the same market. The Group has identified five CGUs corresponding to its operating segments.

When the carrying amount of the CGU exceeds its recoverable amount, an impairment loss is recognised.

- This impairment is recognised in “Other operating income and expenses”. It is first allocated to reduce the carrying amount of any goodwill allocated to the CGU, then to reduce the carrying amounts of other tangible and intangible assets of the CGU in proportion to their carrying amount. This allocation of impairment may not result in the carrying amount of the asset falling below its fair value.
- The recoverable amount of the CGUs is the higher of the fair value less the costs of disposal and the value in use.

- Value in use corresponds to the present value of the sum of future cash flows before financial items, arising from the continued use of an asset or a CGU and the cash flows generated on the disposal of the asset.

The discount rate is the expected market rate of return for an equivalent investment, specific to each geographical area, regardless of the sources of financing. These discount rates are after-tax rates applied to after-tax cash flows. Their use results in the determination of recoverable amounts identical to those obtained using pre-tax rates applied to non-taxed cash flows.

The asset is valued in its current state, without taking into account the cash flows likely to be generated by performance and capacity investments as well as restructuring not committed at the end of the reporting period.

Impairment recognised in respect of goodwill may not be reversed. As for other assets, the carrying amount, increased by an impairment reversal, may not exceed the carrying amount which would have been measured, net of amortisation and depreciation charges, if no impairment had been recognised.

The result of the IAS 36 impairment test carried out for the 2023 financial year did not result in any impairment of assets.

The IAS 36 tax rate is based on the 2024 budget approved by the Board of Directors on 13 December 2023 with a projection over four additional years, with an annual growth rate of 10% equivalent to the Group’s organic growth, and taking into account the following actuarial assumptions:

Assumptions	PCB Americas	PCB Northern Europe	PCB Southern Europe	PCB Asia and the Rest of the World	CIPEM Tech Parts
Perpetual growth rate	2.50%	2.50%	2.50%	2.50%	2.50%
WACC per CGU	10.48%	10.81%	11.18%	10.90%	11.17%
Projection	5 years	5 years	5 years	5 years	5 years

2.5.5 **Non-current assets (or group of assets) held for sale, discontinued operations, discontinued operations or operations in the process of being sold**

The Group applies IFRS 5 - Non-current assets held for sale and discontinued operations, which requires specific recognition and presentation of assets (or group of assets) held for sale and discontinued operations, or operations in the process of being sold.

Non-current assets, or groups of directly related assets and liabilities, are considered to be held for sale if their carrying amount is recovered primarily through a sale rather than through continued use. For this to be the case, the asset (or group of assets) must be available for immediate sale and its sale must be highly probable. These assets cease to be depreciated once they are classified as assets (or group of assets) held for sale. They are presented on a separate line of the balance sheet, without restatement of prior periods.

The loss of control of a subsidiary, or a discontinued operation or activity in the process of being sold, is defined as a component of an entity with cash flows that are independent of the rest of the entity and which represents a line of business or a main and distinct region. The result of these activities is presented on a separate line of the income statement.

2.5.6 **Grants**

Investment grants are presented in the balance sheet as a deduction from the amount of the asset for which they were received. They are initially recognised at fair value if there is reasonable assurance that they will be received and that the Group will comply with the conditions which apply.

Grants that offset expenses incurred by the Group are recognised in profit or loss in the period in which the expenses are recognised. They are recognised as a deduction from the related expenses.

2.5.7 **Leases**

Under IFRS 16 “Leases”, a contract or part of a contract is or contains a lease if it grants the right to control the use of an identified asset for a certain period, in exchange for consideration.

As a lessee, the Group recognises a right-of-use asset and a lease liability at the start of the lease. However, the Group applies the exemptions provided for by the standard for short-term contracts (duration less than or equal to 12 months) or those relating to low-value assets.

Leases mainly concern property leases (mainly for head offices and commercial offices) as well as the leases of passenger vehicles and IT equipment.

In accordance with IFRS 16, the treatment applied is as follows:

- the "right-of-use" asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. Right-of-use assets are amortised over the term of the contract, which generally corresponds to the non-cancellable term of the contract adjusted for the intervals covered by any extension option that the lessee is reasonably certain to exercise and any termination option that the lessee has reasonable certainty that it will not exercise;

- the lease liability is initially measured at the present value of lease payments not yet paid at the start of the contract. The discount rates used correspond to the interest rate implicit in the contracts for leased passenger vehicles with a purchase option and on the basis of incremental borrowing rates (based on the terms) for passenger vehicles under leases without a purchase option, computer equipment and commercial leases;
- the lease liability is then increased by the interest expense and reduced by the amounts of rent paid. It is reassessed if there are changes to future rents due to an altered index or rate, a new estimate of the amount expected to be paid under the terms of a residual value guarantee or, where applicable, a reassessment due to the exercising of an option to purchase, a renewal or the non-exercise of a termination option (which then become 'reasonably certain').

The Group has exercised its judgement to determine the duration of leases containing an option to renew. The fact that the Group has deemed it to be 'reasonably certain' that such options will be exercised as an impact on the rental period used and significantly influences the amount of the rental liability and the right-of-use asset recognised in the financial statements.

Related deferred taxes are recognised on the difference between assets and liabilities related to lease restatements.

2.5.8 **Stock**

The Group sources its finished products from external suppliers, mainly in China.

Inventories of materials and goods are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale.

The cost of stock includes all acquisition costs including transport and other costs incurred to transport the stock to the location and in the state it is found.

When the probable net realisable value is lower than the cost price, a provision for impairment is recorded.

The Group's inventories mainly consist of inventories of goods en route (in transit) to the customer at the balance sheet date.

Finished product inventories and work in progress are not material.

2.5.9 **Financial instruments**

A financial asset or financial liability is initially measured at fair value plus (minus for a "liability"), for an item that is not at fair value through profit or loss, the transaction costs directly related to its acquisition or issue.

At initial recognition, a financial asset is classified as being measured at amortised cost, at fair value through other comprehensive income - debt instrument, at fair value through other comprehensive income - equity securities, or at fair value through profit or loss. Financial liabilities are classified as either at amortised cost or at fair value through profit or loss.

The Group has thus classified:

- its trade receivables and deposits and guarantees and other loans at amortised cost;
- its borrowings, other financial liabilities and trade payables at amortised cost using the effective interest rate method ("EIR"): on the day they are issued, borrowings are recognised at the fair value of the consideration given, which normally corresponds to the cash received, net of the related issue costs. Redemption premiums and issue costs are thus recognised in profit or loss on a staggered (actuarial) basis *via* the EIR method.

When a derivative is designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The effective portion of the change in the fair value of the derivative, which is recognised in other comprehensive income, is limited to the cumulative change in the discounted fair value of the hedged item, as soon as the hedge is in place. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The Group has not implemented cash flow hedging policies as defined in IFRS 9.

2.5.10 **Trade and other receivables**

Trade receivables are initially recognised at their transaction price (within the meaning of IFRS 15) which does not include a significant financing component given the short payment terms.

The impairment of trade receivables is based on two methods:

- a statistically-based collective method to reflect expected credit losses over the life of the receivables, including unmatured receivables, in accordance with IFRS 9;
- an individual method under which an impairment is recognised when there is an objective indicator of the Group's inability to recover all amounts due under the conditions initially provided for at the time of the transaction.

As part of the customer recovery process, a weekly review of the customer balance is carried out, and actions are taken as soon as payment arrears are noted. In the case of a delay of 15 days or more, the possible suspension of any shipping to the customer concerned or of advance payment is studied on a case-by-case basis. In the case of a delay of 60 days or more, a declaration is made to the credit insurance company, which covers the risk of non-payment.

2.5.11 **Cash and cash equivalents**

This item includes cash and current bank accounts.

Bank overdrafts are excluded from cash and cash equivalents and are presented under current financial liabilities.

2.5.12 **Current and non-current provisions**

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognised when the Group has a legal or constructive obligation to a third party and it is probable or certain that it will result in an outflow of resources for the benefit of this third party.

2.5.13 **Employee benefits**

Defined-contribution plans correspond to general and special social security plans. The contributions to be paid to are recognised as expenses when the corresponding service is rendered.

Defined benefit plans correspond to retirement payments. Defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. These obligations are not financed through external management.

When the plan provides for the payment of an allowance to the employee, if he/she is present at the date of his/her retirement, the amount of which depends on the length of service and is capped at a certain number of years of service, the commitment is only for the years of service preceding retirement for which the employee generates a right to the benefit.

Remeasurements of the net defined-benefit liability (actuarial gains and losses) are recognised immediately in “other comprehensive income”. The Group determines the interest expense by applying the discount rate used to value the defined benefit obligations to the liability determined at the beginning of the financial year. This liability is adjusted if necessary for any change resulting from the payment of benefits during the period.

When the benefits of the plan are modified, or if a plan is curtailed, the impact associated with past services rendered by employees or the gain (loss) related to the plan curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the wind-up of a defined benefit plan at the time the wind-up occurs.

2.5.14 **Revenue**

The ICAPE Group’s business consists of two product categories:

- trade in printed circuit boards (PCB - Printed Circuit Boards) by "ICAPE" entities;
- trading in technical parts (Tech Parts) such as cables and connectors, adapters, batteries, keyboards, screens, remote controls, etc., carried out by "CIPEM" entities.

Revenue is determined according to the transfer of control on the delivery date as defined by the Incoterms.

Product prices are fixed amounts:

- without variable considerations (no discounts, reductions or rebates are granted);
- without a significant financing component, with payments for services once delivery has been made.

2.5.15 **EBITDA, EBITA and net income (loss) from continuing operations**

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) corresponds to net income (loss) from continuing operations before (i) depreciation and amortisation (on fixed assets and current assets), and (ii) depreciation and amortisation of intangible assets related to acquisitions.

EBITA (Earnings Before Interest, Taxes and Amortisation) corresponds to net income (loss) from continuing operations before (i) amortisation of intangible assets related to acquisitions.

Net income (loss) from continuing operations is the difference between a company’s operating income and expenses. It corresponds to the profit realised as a result of the usual use of the Company’s factors of production. It is, therefore, the net income (loss) from operations before other non-recurring operating income and expenses.

These three financial aggregates are key indicators for measuring the Group’s operational performance.

2.5.16 **Cost of net financial debt**

The cost of net financial debt is mainly composed of interest expenses paid to banking institutions and interest expenses on lease liabilities.

2.5.17 **Other operating income and expenses**

To improve the comparability of financial years, the Group has decided to isolate the non-current items of Net income (loss) from operations and show “net income (loss) from continuing operations”.

These expenses and income result from major events occurring during the accounting period and likely to distort the interpretation of the Company's performance. This means a very limited number of unusual, abnormal and infrequent income or expenses of a particularly significant amount - which the Company presents separately in profit or loss to facilitate understanding of current operating performance and to enable the reader of the financial statements to have information that is useful for estimating results, in accordance with the principle of relevance of information of the conceptual framework.

They are presented in Note 3.6 and mainly include:

- impairment of property, factory and equipment, intangible assets or goodwill resulting from impairment tests;
- badwill;
- capital gains or losses on the disposal of assets;
- provisions for significant disputes that are unusual or unforeseeable by their nature.

2.5.18 **Other financial income and expenses**

Other financial income and expenses mainly include foreign exchange income and the effects of discounting provisions for defined benefit plans.

2.5.19 **Income tax**

2.5.19.1 Income tax expense

Income tax includes current and deferred tax. It is recognised in profit or loss unless it relates to a business combination or to items that are recognised directly in equity or in other comprehensive income.

Tax assets and tax liabilities are offset if certain criteria are met, in accordance with IAS 12.
The contribution on the value added of companies (CVAE) is treated as income tax.

2.5.19.2 Taxes payable

Current tax includes the estimated amount of tax due (or receivable) in respect of taxable profit (or loss) for a period and any adjustment to the amount of tax payable in respect of previous periods. The amount of current tax due (or receivable) is determined on the basis of the best estimate of the amount of tax that the Group expects to pay (or receive) reflecting, where applicable, the uncertainties related to it. It is calculated on the basis of the tax rates that have been adopted or almost adopted at the reporting date.

2.5.19.3 Deferred taxes

In accordance with IAS 12 "Income Taxes", deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities and their tax values (subject to exceptions). They are calculated on the basis of the most recent tax rates adopted or almost adopted at the balance sheet date, applied according to the timing of reversal of temporary differences.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and tax credits only to the extent that it is probable that the Group will have future taxable profits against which they can be offset. Future taxable profits are measured against the reversal of taxable temporary differences. If the amount of temporary differences is not sufficient to recognise the full amount of a deferred tax asset, the future taxable profits, adjusted for the reversal of temporary differences, are measured against the business plan of each of the Group's subsidiaries. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available. These reductions are reversed when the probability of future taxable profits increases.

The Group generally uses a period of three years to assess the recoverability of a deferred tax asset.

ICAPE HOLDING S.A. is the parent company of a tax group of three companies in France. There is also tax consolidation in the United States.

2.5.20 **Earnings per share**

Basic earnings per share are determined by dividing net income (Group share) by the weighted average number of shares outstanding during the financial year. Treasury shares are not included in the calculation.

Diluted earnings per share is calculated by dividing net income (Group share) by the weighted average number of shares outstanding during the period, adjusted to reflect the dilutive effect of converting dilutive instruments into ordinary shares, using the share buyback formula.

2.5.21 **Cash flow statement**

The cash flow statement is prepared using the indirect method and the cash flows are analysed separately between operating, investing and financing activities.

Operating activities include the entity's main cash-generating activities as well as all other activities that cannot be classified as investing or financing activities. Cash flows from operating activities are calculated by adjusting net income to reflect changes in working capital, non-cash items (amortisation, depreciation, etc.), capital gains on disposals and other income and calculated expenses.

Cash flows related to investing activities correspond to cash flows related to asset acquisitions, after deducting trade payables for said assets, asset disposals and other investments.

Financing activities are transactions resulting from outflows of cash linked to changes in equity and the equity's long-term borrowing. Capital increases and the collection of loan repayments fall within this classification.

Increases in non-cash assets and liabilities are eliminated. Subsequently, the assets financed by means of a lease are not included in the investments for the period. The reduction in financial debt due to lease payments under finance leases is therefore included in loan repayments for the period.

2.5.22 **Operating segments**

In accordance with IFRS 8 - Operating Segments, an operating segment is a component of an entity:

- that carries out commercial activities from which it can generate income and incur expenses;
- whose operating results are regularly reviewed by the entity's main operating decision-maker to make decisions on the resources to be allocated to the sector and to assess its performance; and
- for which separate financial information is available.

The Group's main operating decision-maker is the Management Committee, which makes strategic decisions.

The Group selects the following segments to be presented under IFRS 8:

- Trade in printed circuit boards (PCB) - Americas;
- Trade in printed circuit boards (PCB) - Northern Europe;
- Trade in printed circuit boards (PCB) - Southern Europe;
- Trade in printed circuit boards (PCB) - Asia and the Rest of the World; and
- Trade in technical parts (Tech Parts).

PCB Americas:
Supplies a wide range of customers thanks to the Group's strong presence in the United States, Canada, Brazil and Mexico. The printed circuit boards are purchased from external suppliers, mainly in China.

PCB Northern Europe:
Supplies a wide range of customers thanks to the Group's strong presence in Germany, Denmark, Hungary, The Netherlands, Poland, the Czech Republic and Sweden. The printed circuit boards are purchased from external suppliers, mainly in China.

PCB Southern Europe:
Supplies a wide range of customers thanks to the Group's strong presence in Spain, France, Italy and Portugal. The printed circuit boards are purchased from external suppliers, mainly in China.

PCB Asia and the Rest of the World:
Supplies a wide range of customers thanks to the Group's strong presence in China, India, Japan and South Africa. The printed circuit boards are purchased from external suppliers, mainly in China.

Trade in technical parts:
Supplies a wide range of technical parts through the ICAPE Group's "CIPEM" companies.

3. NOTE ON THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

3.1 Revenue

3.1.1 Breakdown of revenue by activity

The breakdown of revenue is as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**% Change**
Printed circuit boards (PCB)	148,739	186,053	-20%
Technical parts (CIPEM)	30,802	33,591	-8%
Revenue	**179,541**	**219,644**	**-18%**

Revenue amounted to €179.5 million for the financial year ended 31 December 2023 compared with €219.6 million for the financial year ended 31 December 2022, *i.e.* a decrease of €40.1 million, representing a change of -18%.

The ICAPE subsidiaries in Germany, France and Hong Kong represent approximately 47% of the Group’s total revenue in 2023 compared to nearly 51% in 2022. The revenue contribution of these entities is detailed as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
ICAPE Germany	24,063	25,947
ICAPE France	31,557	44,151
ICAPE Hong Kong	29,098	41,178
Total	**84,718**	**111,276**

3.1.2 **Segment information**

The data below is presented for each operating segment. The contribution of the central services (carried out by ICAPE HOLDING, GIE ICAPE and GIE CIPEM) is reallocated on the basis of the contribution to the consolidated revenue of each operating segment.

31/12/2023	PCB America	PCB Northern Europe	PCB Southern Europe	PCB Asia and the Rest of the World	CIPEM Tech Parts	TOTAL
Revenue	11,189	47,513	48,272	41,764	30,802	**179,541**
EBITDA	**884**	**2,591**	**4,226**	**3,339**	**2,708**	**13,748**
Operating depreciation charge	(170)	(1,223)	(589)	(1,323)	(448)	**(3,752)**
EBITA	**714**	**1,368**	**3,637**	**2,016**	**2,260**	**9,996**
Depreciation charge of intangible assets related to acquisitions	(66)	(473)	(446)	(3)	(86)	**(1,075)**
Net income (loss) from continuing operations	**648**	**894**	**3,191**	**2,013**	**2,173**	**8,920**

31/12/2022	PCB America	PCB Northern Europe	PCB Southern Europe	PCB Asia and the Rest of the World	CIPEM Tech Parts	TOTAL
Revenue	16,757	54,427	66,924	47,946	33,591	**219,644**
EBITDA	**414**	**3,436**	**4,641**	**3,627**	**2,443**	**14,562**
Operating depreciation charge	(217)	(1,131)	(699)	(1,293)	(397)	**(3,737)**
EBITA	**197**	**2,305**	**3,942**	**2,334**	**2,046**	**10,825**
Depreciation charge of intangible assets related to acquisitions	-	(428)	(435)	(4)	-	**(867)**
Net income (loss) from continuing operations	**197**	**1,878**	**3,507**	**2,331**	**2,046**	**9,959**

The ICAPE Group's largest customer accounted for only 3.2% of 2023 revenue.

3.2 External expenses

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Transport costs	(7,370)	(11,290)
Remuneration of employees	(1,290)	(1,255)
Other external expenses	(9,849)	(8,007)
External expenses	**(18,509)**	**(20,552)**

Transport costs amounted to €7.4 million during the financial year ended 31 December 2023, compared with €11.3 million during the financial year ended 31 December 2022. They represented 4.1% of revenue in 2023, compared with 5.1% of revenue in 2022.

The **remuneration of staff** represented 0.7% of revenue in 2023 compared with 0.6% of revenue in 2022.

Other external expenses are broken down as follows:

Other external expenses are broken down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**	**% Change**
Administrative costs & rental charges for low-value/short-term lease expenses	(3,585)	(3,361)	+7%
Travel, assignments	(1,651)	(1,393)	+19%
Insurance premiums	(767)	(742)	+3%
Advertising & Marketing	(589)	(556)	+6%
Remuneration of intermediaries & fees	(2,395)	(1,251)	+91%
Banking services	(861)	(705)	+22%
Other external expenses	**(9,849)**	**(8,007)**	**+23%**

Other external expenses for the financial year ended 31 December 2023 amounted to €9.8 million compared with €8.0 million for the financial year ended 31 December 2022, *i.e.* an increase of €1.8 million (+23%).

This increase is mainly due to the increase of €1.1 million in intermediaries' fees and fees for the financial year ended 31 December 2023, resulting from:

(i) operations aimed at streamlining and simplifying the Group's legal structure;

(ii) the deployment of the Group's CSR strategy; and

(iii) the actions of the Mergers & Acquisitions Department through the Group's external growth policy.

3.3 Employee benefits expense

Employee benefits expense can be broken down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Remuneration for staff	(21,327)	(22,133)
Social security and welfare charges	(4,499)	(4,234)
Provisions for retirement benefit obligations	(8)	(78)
Charges on Stock Options and Free Shares	-	(69)
Employee benefits expense	**(25,835)**	**(26,514)**

Employee benefits expense amounted to €25.8 million as of 31 December 2023 compared with €26.5 million in 2022, a decrease of less than 3%.

3.4 Taxes and charges

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Taxes and charges on compensation	(149)	(151)
Other taxes and charges	(243)	(90)
Taxes and charges	**(393)**	**(241)**

3.5 Depreciation charge and write-downs

Depreciation charges and write-downs are detailed as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Depreciation charge of intangible assets	(800)	(828)
Depreciation charge of property, factory and equipment	(2,942)	(2,899)
Depreciation charge of inventories in progress and finished goods	(11)	(10)
Depreciation charge of current assets	-	-
Depreciation charge of intangible assets related to acquisitions	(1,075)	(867)
Depreciation charge and write-downs	**(4,828)**	**(4,604)**
of which depreciation charge of right-of-use assets IFRS 16 - Lease	*(2,050)*	*(2,054)*

Depreciation charge of intangible assets related to acquisitions amounted to €1.1 million as of 31 December 2023, compared with €0.9 million in 2022. These provisions result from the amortisation of customer relationships over a period of 8 to 20 years according to attrition rate analysis (see Note 2.5.2).

3.6 Other operating income and expenses

Other operating income and expenses are broken down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Capital gains or losses on the disposal of fixed assets	44	(15)
Other expenses	(3,223)	(3,749)
Other income	2,828	3,887
Other operating income and expenses	**(350)**	**123**

Other expenses amounted to €3.2 million as of 31 December 2023 and are mainly due to the following:
- losses prior to the acquisition of the SAFA entity (obsolete inventories, commercial litigation) for €1.6 million;
- contractual indemnities amounted to €0.6 million;
- the balance of the issue costs of historical loans not amortised at the time of refinancing for €0.3 million;
- acquisition costs of FIRMOR ELECTRONICS and LUSODABEL shares at ICAPE HOLDING for €0.2 million;
- acquisition costs of PRINCITEC shares at ICAPE GMBH for €0.2 million.

Other income amounted to €2.8 million as of 31 December 2023 and was mainly due to the following:
- the cancellation of the earn-out related to the acquisition of SAFA for €1.6 million;
- the cancellation of the price supplement related to the acquisition of HLT operating assets for €0.5 million;
- the non-return of an escrow relating to the acquisition of SAFA for €0.4 million.

Other income and expenses related to SAFA showed a net balance of +€0.4 million.

3.7 Cost of gross financial debt

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Interest expense on loans	(1,579)	(524)
Cost of gross financial debt	**(1,579)**	**(524)**
of which the cost of gross financial debt related to IFRS 16 lease liabilities	*(217)*	*(244)*

3.8 Other financial income and expenses

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Income from financial assets excluding cash equivalents	15	7
Foreign exchange gains	929	3,253
Other financial income	55	11
Foreign exchange gains - Unrealised	0	172
Other financial income	**999**	**3,444**

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Foreign exchange losses	(823)	(4,094)
Other financial expenses	(729)	(695)
NAV of securities sold	(5)	(2)
Provisions for impairment of financial assets	6	(10)
Other financial expenses	**(1,550)**	**(4,802)**
Other financial income and expenses	**(552)**	**(1,358)**

Foreign exchange losses and gains represented €105 thousand in 2023 (€668 thousand) in 2022. These losses and gains are mainly due to the revaluation of foreign currency bank accounts and the valuation of payables and receivables in foreign currencies at the closing rate.

Other financial expenses mainly represent interest related to factoring.

3.9 Analysis of net tax expense

The main components of the income tax expense are:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Deferred taxes	73	1,207
Taxes payable	(1,148)	(1,659)
Other	15	14
Income tax	**(1,059)**	**(439)**

The reconciliation between the effective tax rate and the applicable tax rate is as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Net result for the period	**4,230**	**5,291**
Income tax	**(1,059)**	**(439)**
Net taxable profit	**5,289**	**5,730**
Tax rate in France	**25.00%**	**25.00%**
Theoretical tax	**(1,322)**	**(1,433)**
Notional tax adjustments	**263**	**994**
- Net impact of local tax rate differences	206	230
- Net impact of restatement of goodwill/badwill (including income effect of earn-out waivers)	495	501
- Impact of tax credits and other adjustments	123	(26)
- CVAE reclassified to tax	(17)	(8)
- Permanent differences on consolidation restatements	(74)	322
- Non-capitalised tax losses	(546)	(115)
- Other	76	90
Effective income tax expense recognised	**(1,059)**	**(439)**
Effective tax rate	**20.02%**	**7.66%**

The effective tax rate is 20.02% for the 2023 financial year, compared to 7.66% for the 2022 financial year. The change in the effective tax rate is mainly due to the change in non-capitalised tax losses.

3.10 Earnings per share

	31/12/2023	**31/12/2022**
Net income Group share (in thousands of euros)	**4,482**	**5,476**
Average number of outstanding shares	8,088,182	6,883,952
Average number of dilutive instruments	*0*	*0*
- of which share subscription warrants	*0*	*0*
Average number of diluted shares	8,088,182	6,883,952
- Earnings per share, Group share	**€0.55**	**€0.80**
- Diluted earnings per share, Group share	**€0.55**	**€0.80**

3.11 Analysis of earnings from operations held for sale or discontinued operations

As of 31 December 2023, net income from activities held for sale relates to the following companies:

- ICAPE RUSSIA following the Group's decision to withdraw from its activities in Russia given the geopolitical context. As the deadlines for obtaining the necessary administrative approvals to sell off shares in the Russian subsidiary are regularly postponed by the local authorities, the Group has decided to liquidate the company during the first half of 2024;
- DIVSYS USA as a result of the Group's intention to terminate the electronic card assembly activity carried out solely by this company within the Group in order to concentrate on trading activities. In addition, the Group did not identify any indication of impairment on the assets of this subsidiary as of 31 December 2023.

The breakdown of income from activities held for sale is as follows:

(In thousands of euros)	31/12/2023		31/12/2022	
	ICAPE RUSSIA	DIVSYS USA	ICAPE RUSSIA	DIVSYS USA
Revenue	1,207(*)	6,110	2,779	5,238
Consumables purchased	(452)	(2,764)	(1,239)	(2,630)
External expenses	(203)	(1,017)	(848)	(1,446)
Employee benefits expense	(178)	(2,739)	(264)	(2,727)
Taxes and charges	-	(14)	-	(14)
Other operating income and expenses	(24)	47	(3)	8
Net income (loss) from continuing operations before depreciation and amortisation (EBITDA)(1)	**350**	**(377)**	**425**	**(1,572)**
Depreciation charge	(24)	(666)	(30)	(692)
Net income (loss) from continuing operations	**326**	**(1,043)**	**395**	**(2,263)**
Gains and losses on disposal of consolidated investments	-	-	-	-
Other operating income and expenses	-	-	(0)	(173)
Net income (loss) from operations	**326**	**(1,043)**	**395**	**(2,436)**
Cash income and expenses	-	-	-	-
Cost of gross financial debt	(2)	(47)	(3)	(28)
Cost of net financial debt	**(2)**	**(47)**	**(3)**	**(28)**
Other financial income and expenses	27	(194)	(103)	286
Income before tax	**351**	**(1,284)**	**288**	**(2,179)**
Income tax	(61)	(9)	(78)	(5)
Net income	**290**	**(1,293)**	**210**	**(2,184)**
Net income from operations held for sale or discontinued operations		**(1,003)**		**(1,974)**

(*) ICAPE RUSSIA's revenue amounted to €1.2 million for the financial year ended 31 December 2023, compared with €2.8 million in the previous financial year. This revenue results exclusively from the settlement of previous orders and the Group's decision to withdraw from its activities in Russia.

4. NOTE ON THE MAIN ITEMS OF THE STATEMENT OF CONSOLIDATED FINANCIAL POSITION

4.1 Non-current assets

4.1.0 Goodwill

The analysis of the change in goodwill can be broken down as follows:

(In thousands of euros)	31/12/2022	Impact of goodwill allocation on 2022 acquisitions	Entries from the consolidation scope	31/12/2023
Goodwill	20,907	-	2,760	23,667
Goodwill impairment	-		-	-
Total Net Value	**20,907**	**-**	**2,760**	**23,667**

The breakdown of goodwill by entity and operating segment is as follows:

(In thousands of euros)	31/12/2022	Impact of goodwill allocation on 2022 acquisitions	Entries from the consolidation scope	31/12/2023
ICAPE DENMARK	835			835
MMAB GROUP AB	9,702			9,702
PRINCITEC	-		777	777
SAFA 2000	6,802			6,802
Total PCB Northern Europe	**17,339**	**-**	**777**	**18,116**
IDELEC FRANCE	3,392			3,392
Total PCB Southern Europe	**3,392**	**-**	**-**	**3,392**
ICAPE SOUTH AFRICA	176			176
Total Rest of the World	**176**	**-**	**-**	**176**
FIMOR ELECTRONICS	-		1,983	1,983
Total CIPEM Tech Parts	**-**	**-**	**1,983**	**1,983**
General Total	**20,907**	**-**	**2,760**	**23,667**

4.1.0.1 Allocation of goodwill on prior acquisitions

During the 2023 financial year, the Group did not allocate any goodwill to previous acquisitions.

4.1.0.2 Details of acquisitions for the year ending 31 December 2023

The Group acquired the following companies in 2023:

- acquisition of 100% of share capital and voting rights of FIMOR ELECTRONICS, on 6 April 2023, for a total amount of €3,500 thousand. This price does not include any earn-out; and
- acquisition of 100% of share capital and voting rights of PRINCITEC, on 12 September 2023, for a total amount of €2,558 thousand. This price does not include any earn-out.

Determination of the fair value of identifiable assets acquired

(In thousands of euros)	FIMOR	PRINCITEC	Total
Acquisition rate	*100%*	*100%*	
Carrying amount of net assets acquired	1,847	778	**2,625**
- Cancellation of historical goodwill	(764)	-	**(764)**
+ Valuation of customer relations	681	1,415	**2,096**
- Impact of deferred taxes on the valuation of customer relations	(170)	(412)	**(582)**
- Restatement of retirement benefit obligations	(103)	-	**(103)**
+ Impact of deferred taxes on retirement benefit obligations	26	-	**26**
Fair value of the identifiable assets acquired	**1,517**	**1,781**	**3,298**

Goodwill determination

(In thousands of euros)	FIMOR	PRINCITEC	Total
Acquisition rate	*100%*	*100%*	
Fair value of the identifiable assets acquired	1,517	1,781	**3,298**
- Elimination of internal securities acquired	-	-	**-**
- Acquisition price	(3,500)	(2,558)	**(6,058)**
- Earn-out	-	-	**-**
Goodwill	**(1,983)**	**(777)**	**(2,760)**

Acquisition-related costs

The Group incurred €251 thousand in acquisition-related costs (€26 thousand at ICAPE HOLDING for the acquisition of FIMOR ELECTRONICS and €225 thousand at ICAPE GMBH for the acquisition of PRINCITEC). These costs are recognised in the income statement under other operating expenses.

Revenue and net income from the acquisitions

The contributions from the entities acquired during the 2023 financial year represent €7,892 thousand of total revenue and €700 thousand of net income detailed as follows:

(In thousands of euros)	FIMOR	PRINCITEC	Total
Revenue	5,387	2,506	**7,892**
Weighting on the Group's overall revenue	*3.0%*	*1.4%*	***4.4%***
Net income	480	220	**700**
Weighting on the Group's overall net income	*11.4%*	*5.2%*	***16.5%***

Details of acquisitions in the cash flow statement

(In thousands of euros)	FIMOR	PRINCITEC	Total
Purchase price paid over the period	3,500	2,558	**6,058**
Cash assets of acquired subsidiaries	(388)	(255)	**(643)**
Acquisition of subsidiaries, less cash acquired	**3,112**	**2,303**	**5,415**

4.1.1 **Intangible assets**

(In thousands of euros)	31/12/2022	Acquisitions	Allocations for the year	Changes in exchange rates	Business combination	Reclassifications	31/12/2023
Concessions, patents & similar rights	2,403	15			53	20	2,491
Software	1,569	194		(7)	42	(24)	1,773
Intangible assets in progress	220	298				(20)	498
Customer relations	15,767	6,182		(86)	2,095		23,959
Other intangible assets	48			(0)			48
Intangible assets	**20,008**	**6,689**	**-**	**(94)**	**2,190**	**(24)**	**28,769**
Amortisation of concessions, patents & similar rights	(1,567)		(350)		(53)		(1,970)
Amortisation of software	(935)		(417)	3	(36)		(1,386)
Amortisation of customers	(1,019)		(1,075)	(1)			(2,096)
Amortisation of other intangible assets	(48)						(48)
Amortisation of intangible assets	**(3,570)**	**-**	**(1,843)**	**1**	**(89)**	**-**	**(5,500)**
Total net value	**16,438**	**6,689**	**(1,843)**	**(92)**	**2,101**	**(24)**	**23,269**

4.1.1.1 Customers

At 31 December 2023, customer relations had a gross value of €24.0 million and a net value of €21.9 million. In comparison, the gross value in 2022 was €15.8 million and the net value was €14.8 million.

Acquisitions amounted to €6.2 million and correspond to the following acquisitions of operating assets:

- CIPEM GMBH: acquisition of the customers of BORDAN for €1.5 million;
- ICAPE GMBH: acquisition of the customer base of HLT for €0.8 million;
- ICAPE USA: acquisition of corporate customers PCB SOLUTIONS, NUJAY TECHNOLOGIES and USTEK INCORPORATED for a total amount of €3.9 million.

In addition, the allocation of the purchase price of FIMOR ELECTRONICS and PRINCITEC resulted in an allocation to customer relations for a total amount of €2.1 million ("Business combination" column). See note 4.1.0 on goodwill for more details.

4.1.1.2 Other intangible assets

As of 31 December 2023, other intangible assets had a gross value of €4.8 million and a net value of €1.4 million. In comparison, the gross value in 2022 was €4.2 million and the net value was €1.7 million.

These assets mainly correspond to software acquired by the Group as well as development costs, in particular the development of the e-shop.

4.1.2 Property, factory and equipment

Property, factory and equipment excluding leases is broken down as follows:

(In thousands of euros)	31/12/2022	Acquisitions	Disposals	Allocations for the year	Changes in exchange rates	Business combination	Reclassifications and disposals	31/12/2023
Buildings	47	4	-	-	-	231	-	282
Technical installations, equipment & tools	6,862	748	(15)	-	(513)	606	125	7,813
Office equipment	832	49	(13)	-	(0)	18	1	886
Transport equipment	531	148	(173)	-	(17)	7	-	496
IT equipment	1,546	154	(144)	-	(29)	32	2	1,561
Other property, factory and equipment	163	11	(100)	-	(7)	248	-	316
Property, factory and equipment	**9,982**	**1,114**	**(445)**	**-**	**(566)**	**1,142**	**127**	**11,354**
Depreciation of buildings	(27)	-	-	(26)	-	(185)	-	(238)
Depreciation of technical installations, equipment & tools	(4,062)	-	17	(1,181)	260	(460)	448	(4,978)
Depreciation of office equipment	(669)	-	7	(57)	1	(10)	(1)	(728)
Depreciation of transport equipment	(243)	-	53	(97)	8	(2)	-	(280)
Depreciation of IT equipment	(1,138)	-	144	(206)	13	(31)	(1)	(1,219)
Depreciation of other property, factory and equipment	(99)	-	94	(47)	5	(107)	-	(155)
Depreciation of property, factory and equipment	**(6,237)**	**-**	**315**	**(1,614)**	**287**	**(796)**	**446**	**(7,599)**
Total net value	**3,744**	**1,114**	**(130)**	**(1,614)**	**(279)**	**346**	**573**	**3,755**

4.1.3 Rights of use

Right-of-use assets related to leases under IFRS 16 are broken down as follows:

(In thousands of euros)	31/12/2022	Acquisitions	Disposals	Allocations for the year	Changes in exchange rates	Reclassifications and disposals	31/12/2023
Buildings	10,043	612	(82)	-	(320)	85	10,339
Technical installations, equipment & tools	318	-	-	-	-	-	318
Transport equipment	1,948	67	-	-	0	-	2,015
IT equipment	687	-	-	-	-	-	687
Other property, factory and equipment	-	65	-	-	-	-	65
Property, factory and equipment	**12,996**	**745**	**(82)**	**-**	**(320)**	**86**	**13,424**
Depreciation of buildings	(4,328)	-	82	(1,585)	164	116	(5,551)
Depreciation of technical installations, equipment & tools	(21)	-	-	(64)	-	-	(85)
Depreciation of transport equipment	(1,101)	-	-	(320)	(0)	-	(1,421)
Depreciation of IT equipment	(564)	-	-	(72)	-	-	(636)
Depreciation of other property, factory and equipment	-	(10)	-	-	-	-	(10)
Depreciation of property, factory and equipment	**(6,015)**	**(10)**	**82**	**(2,050)**	**164**	**116**	**(7,703)**
Total net value	**6,982**	**745**	**-**	**(2,050)**	**(156)**	**202**	**5,721**

4.2 Non-current financial assets

Non-current financial assets include:

(In thousands of euros)	31/12/2022	Acquisitions	Disposals	Endowments/Reversals	Changes in exchange rates	Changes in scope	31/12/2023
Equity investments	5	-	(5)	-	(0)	-	(0)
Long-term investments	815	(1)	-	-	-	-	814
Loans, guarantees and other receivables - non-current	320	19	(0)	-	(5)	21	354
Non-current financial assets	**1,139**	**18**	**(5)**	**-**	**(5)**	**21**	**1,168**
Impairment of securities	(610)	-	-	-	-	-	(610)
Impairment of treasury shares	(5)	-	-	5	-	-	-
Impairment of financial assets	**(620)**	**-**	**-**	**10**	**-**	**-**	**(610)**
Total net value	**520**	**18**	**(5)**	**10**	**(5)**	**21**	**559**

4.3 Inventory and work-in-progress

(In thousands of euros)	31/12/2023		
	Gross values	Depreciation	Net values
Raw materials and other supplies	724	(25)	699
Work-in-progress	29	0	29
Intermediate and finished products	82	(1)	81
Inventories of goods	10,599	(51)	10,548
Total inventory and work-in-progress	**11,434**	**(77)**	**11,357**

(In thousands of euros)	31/12/2022		
	Gross values	Depreciation	Net values
Raw materials and other supplies	329	-	329
Work-in-progress	52	(24)	27
Intermediate and finished products	33	-	33
Inventories of goods	13,467	-	13,467
Total inventory and work-in-progress	**13,880**	**(24)**	**13,856**

Stock of goods represents goods received from suppliers and in the process of being transported to the end customer. For these stocks, the risk related to the transport of the goods is borne by the Group. The transfer of control of the goods will take place after delivery (depending on the contractual Incoterm).

4.4 Trade and other receivables

(In thousands of euros)	31/12/2023		
	Gross values	Depreciation	Net values
Customers receivables	37,413	(116)	37,297
Other receivables	4,591	-	4,591
Trade and other receivables	**42,004**	**(116)**	**41,888**

(In thousands of euros)	31/12/2022		
	Gross values	Depreciation	Net values
Customers receivables	37,218	(47)	37,170
Other receivables	8,126	-	8,126
Trade and other receivables	**45,344**	**(47)**	**45,297**

All of these receivables are due within one year.

The breakdown of receivables by maturity can be presented as follows:

	31/12/2023			
	Total	Not past due	Less than 60 days past due	More than 60 days past due
Trade receivables	36,447	24,626	11,653	168
Invoices to be issued	966	966	-	-
Customers receivables	**37,413**	**25,592**	**11,653**	**168**

	31/12/2022			
	Total	Not past due	Less than 60 days past due	More than 60 days past due
Trade receivables	36,031	28,445	4,072	3,515
Invoices to be issued	1,187	1,187	-	-
Customers Receivables	**37,218**	**29,631**	**4,072**	**3,515**

4.5 Other current assets

(In thousands of euros)	31/12/2023	31/12/2022
	Amount	Amount
Prepaid expenses	549	862
Current tax receivables	958	294
Total Other current assets	**1,507**	**1,156**

4.6 Cash and cash equivalents

(In thousands of euros)	31/12/2023 Amount	31/12/2022 Amount
Cash and cash equivalents	32,747	27,988
Total Cash	**32,747**	**27,988**

4.7 Shareholders' equity

4.7.1 Share capital

As of 31 December 2023, ICAPE HOLDING's share capital amounted to €3,235,272.80. It is composed of 8,088,182 ordinary shares with a par value of €0.40.

4.7.2 Distribution

The Shareholders' Meeting of 16 May 2023 decided to take €1,617,636.40 from "Other reserves" and distribute it to the shareholders of ICAPE HOLDING as a dividend. The dividend amount thus allocated corresponds to a dividend of €0.20 per share. This dividend was paid on 15 June 2023.

4.7.3 Treasury shares

During the 2023 financial year, the Group had acquired 11,825 shares under the liquidity contract assigned to the brokerage firm Gilbert Dupont.

As of 29 December 2023, the liquidity account amounted to 25,473 shares. All these shares were cancelled in consolidated shareholders' equity at 31 December 2023.

4.8 Commitments to employees

Retirement benefit obligations amounted to €474 thousand as of 31 December 2023 compared with €456 thousand in 2022.

The change in retirement benefit obligations can be analysed as follows:

(In thousands of euros)	31/12/2023	31/12/2022
Present value of the provision at the beginning of the year	**456**	**662**
Cost of services rendered during the financial year	63	74
Past service cost (pension reform)	(34)	-
Financial cost	14	4
Benefits paid during the year	(35)	-
Changes in scope	103	-
Revaluation of liabilities (actuarial gains/losses)	(93)	(289)
Present value of the provision at closing	**474**	**456**

The impact of changes in the scope of consolidation for €103 thousand concerns the acquisition of FIMOR ELECTRONICS. This amount was taken into account when determining goodwill (see Note 4.10.2).

The assumptions used to calculate retirement benefit obligations are as follows:

	31/12/2023	31/12/2022
ECONOMIC ASSUMPTIONS		
Discount rate	2023 iBoxx rate (3.65%)	2022 iBoxx rate (3.20%)
Career profile	1.50%	1.50%
Social security contribution rate		
Executive	45.00%	45.00%
Non-executive	42.00%	42.00%
SOCIAL BEHAVIOUR ASSUMPTIONS		
Retirement ages		
Executive	64	62
Non-executive	64	62
Retirement process	Age	Age

4.9 Information on financial debt

4.9.1 Borrowings and financial debt

(In thousands of euros)	31/12/2022	Issue	Repayment	Changes in exchange rates	Business combination	Reclassification	31/12/2023
Bonds	-	6,078	-	-	-	-	6,078
Loans from credit institutions - non-current(1) (2)	14,555	38,130	(24,910)	(13)	222	(1,799)	26,185
Non-current lease liabilities(2)	5,703	573	-	(125)	-	(1,765)	4,386
Accrued interest on loans - non-current	-	-	-	-	-	-	-
Total medium-/long-term financial debt	**20,259**	**44,780**	**(24,910)**	**(138)**	**222**	**(3,564)**	**36,649**
Loans from credit institutions - current	4,686	139	(1,518)	(23)	-	1,379	4,663
Bank loans (passive cash)	47	16	(2)	(4)	3	2	63
Other borrowings and similar debt - current	2	-	(1)	-	-	-	0
Current lease liabilities(2)	1,808	191	(2,087)	(43)	-	2,002	1,870
Factoring debt(1) (2)	16,739	1,232	(1,829)	(18)	-	-	16,125
Accrued interest on borrowings - current	55	132	(55)	-	0	-	132
Total short-term financial debt	**23,337**	**1,710**	**(5,492)**	**(87)**	**3**	**3,383**	**22,853**
Total borrowings and financial debt	**43,595**	**46,490**	**(30,403)**	**(225)**	**224**	**(181)**	**59,502**
(1) Borrowings presented in the cash flow statement		45,578					
(2) Repayment of borrowings presented in the cash flow statement			(30,346)				
Of which lease liabilities under IFRS 16	**7,511**	**764**	**(2,087)**	**(168)**	**-**	**237**	**6,256**

<u>Debt Factor</u>

Contracts for the sale of trade receivables do not deconsolidate in so far as the risk of late payment and the risk of dilution are not transferred to the assignees. The breakdown by contract can be broken down as follows:

(In thousands of euros)	31/12/2023	31/12/2022
CIPEM FRANCE	2,994	2,313
CIPEM HONG KONG	929	495
ICAPE DEUTSCHLAND	2,246	2,993
ICAPE FRANCE	6,412	6,751
ICAPE HONG KONG	2,537	3,535
ICAPE IBERICA	580	-
ICAPE ITALIA	425	652
Total Debt Factor	**16,125**	**16,739**

Bonds and loans from credit institutions

To refinance the acquisition price of the MMAB Group, the Company asked Crédit Agricole, HSBC, BNPP and Crédit du Nord for confirmation of the Capex Loan, which was confirmed on 31 January 2023 and was fully drawn down in the amount of €10 million.

On 22 June 2023, the Group obtained an International Growth loan in the amount of €5 million to finance its external growth.

On 13 September 2023, the Group obtained a loan from CIC in the amount of €2 million to partially finance the acquisition of 100% of the shares of PRINCITEC.

On 20 December 2023, the Group also announced the establishment of financing with a pool of nine European banks, as well as the issuance of Relance Bonds. The financing transaction consists of a refinancing loan for a total amount of €21 million and an external growth credit line of €40 million, of which €20 million confirmed but not drawn to date. Lastly, the Group issued €6 million in Relance Bonds subscribed by the Obligations Relance France fund, an investment managed by Tikehau Capital.

The characteristics of loans from credit institutions are summarised in the following table:

Contract date	Company	Designation	NBV 31/12/2023	NBV 31/12/2022	Nominal value at issue	Maturity date	Interest rate	Currency	Repayment terms (bullet repayment/regular monthly payment)	Guarantees given
05/2020	ICAPE France	Crédit Agricole State-guaranteed loan	1,426	2,011	2,350	05/2026	Fixed rate: 0.31% per year	EUR	Regular monthly payment	-
05/2020	ICAPE France	HSBC State-guaranteed loan	1,472	2,058	2,350	05/2026	Fixed rate: 0.55% per year	EUR	Regular monthly payment	-
05/2020	SAFA	VR Bank Loan KFW	322	451	500	06/2026	Fixed rate: 3% per year	EUR	Regular monthly payment	-
09/2021	IDELEC	BNP Paribas State-guaranteed loan	360	512	600	04/2026	Fixed rate: 1% per year	EUR	Regular monthly payment	-
08/2022	ICAPE USA	HSBC Bank Short term loan	136	1,406	1,500	N/A	1 month USD LIBOR + 3% per year or 235 basis points	USD	N/A	-
06/2020	PRINCITEC	COMMERZBANK	164	-	300	2028	Fixed rate: 3.03% per year	EUR	Annuity	-
11/2022	ICAPE HOLDING	Syndicated loan(1)	-	12,800	12,800	11/2029	Euribor 3M Rate +1.6% margin	EUR	Constant amortisation	Pledge of securities(3)
06/2023	ICAPE HOLDING	BPI - International Growth Loan	5,000	-	5,000	06/2030	Fixed rate: 5.26% per year	EUR	Quarterly repayment from September 2025	-
09/2023	ICAPE HOLDING	CIC - Acquisition of PRINCITEC	2,000	-	2,000	08/2029	Fixed rate: 4.06% per year	EUR	Half-yearly repayment from February 2024	-
12/2023	ICAPE HOLDING	Syndicated loan(2) Tranche A1	15,300	-	15,300	12/2029	Euribor 3M Rate + margin between 1.50% and 2.20%	EUR	Half-yearly repayment from June 2024	Pledge of securities(3)
12/2023	ICAPE HOLDING	Syndicated loan(2) Tranche B1	2,700	-	2,700	06/2030	Euribor 3M Rate + margin between 2.10% and 3.15%	EUR	Bullet payment	Pledge of securities(3)
12/2023	ICAPE HOLDING	Syndicated loan(2) Tranche C1	3,000	-	3,000	12/2030	Euribor 3M Rate + margin between 3.75% and 4.25%	EUR	Bullet payment	Pledge of securities(3)
12/2023	ICAPE HOLDING	Relance bonds - Tikehau Capital	6,078	-	6,078	12/2030	Fixed rate: 6.70% per year	EUR	Bullet payment	Pledge of securities(3)
		TOTAL	37,958	19,237						
		of which part at less than one year	*4,655*	*4,682*						
		of which part at more than one year	*33,303*	*14,555*						

(1) Pool of four European banks (BNP Paribas, Crédit Agricole, Crédit du Nord, HSBC).
(2) Pool of nine European banks (Banque Palatine, Banque Populaire Rives de Paris, BNP Paribas, CIC, Crédit Agricole, Crédit Lyonnais, HSBC, Landeskank Saar and FCT Tikehau Novo 2020).

(3) Pledge of CIPEM France, ICAPE France and IDELEC (until its merger with ICAPE France) shares.

4.9.2 Maturity of borrowings and financial debt

The repayment schedule for borrowings from credit institutions and lease liabilities can be broken down as follows:

(In thousands of euros)	2023	Less than 1 year	Between 1 and 5 years	More than 5 years
Bonds	6,078			6,078
Bank loans and credits	30,848	4,663	15,863	10,321
Debt Factor	16,125	16,125		
Lease liabilities	6,256	1,870	4,386	
Other financial debts	195	195		
Total financial debt	**59,502**	**22,853**	**20,249**	**16,399**

(In thousands of euros)	2022	Less than 1 year	Between 1 and 5 years	More than 5 years
Bonds	-			
Bank loans and credits	19,345	4,790	14,555	
Debt Factor	16,739	16,739		
Lease liabilities	7,511	1,808	5,703	
Total financial debt	**43,595**	**23,337**	**20,258**	**-**

4.9.3 Breakdown of borrowings by currency type

The breakdown of borrowings from credit institutions by type of currency is as follows:

(In thousands of euros)	31/12/2023	31/12/2022
EURO	30,907	17,835
US DOLLAR	136	1,406
Bank loans and credits	**31,043**	**19,241**

4.9.4 Information on lease liabilities

Lease liabilities can be analysed as follows:

(In thousands of euros)	31/12/2023	31/12/2022
Rental of buildings	5,182	6,215
Vehicle rental	793	875
IT equipment rental	281	421
Total lease liabilities	**6,256**	**7,511**
Of which current portion	*1,870*	*1,808*
Of which non-current portion	*4,386*	*5,703*

The discount rates used to calculate the lease liability for the main countries are:

Main countries	Real estate	Transport equipment	IT equipment
France	3.0%	<0.5%	2.50%
China	5.50%	NA	NA

The change in the carrying amount of lease liabilities is broken down as follows:

(In thousands of euros)	31/12/2023	31/12/2022
Opening lease liabilities	**7,511**	**6,569**
New leases	764	3,646
Rent payments	(1,870)	(1,775)
Financial cost	(217)	(244)
Translation differences	(168)	(5)
Other	237	(681)
Lease liabilities at closing	**6,256**	**7,511**

The amounts recognised in the income statement for leases are:

(In thousands of euros)	31/12/2023	31/12/2022
Lease rights amortisation expense	(2,050)	(2,054)
Interest expense on lease liabilities	(217)	(244)
Other income or expenses	(0)	14
Total in net income	**(2,267)**	**(2,284)**

The average lease term can be summarised as follows:

Average lease term	
Average number of years Vehicle rental	5
Average number of years IT equipment rental	6
Average number of years Building leases	7

4.10 Deferred taxes

Deferred taxes recognised are as follows:

(In thousands of euros)	31/12/2023	31/12/2022
Deferred tax assets	1,218	1,599
Deferred tax liabilities	(3,008)	(2,976)
Deferred taxes	**(1,790)**	**(1,377)**

Deferred taxes break down as follows:

(In thousands of euros)	31/12/2022	Impact on income	Changes in exchange rates	Changes in scope	Other items	31/12/2023
Temporary differences	(346)	228	5	-	(80)	(194)
Activation of loss carry-forwards	1,331	(99)	(42)	-	-	1,191
IFRS 16 restatement	169	(6)	(3)	-	-	160
Cancellation start-up costs	22	(1)	-	-	-	21
Restatement of retirement benefit obligations	118	2	-	26	(23)	122
Customer relations	(2,596)	156	2	(582)	-	(3,020)
Valuation gap	(61)	15	6	-	-	(39)
Other deferred taxes	(13)	(26)	-	-	10	(29)
Deferred taxes	**(1,377)**	**269**	**(31)**	**(557)**	**(94)**	**(1,790)**

The amount of non-capitalised tax losses as of 31 December 2023 amounted to €6.9 million on a basis equivalent to €1.5 million of tax effect, of which €0.9 million for the US tax consolidation group (ICAPE USA and DIVSYS USA), €0.3 million for ICAPE MEXIC0 and €0.2 million for ICAPE CALIFORNIA.

As a reminder, the amount of tax losses not capitalised as of 31 December 2022 amounted to €5.0 million on a basis equivalent to €1.4 million of tax effect, of which €1.2 million for the tax consolidation group US (ICAPE USA and DIVSYS USA) and ICAPE CALIFORNIA.

4.11 Trade and other payables

(In thousands of euros)	31/12/2023	31/12/2022
	Amount	Amount
Payables	41,095	43,968
Social debts	4,355	4,401
Tax debt (excl. company tax (IS) and CVAE)	2,645	6,725
Trade receivables - Advances and deposits received	569	1,457
Trade and other payables	**48,664**	**56,550**

All of these liabilities are due in less than one year.

Trade payables refer to supplier invoices received which are generally paid between 60 and 90 days from the end of the month, and approximately 10 additional days for qualifying suppliers thanks to better negotiated terms.

4.12 Other current liabilities

(In thousands of euros)	31/12/2023	31/12/2022
	Amount	Amount
Payables on earn-outs	4,311	6,470
Deferred income	90	32
Other current debts	121	38
Other current liabilities	**4,522**	**6,540**

As of 31 December 2023, earn-out debts amounted to €4.3 million:

- €2.1 million for ICAPE USA concerning the acquisition of the operating assets of NUJAY TECHNOLOGIES, PCB SOLUTIONS and USTEK INCORPORATED;
- €1.3 million for ICAPE HOLDING concerning the acquisitions of ICAPE NETHERLANDS (JAPCC), ICAPE DENMARK (MON PRINT) and ICAPE Portugal (LUSODABEL);
- €0.9 million for CIPEM DEUTSCHLAND concerning the acquisition of the operating assets of BORDAN.

The payment of these earn-outs is subject to the future economic performance of these activities.

4.13 Assets and liabilities of operations held for sale or discontinued

As of 31 December 2023, net income from activities held for sale relates to the following companies:

- ICAPE RUSSIA following the Group's decision to withdraw from its activities in Russia given the geopolitical context. As the deadlines for obtaining the necessary administrative approvals to sell off shares in the Russian subsidiary are regularly postponed by the local authorities, the Group has decided to liquidate the company during the first half of 2024;
- DIVSYS USA as a result of the Group's intention to terminate the electronic card assembly activity carried out solely by this company within the Group in order to concentrate on trading activities. In addition, the Group did not identify any indication of impairment on the assets of this subsidiary as of 31 December 2023.

The breakdown of assets and liabilities held for sale is as follows:

(In thousands of euros)	**ICAPE RUSSIA**	**DIVSYS USA**
Intangible assets	0	76
Property, factory and equipment	130	2,319
Rights of use	(65)	(281)
Deferred tax assets	23	24
Total non-current assets	**88**	**2,138**
Inventory and work-in-progress	117	1,714
Trade and other receivables	88	927
Other current assets	0	16
Cash and cash equivalents	7	53
Total current assets	**212**	**2,710**
Total non-current assets and groups of assets held for sale	**301**	**4,848**
Borrowings and financial debt	95	495
Non-current lease liabilities	(48)	(193)
Deferred tax liabilities	18	-
Total non-current liabilities	**66**	**302**
Borrowings and bank overdrafts	42	363
Current lease liabilities	(21)	(182)
Trade and other payables	17	1,020
Other current liabilities	22	-
Total current liabilities	**60**	**1,202**
Total liabilities related to a group of assets held for sale	**126**	**1,504**

4.14 Additional information on financial instruments

(In thousands of euros) Financial instruments	IFRS 9 category	Fair value category	31/12/2023 Carrying amount	31/12/2023 Fair value	31/12/2023 Fair value through profit or loss	31/12/2023 Fair value through other comprehensive income	31/12/2023 Financial instruments at amortised cost	31/12/2022 Carrying amount	31/12/2022 Fair value
ASSETS									
Loans, guarantees and other receivables	Loans and receivables	Category 2	559	559			559	520	520
Customers	Loans and receivables	Category 2	37,297	37,297			37,297	37,170	37,170
Other receivables	Loans and receivables	Category 2	1,929	1,929			1,929	2,330	2,330
Tax receivables	Loans and receivables	Category 2	2,662	2,662			2,662	5,796	5,796
Cash and cash equivalents	Financial assets at fair value through profit or loss	Category 1	32,747	32,747	32,747		-	27,988	27,988
LIABILITIES									
Borrowings and financial debt(1)	Financial liabilities at amortised cost	Category 2	30,848	30,848			30,848	19,242	19,242
Payables	Financial liabilities at amortised cost	Category 2	41,095	41,095			41,095	43,968	43,968
Social debts	Financial liabilities at amortised cost	Category 2	4,355	4,355			4,355	4,401	4,401
Tax debt (excl. company tax (IS) and CVAE)	Financial liabilities at amortised cost	Category 2	2,645	2,645			2,645	6,725	6,725

(1) The Group considers that the fair value of bank loans corresponds to the amortised cost.

4.15 Financial risk management

The Group's financial risk management strategy aims to minimise the impact of interest rate and foreign exchange volatility on costs and cash flows.

4.15.1 Bank counterparty risk

The Group may be exposed to the default of one of the bank counterparties that manages its cash and such default could result in a financial loss for the Group.

Risk management: the Group relies on leading financial institutions for these funds and, therefore, considers that it does not bear any significant counterparty risk on its cash.

4.15.2 Customer counterparty risk

The Group is exposed to credit risk in the event of default by its customers.

Risk management: the Group's exposure to credit risk is mainly influenced by the individual characteristics of its customers. However, management also takes into consideration the factors that may influence customer credit risk, in particular the risk of default by business sector and country in which customers operate. The majority of trade receivables are factored with BNP Paribas and Eurofactor.

The Credit Committee has defined a customer credit policy under the terms of which the solvency of each new customer is subject to an individual analysis before they can benefit from the usual payment and delivery conditions in the Group. To do this, the Group uses external ratings, if available, financial statements, information provided by credit institutions, sector data and, in some cases, bank references. For each customer, a maximum sales threshold is set and reviewed annually, barring exceptional events.

Almost 70% of customers have been in business with the Group for more than five years and none of their receivables had been impaired with the recognition of losses or defaulted. For credit risk monitoring purposes, customers are categorised according to their credit profile. In addition, more than 90% of outstanding customers are insured with leading insurers.

4.15.3 **Liquidity risk**

Liquidity risk is the risk of not having the necessary funds to meet the commitments related to the Group's financial liabilities as they fall due. This includes, on the one hand, the risk that assets cannot be mobilised quickly to meet the settlement of liabilities and, on the other hand, the risk of non-access to credit on satisfactory terms.

The Group is therefore exposed to the risk of not having sufficient cash to honour all of its liabilities.

The Group took out a syndicated loan with a pool of nine European banks (Banque Palatine, Banque Populaire Rives de Paris, BNP Paribas, CIC, Crédit Agricole, Crédit Lyonnais, HSBC, Landeskank Saar and FCT Tikehau Novo 2020) in December 2023. This loan includes an obligation to comply with a financial ratio on the consolidated financial statements that is equal to the net financial debt (excluding bonds) compared to the consolidated EBITDA.

The Group also issued a bond underwritten by the Obligations Relance France fund, an investment managed by Tikehau Capital. This bond issue includes an obligation to comply with a financial ratio on the consolidated financial statements that is equal to the net financial debt compared to the consolidated EBITDA.

As of December 31, 2023, the Group confirms that it complies with these two ratios.

Risk management: The central treasury team manages current and provisional financing and ensures the Group is able to meet its financial commitments by supervising the current level of cash and cash equivalents.

Most of the cash surpluses generated by the subsidiaries can be quickly mobilised by ICAPE HOLDING, which incurs most of the Group bank debt. The Group uses factoring with a maximum amount of financing of €15 million in France, €7.5 million in Germany, €1.5 million in Spain, €1.2 million in Italy and $8.0 million in Hong Kong.

It should be noted that in the event of a change of control of the holding company, all financing contracted outside the State-guaranteed loan would be subject to mandatory early repayment.

The Group's factoring contracts have been renewed every year by tacit agreement for several years.

4.15.4 **Foreign exchange risk**

Foreign exchange risk is the risk that changes in exchange rates will affect its profit and loss account, balance sheet and cash flows.

Exposure to operational currency risk arises from purchases and sales made in currencies other than the functional currencies of the Group's subsidiaries. However, this risk is limited due to the fact that sales and purchases of goods are mainly denominated in USD thus allowing natural hedging supplemented by the use of bank accounts in foreign currencies.
The Group did not use currency hedges as of 31 December 2023.

The exposure of financing to exchange risk is limited because no subsidiary has significant external bank debt in a currency other than its reference currency.

The Group is also exposed to the risk of converting the balance sheet and profit and loss account of its subsidiaries whose functional currency is not the euro.

The Group did not use currency hedges.
Fluctuations in the exchange rates of the Group's functional currencies, and in particular fluctuations in the dollar, may have a significant impact on the Group's results and cash flows, the value in euros of its assets and liabilities, and its equity and, consequently, its financial position.

Below is a table showing the sensitivity of the Group's revenue and net income (loss) from continuing operations to changes in the dollar and renminbi (yuan):

Sensitivity of all currencies USD/CNY	Currency/EUR (-10%)	Currency/EUR (-5%)	Currency/EUR (0%)	Currency/EUR (+5%)	Currency/EUR (+10%)
Revenue (€m)	**166.7**	**173.2**	**179.5**	**185.8**	**192.3**
Profit (loss) from continuing operations (€m)	**8.4**	**8.7**	**8.9**	**9.2**	**9.4**

The negative changes correspond to a depreciation of the euro against the currency and vice versa.

4.15.5 Interest rate risk

Exposure to interest rate risk is linked to the existence within a group of variable-rate debt, the medium-term cost of which may vary according to changes in interest rates.

Risk management:
The syndicated loan agreement taken out in December 2023 includes a fixed portion and a variable portion based on the 3 month Euribor (E3M). A hedging obligation against the change in the E3M of +/- 150 basis points on a notional amount of 50% of the amount borrowed over a period of four years is provided for in the loan contract.
The Group intends to set up this hedge during the first half of 2024, in accordance with the loan agreement.

4.15.6 Market risk (raw material prices and transportation costs)

The Group is exposed to the risk of fluctuations in the price of raw materials and transport costs on its commercial margin.

5. NOTE ON THE MAIN ITEMS OF THE CASH FLOW STATEMENT

5.1 Impact on change in working capital requirement

The change in working capital requirement shown in the cash flow statement is detailed below:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Impact of changes in stock	3,787	3,930
Impact of changes in trade receivables	4,461	7,579
Impact of changes in trade payables	(9,423)	(18,223)
Change in working capital requirement	**(1,174)**	**(6,714)**

The reconciliation of the WCR with balance sheet items is presented as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Inventory and work-in-progress	11,357	13,856
Trade and other receivables	42,022	45,532
Trade and other payables	(48,773)	(56,526)
"Simplified" working capital requirement	**4,607**	**2,863**
Other current WCR receivables	420	631
Other current liabilities (excluding suppliers of non-current assets)	(93)	(89)
Working capital requirement	**4,934**	**3,405**

The change in working capital requirement presented in the operating cash flows is net of currency effects, changes in scope of consolidation and other effects of reclassifications and scrapping. It breaks down as follows:

(In thousands of euros)	**31/12/2023**	**31/12/2022**
Working capital requirement	**4,934**	**3,405**
Effect of change in arithmetic WCR(1)	**(1,529)**	**(3,543)**
Currency effect(2)	294	(614)
Scope effect(3)	1,398	(1,404)
Impact of reclassifications or scrapping(4)	(1,337)	(1,153)
Change in working capital requirement (1 + 2 + 3 + 4)	**(1,174)**	**(6,714)**

6. OTHER NOTES

6.1 Compensation of key senior managers

Key senior managers are the employees who have authority over and responsibility for planning, management and control of the entity's activities, either directly or indirectly, including the directors (be they senior managers or not) of this entity.

Short-term benefits include the variable and fixed portion of executive compensation as well as benefits in kind.

(In thousands of euros)	**2023**	**2022**
Short-term benefits (salaries, bonuses, etc.)	1,776	1,543
Post-employment benefits	0	0
Severance payments	0	0
Other long-term benefits	0	0
Total senior managers' compensation	**1,776**	**1,543**

6.2 Off-balance sheet commitments

As part of the refinancing of 20 December 2023, the Group signed a counter-securities pledge agreement for the subsidiaries CIPEM France, ICAPE France and IDELEC France (until the completion of the merger with ICAPE France).

6.3 Contingent liabilities

None.

6.4 Related parties

None.

6.5 Workforce

	31/12/2023	31/12/2022
Work-study workforce	7	5
Temporary workforce	6	7
Permanent workforce	633	614
Total workforce	**646**	**626**

6.6 Statutory Auditors' fees paid by the Group

	31/12/2023						
	KPMG			BM&A			
(In thousands of euros)	KPMG	Member of the network	Total KPMG	BM&A	Member of the network	Total BM&A	Other
Auditing, certification, review of individual and consolidated accounts	165	46	210	119	37	156	38
Services other than auditing	45	36	81	-	-	-	7
Total Fees excluding taxes	**210**	**82**	**292**	**119**	**37**	**156**	**45**

6.7 Subsequent events

External growth:

On 12 February 2024, the Group acquired the operating assets of PCS. Srl, an Italian company that converted to the distribution of printed circuit boards in 2015 after more than thirty years as a manufacturer of PCBs. It therefore has 360° expertise on the PCB value chain. Its revenue amounted to €0.7 million in 2022.

On 12 February 2024, the Group also acquired the entire share capital of STUDIO E2, an Italian company with around 40 years of experience in project management applied to all sectors of civil and industrial electronics. Its revenue amounted to nearly €0.3 million in 2022.

Internal mergers:

IDELEC merged with ICAPE France on 31 January 2024. As the two companies are wholly owned by the Group's holding company, the transaction is subject to the simplified regime for mergers between sister companies.

PRINCITEC merged with ICAPE Deutschland on 20 February 2024. PRINCITEC was wholly owned by ICAPE Deutschland, itself wholly-owned by ICAPE HOLDING.

The purpose of these internal mergers is to streamline and simplify the Group's legal structure to improve economic efficiency.

7. LIST OF CONSOLIDATED COMPANIES

Entities	31/12/2023 Interest rate	31/12/2023 Control rate	31/12/2023 Method of consolidation	31/12/2022 Interest rate	31/12/2022 Control rate	31/12/2022 Method of consolidation
ICAPE HOLDING	**100%**	**100%**	**FC**	**100%**	**100%**	**FC**
CIPEM DEUTSCHLAND	100%	100%	FC	100%	100%	FC
CIPEM FRANCE	100%	100%	FC	100%	100%	FC
CIPEM HONG KONG	100%	100%	FC	100%	100%	FC
CIPEM USA	100%	100%	FC	100%	100%	FC
DIVSYS FRANCE	-	-	-	100%	100%	FC
DIVSYS USA	100%	100%	FC	100%	100%	FC
GIE CIPEM	100%	100%	FC	100%	100%	FC
GIE ICAPE	100%	100%	FC	100%	100%	FC
ICAPE AB	-	-	-	100%	100%	FC
ICAPE BRAZIL	80%	100%	FC	80%	100%	FC
ICAPE CALIFORNIA	100%	100%	FC	100%	100%	FC
ICAPE CANADA	100%	100%	FC	100%	100%	FC
ICAPE CHANG AN EXPRESS	100%	100%	FC	100%	100%	FC
ICAPE CHINA	100%	100%	FC	100%	100%	FC
ICAPE CZECH REPUBLIC	100%	100%	FC	100%	100%	FC
ICAPE DENMARK	100%	100%	FC	100%	100%	FC
ICAPE DEUTSCHLAND	100%	100%	FC	100%	100%	FC
ICAPE FRANCE	100%	100%	FC	100%	100%	FC
ICAPE HONG KONG	100%	100%	FC	100%	100%	FC
ICAPE HUNGARY	100%	100%	FC	100%	100%	FC
ICAPE IBERICA	100%	100%	FC	100%	100%	FC
ICAPE INDIA	100%	100%	FC	100%	100%	FC
ICAPE ITALIA	100%	100%	FC	100%	100%	FC
ICAPE JAPON	100%	100%	FC	100%	100%	FC
ICAPE MALMO MONSTERKORT	100%	100%	FC	100%	100%	FC
ICAPE MEXICO	100%	100%	FC	100%	100%	FC
ICAPE NETHERLAND (JAPCC)	100%	100%	FC	100%	100%	FC
ICAPE POLSKA	100%	100%	FC	100%	100%	FC
ICAPE PORTUGAL (LUSODABEL)	100%	100%	FC	100%	100%	FC
ICAPE RUSSIA	80%	100%	FC	80%	100%	FC
ICAPE SINGAPORE	100%	100%	FC	100%	100%	FC
ICAPE SOUTH AFRICA	60%	100%	FC	60%	100%	FC
ICAPE TRAX	60%	100%	FC	60%	100%	FC
ICAPE USA	100%	100%	FC	100%	100%	FC
IDELEC	100%	100%	FC	100%	100%	FC
MMAB GROUP AB	-	-	-	100%	100%	FC
PRINCITEC	100%	100%	FC	-	-	NC
SAFA 2000	100%	100%	FC	100%	100%	FC

FC: Full consolidation.
NC: Not consolidated.

During the 2023 financial year, the Group initiated several merger transactions between wholly-owned subsidiaries in order to streamline and simplify the Group's legal structure. The following subsidiaries therefore do not appear in the scope of consolidation for 2023:

- the French companies FIMOR ELECTRONICS and DIVSYS were absorbed by CIPEM SAS on 10 May 2023 and 1 December 2023 respectively;
- the Swedish companies ICAPE AB and MMAB GROUP AB were absorbed by ICAPE MALMO MONSTERKORT on 6 November 2023.

8. STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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CS 60055
92066 Paris La Défense Cedex,
France

BM&A
11, rue de Laborde
75008 Paris, France

ICAPE HOLDING S.A.

Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2023
ICAPE HOLDING S.A.
33, Avenue du Général Leclerc - 92260 Fontenay-aux-Roses, France

KPMG SA, an accounting and statutory audit firm registered with the Paris Order of Chartered Accountants under number 14-30080101 and attached to the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre.*
French company, member of the KPMG network consisting of independent firms affiliated with KPMG International Limited, a British law private company limited by guarantee.

Société anonyme à conseil d'administration (limited liability company with a board of directors).
Registered office:
Tour EQHO
2, Avenue Gambetta
CS 60055
92066 Paris La Défense Cedex,
France
Share capital: €5,497,100
Nanterre Trade and Companies Register no. 775 726 417

BM&A
Simplified joint-stock company (*société par actions simplifiée*) with capital of €6,840,900
Paris Trade and Companies Register no. B 810 786 335
11, rue de Laborde
75008 Paris, France
Tel. +33 (0)1 40 08 99 50
bma@bma-groupe.com
Intracommunity VAT number: FR15348461443
Chartered accountant company registered in the Paris Ile-de-France register

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ICAPE HOLDING S.A.
33, Avenue du Général Leclerc - 92260 Fontenay-aux-Roses, France

Statutory Auditors' report on the consolidated financial statements

Financial year ended 31 December 2023

To the Shareholders' Meeting of ICAPE HOLDING S.A.,

Opinion

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the consolidated financial statements of ICAPE HOLDING S.A. for the financial year ended 31 December 2023, as attached to this report.

We certify that the consolidated financial statements are, in accordance with IFRS as adopted by the European Union, regular and fair and give a true and fair view of the results of operations for the past financial year as well as of the financial position and assets of the group consisting of the persons and entities included in the consolidation, at the end of this financial year.

The opinion expressed above is consistent with the content of 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 information we have collected is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of this report.

Independence

We carried out our audit engagement in compliance with the independence rules provided for by the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, over the period from 1 January 2023 to the date of our report.

Justification of assessments

Pursuant to the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional judgement, were the most significant for the audit of the consolidated financial statements for the financial year.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on these consolidated financial statements taken in isolation.

<u>Measurement of goodwill, intangible assets and property, factory and equipment</u>

Goodwill, other intangible assets and property, factory and equipment were tested by management in accordance with the procedures described in Note 2.5.4 to the consolidated financial statements.

As part of our assessment of the significant estimates used for the closing of the financial statements, we took note of the procedures implemented within the Group to carry out the impairment tests, we assessed the consistency and relevance of the approach used by management to determine the cash-generating units, the level at which the asset impairment tests are carried out and we examined that the assumptions that led to the determination of the value of the assets of the cash-generating units were appropriate.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group provided in the Board of Directors' management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

We certify that the consolidated formal statement of non-financial performance required by Article L. 225-102-1 of the French Commercial Code is included in the information relating to the group given in the management report, it being specified that, in accordance with the Article L. 823-10 of this Code, the information contained in this statement has not been verified by us as fair or consistent with the consolidated financial statements and must be the subject of a report by an independent third party.

Responsibilities of management and those charged with governance for the consolidated financial statements

It is the responsibility of management to prepare the consolidated financial statements that present a true and fair view in accordance with IFRS as adopted by the European Union and to implement the internal control that it deems necessary to prepare consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, it is the responsibility of management to assess the Company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the going concern and to apply the going concern accounting policy, unless it is planned to liquidate the Company or cease its activity.

It is the responsibility of the Audit Committee to monitor the relevance, reliability and effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, with regard to the procedures relating to the preparation and processing of the Company's accounting, financial and non-financial information.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors for the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when they can reasonably be expected, taken individually or in combination, to influence the economic decisions that users of the financial statements take based on these statements.

As specified by Article L. 821-55 of the French Commercial Code, our mission of certifying the financial statements does not consist of guaranteeing the viability or the quality of the management of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit. In addition:

• they identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address these risks, and collect evidence that they consider sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, because fraud can involve collusion, forgery, wilful omissions and misrepresentation or circumvention of internal control;

• they examine the internal control relevant to the audit in order to define audit procedures appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;

• they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information provided in the consolidated financial statements;

• they assess the appropriateness of management's application of the going concern accounting policy and, depending on the elements collected, the existence or not of a material uncertainty related to events or circumstances likely to call into question the Company's ability to continue as a going concern. This assessment is based on the information collected up to the date of its report, it being noted, however, that subsequent circumstances or events could call into question the going concern. If they conclude that a material uncertainty exists, they draw the attention of the readers of their report to the information provided in the consolidated financial statements about this uncertainty or, if such information is not provided or is not relevant, they issue a certification with reservation or a refusal to certify;

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• they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view;

• concerning the financial information of the persons or entities included in the scope of consolidation, they collect the elements that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed thereon.

Statutory Auditors

Paris La Défense, 27 March 2024	Paris, 27 March 2024
KPMG SA	BM&A
Rémi Toulemonde	Eric Seyvos
Partner	Partner

PARENT COMPANY FINANCIAL STATEMENTS

1. PARENT COMPANY FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

- BALANCE SHEET ASSETS -

ICAPE HOLDING

	31/12/2023			31/12/2022
	Gross	Amortisation, Depreciation and Provisions	Net	
CAPITALISED ASSETS				
Capital subscribed but not called				
Intangible assets(1)				
Startup costs Development costs Concessions, patents and similar rights Goodwill Other intangible assets Advances and deposits on intangible assets	20,054	10,224	9,830	1,020
Property, factory and equipment				
Land Buildings Technical installations, equipment and industrial tooling Other property, factory and equipment Non-current assets in progress Advances and deposits	868,751	788,508	80,243	150,056
Non-current financial assets(2)				
Equity investments assessed according to equity method Other equity investments Receivables related to equity investments Other long-term investments Loans	38,227,351	796,368	37,430,983	29,993,486
Other non-current financial assets	433,881		433,881	292,482
TOTAL CAPITALISED ASSETS	**39,550,036**	**1,595,099**	**37,954,937**	**30,437,044**
CURRENT ASSETS				
Stock				
Raw materials and other supplies				
Work-in-progress of goods				
Work-in-progress of services				
Intermediate and finished products				
Goods				
Advances and deposits paid on orders				
Receivable(3)				
Trade receivables	1,200,132		1,200,132	1,425,746
Other receivables	31,111,227	1,196,260	29,914,967	23,380,043
Capital subscribed and called, not paid				
Cash and cash equivalents				
Marketable securities				
Cash and cash equivalents	5,744,072		5,744,072	776,459
Accrual accounts				
Prepaid expenses	185,632		185,632	89,309
Loan issuance charges to be amortised	1,051,972		1,051,972	239,560
Bond redemption premiums				
Translation differences - assets	21		21	389
TOTAL CURRENT ASSETS	**39,293,056**	**1,196,260**	**38,096,796**	**25,911,505**
TOTAL ASSETS	**78,843,092**	**2,791,359**	**76,051,733**	**56,348,548**
References:				
		(1) O/w right of use:		
		(2) O/w portion at less than one year:		
		(3) O/w portion at more than one year:		

- BALANCE SHEET LIABILITIES -

ICAPE HOLDING

	31/12/2023	31/12/2022
SHAREHOLDERS' EQUITY		
Share or individual capital (of which paid up: 3,235,273)	3,235,273	3,235,273
Share issue, merger, contribution premiums	16,911,615	16,911,615
Revaluation differences		
Legal reserve	300,837	300,837
Statutory or contractual reserves		
Regulated reserves		
Other reserves	913,464	4,936,671
Retained earnings	645,245	645,245
Net profit (loss) for the year	37,584	(2,409,519)
Net position	**22,044,017**	**23,620,122**
Investment grants		
Regulated provisions	334,586	196,341
TOTAL SHAREHOLDERS' EQUITY	**22,378,603**	**23,816,462**
OTHER EQUITY		
Income from issues of redeemable shares		
Conditional advances		
TOTAL OTHER EQUITY		
PROVISIONS		
Provisions for risks	21	389
Provisions for expenses		
TOTAL PROVISIONS	**21**	**389**
LIABILITIES(1)		
Convertible bonds		
Other bonds	6,078,000	
Borrowings and debts from credit institutions(2)	28,131,395	12,853,478
Borrowings and financial debt(3)	14,885,337	12,587,063
Advances and deposits received on current orders		
Trade payables and related accounts	1,280,633	1,021,703
Tax and social liabilities	1,846,287	2,247,655
Payables on non-current assets and related accounts	1,371,940	3,811,657
Other debts	79,027	5,246
Deferred income		
TOTAL LIABILITIES	**53,672,619**	**32,526,802**
Conversion differences - liabilities	490	4,895
TOTAL LIABILITIES	**76,051,733**	**56,348,548**
References:		
(1) Debt:		
More than one year	31,242,286	10,971,429
Less than one year	22,430,333	21,555,373
(2) O/w bank account overdrafts and bank account credit balances:		
(3) O/w participative loans:		

- INCOME STATEMENT -

ICAPE HOLDING

	France	Export	31/12/2023	31/12/2022
Operating income	**France**	**Export**		
Sales of goods				
Production sold - goods				
Production sold - services	5,068,284		5,068,284	4,569,176
Net revenue	**5,068,284**		**5,068,284**	**4,569,176**
Inventoried production				
Capitalised production				
Operating grants				6,667
Reversals on amortisation, depreciation and provisions, transfers of expenses			41,412	43,471
Other income			19,350	95,888
Total operating income I(1)			**5,129,046**	**4,715,202**
Operating expenses				
Purchases of goods (including customs duties)				
Change in inventories (goods)				
Purchases of raw materials and other supplies				
Change in inventories (raw materials and supplies)				
Other purchases and external expenses(3)			3,671,116	2,806,506
Taxes, duties and similar payments			95,169	116,762
Wages and salaries			2,102,479	2,404,791
Social security expenses			937,567	1,086,293
Operating provisions on non-current assets - allocations to amortisation and depreciation			151,468	90,355
Operating provisions on non-current assets - allocations to provisions				
Operating provisions on current assets: allocations to provisions				
Operating provisions for risks and charges: allocations to provisions				
Other expenses			165,744	298,246
Total operating expenses II(2)			**7,123,542**	**6,802,954**
OPERATING PROFIT (LOSS) (I - II)			**(1,994,497)**	**(2,087,752)**
Joint operations				
Profit allocated or loss transferred III				
Loss supported or profit transferred IV				
Financial income				
Financial income from equity investments(5)			3,600,000	2,377,104
Income from other securities and receivables from capitalised assets			1,168,636	424,981
Other interest and similar income(5)				2,319
Reversals on provisions and transfers of expenses			1,269,294	177,854
Foreign exchange gains			184,276	56,567
Net income from disposals of marketable securities			20,025	
Total financial income (V)			**6,242,232**	**3,038,825**

- INCOME STATEMENT -

ICAPE HOLDING

	31/12/2023	31/12/2022
Financial expenses		
Financial allocations to amortisation, depreciation and provisions	1,465,839	1,736,104
Interest and similar expenses(6)	1,870,304	530,388
Foreign exchange losses		578,463
Net expenses on disposals of marketable securities	74,008	4,317
Total financial expenses (VI)	**3,410,151**	**2,849,272**
NET FINANCE PROFIT (LOSS) (V) - (VI)	**2,832,081**	**189,553**
NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX (I - II + III - IV + V - VI)	**837,585**	**(1,898,199)**
Non-recurring income		
Non-recurring income on management operations	12,112	
Non-recurring income on equity transactions	3,984,548	99,739
Reversals on provisions and transfers of expenses		
Total non-recurring income (VI)	**3,996,660**	**99,739**
Non-recurring expenses		
Non-recurring expenses on management operations	470,822	804,739
Non-recurring expenses on equity transactions	5,118,679	92,815
Non-recurring allocations to amortisation, depreciation and provisions	138,245	85,510
Total non-recurring expenses VII	**5,727,746**	**983,064**
NON-RECURRING PROFIT (LOSS) (VI-VII)	**(1,731,086)**	**(883,325)**
Employee profit sharing		
Income tax	(931,085)	(372,005)
PROFIT OR LOSS	**37,584**	**(2,409,519)**
References:		
(1) O/w Operating income from previous financial years:	12,112.00	
(2) O/w Operating expenses from previous financial years:	4,958.00	37,421.00
(3) O/w equipment finance lease:		
(3) O/w property finance lease:		
(5) O/w income from related companies:		
(6) O/w interest from related companies:		

ICAPE HOLDING

Notes to the financial statements for the financial year ended 31/12/2023

Notes to the balance sheet before distribution of the financial year ended 31/12/2023, for which the total is €76,091,220 and to the income statement for the financial year presented in the form of a list, showing a net accounting profit of €37,584.

Financial year has a duration of 12 months, covering the period from 01/01/2023 to 31/12/2023. The notes or tables below are an integral part of the annual financial statements.

HIGHLIGHTS OF THE FINANCIAL YEAR

Significant events:

Securities' movements:

The company created the subsidiary CIPEM DEUTSCHLAND in January 2023 with a capital of €25,000. ICAPE BRAZIL HK was liquidated at the beginning of 2023.

On 15 February 2023, the Company acquired the entire share capital of FIMOR ELECTRONICS, a French company specialising in the trading of technical parts. On 6 April 2023, the Company sold all of the shares of FIMOR ELECTRONIS to CIPEM.

On 17 May 2023, ICAPE HOLDING subscribed to all of the 500,000 shares created during the capital increase of €5,000,000 decided by its subsidiary CIPEM by the offsetting current account.

On 25 May 2023, the Company acquired:

- ICAPE CZECH REPUBLIC (formerly MMAB GROUP SRO) from MMAB GROUP AB;
- ICAPE HUNGARY (formerly MMAB GROUP KFT) from MMAB GROUP AB.

On 25 May 2023, the Company sold ICAPE AB to MALMO MONSTERKORT AB.

On 24 October 2023, ICAPE MMAB (formerly MALMO MONSTERKORT AB) carried out a capital increase of €1,839,740. This capital increase was fully subscribed by ICAPE HOLDING by offsetting the current account.

On 27 October 2023, ICAPE HOLDING subscribed to all of the 53,266 shares created during the capital increase of €532,660 decided by its subsidiary DIVSYS FRANCE through current account netting. On the same day, as an extension of this transaction, the Company sold the shares of DIVSYS France to CIPEM.

Financing:

In order to refinance the acquisition price of the MMAB Group, the Company asked Crédit Agricole, HSBC, BNPP and Crédit du Nord for confirmation of the Capex Loan, which was confirmed on 31 January 2023 and fully drawn down in the amount of €10 million.

On 22 June 2023, the Company obtained an International Growth loan from BPI in the amount of €5 million to finance its external growth.

On 13 September 2023, the Company obtained a loan in the amount of €2 million from CIC to partially finance the acquisition of 100% of the shares of PRINCITEC.

On 20 December 2023, the Company also announced the establishment of financing with a pool of nine European banks, as well as the issue of Relance Bonds. The financing transaction consists of a refinancing loan for a total amount of €21 million and an external growth credit line of €40 million, of which €20 million confirmed and undrawn to date.

Lastly, on the same day, the Company issued €6 million in Relance Bonds subscribed by the Obligations Relance France fund, an investment managed by Tikehau Capital.

Governance:

On 19 June 2023, the Board of Directors appointed Yann Duigou, previously Group Chief Marketing Officer, as Group Chief Executive Officer following the resignation of Cyril Calvignac.

In addition, the Board of Directors decided to strengthen the Group's Executive Management with the appointment of two new Deputy Chief Executive Officers, namely Arnaud Le Coguic, who becomes Group Chief Financial Officer, and Bingling Li Sellam, who replaces Yann Duigou, as Chief Marketing Officer. Shora Rokni, Deputy Chief Executive Officer, sees her scope of responsibility focused on the Group's acquisition and integration strategy.

The Executive Management of the ICAPE Group is thus composed of a Chief Executive Officer, supported by five Deputy Chief Executive Officers.

Accounting principles, rules and methods:

The annual financial statements were approved in accordance with the provisions of the French Commercial Code and the ANC regulation No. 2018-07 updated for the different supplementary regulations at the date of preparation of the said annual financial statements.

The rules have been applied in compliance with the principle of prudence, pursuant to the basic assumptions:

- going concern;
- consistency of accounting methods from one financial year to another;
- independence of financial years, in accordance with the general rules for preparing and presenting annual financial statements.

The basic method selected for valuing the accounting items is the historical cost method.

The accounting rules and methods and/or assessment methods applicable to the different items in the balance sheet and income statement are described below. Only significant information is expressed. Unless otherwise stated, amounts are expressed in euros.

INFORMATION RELATING TO THE BALANCE SHEET ASSETS

Non-current assets

Property, factory and equipment and Intangible assets:

Property, factory and equipment and intangible assets are assessed at their acquisition cost for assets acquired in return for payment, at their production cost for assets produced by the company, at their current value for assets acquired free of charge or by way of an exchange.

The cost of non-current assets consists of its purchase price, including customs duties and non-recoverable taxes after deductions of reductions, trade discounts and rebates, and all directly attributable costs incurred to put the asset into place and in working order according to the planned use. Transfer rights, fees or commissions and legal costs related to the acquisition are not attached to this acquisition cost. All costs that are not part of the acquisition price of the non-current asset and that cannot be directly attached to the costs required to put the asset into place and in working order according to the planned use, are recognised in expenses.

Amortisation and depreciation are calculated according to straight-line or declining balance methods according to the planned lifetime. Impairment is recognised when the value of an asset is less than the net carrying amount.

Main movements during the financial year:

Intangible assets and Property, Factory and Equipment	Gross value Start of the financial year	Increases		Decreases		Gross value End of the financial year
		Revaluation	Acquisition	Transfers	Disposals/Scrap	
Startup and development costs	-	-	-	-	-	-
Other intangible assets	10,354	-	9,700	-	-	20,054
Total intangible assets (I)	**10,354**	**-**	**9,700**	**-**	**-**	**20,054**
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Technical installations, equipment and industrial tooling	-	-	-	-	-	-
General installations, fixtures and fittings	521,402	-	19,650	-	9,825	531,228
Transport equipment	15,553	-	26,738	-	32,176	10,114
Office and IT equipment, furniture	319,224	-	8,185	-	-	327,409
Reusable packaging and miscellaneous	-	-	-	-	-	-
Property, factory and equipment in progress	-	-	-	-	-	-
Advances and deposits	-	-	-	-	-	-
Total property, factory and equipment (II)	**856,179**	**-**	**54,573**	**-**	**42,001**	**868,751**
General Total (I + II)	**866,533**	**-**	**64,273**	**-**	**42,001**	**888,805**

Transfer rights, fees or commissions and legal costs related to the acquisition are attached to this acquisition cost.

Non-current financial assets Gross value Start of the financial year		Increases		Decreases		Gross value End of the financial year
		Revaluation	Acquisition	Transfers	Disposals/Scrap	
Equity investments assessed according to equity method	-	-	-	-	-	-
Other equity investments	31,325,419	-	7,437,629	-	535,698	38,227,351
Other long-term investments	-	-	-	-	-	-
Loans & Other Non-current financial assets	292,482	-	141,398	-	-	433,881
General Total	**31,617,901**	**-**	**7,579,027**	**-**	**535,698**	**38,661,232**

Depreciation:

Depreciation Start of the financial year		Increases	Decreases	End of the financial year
		Amortisation	Amortisation	
Intangible assets	9,333	890	-	10,224
Property, factory and equipment	700,933	91,392	3,816	788,508
TOTAL	**710,266**	**92,282**	**3,816**	**798,731**

Depreciation terms

Non-current assets	Method	Duration
Concessions, software and patents	Linear/Declining balance	3 to 5 years
IT equipment	Linear/Declining balance	3 years
Transport equipment	Linear/Declining balance	4 to 5 years
Office equipment	Linear/Declining balance	5 to 10 years
Furniture	Linear/Declining balance	5 to 10 years
General installations	Linear/Declining balance	5 to 10 years

At the reporting date, the Company assesses using all internal and external information at its disposal, whether there are indices showing that the assets have significantly lost value.

The Company carries out derogatory depreciation in order to benefit from tax deductions on depreciation with regard to non-current assets for which the duration of accounting use is longer than the tax usage period.

Impairment:

Impairment of capitalised asset Start of the financial year		Increases	Decreases	End of the financial year
		Depreciation	Depreciation	
Intangible assets	-	-	-	-
Property, factory and equipment	5,191	-	5,191	-
Financial	1,331,934	646,439	1,182,005	796,368
TOTAL	**1,337,125**	**646,439**	**1,187,196**	**796,368**

The amount of impairment of financial assets corresponds to the impairment of equity investments, which are detailed in the table of subsidiaries and equity investments below.

Impairment of current assets Start of the financial year		Increases Depreciation	Decreases Depreciation	End of the financial year
Stock and work-in-progress	-	-	-	-
Trade receivables	-	-	-	-
Other Assets	458,591	819,379	81,710	1,196,260
TOTAL	**458,591**	**819,379**	**81,710**	**1,196,260**

The amount of impairment of other assets corresponds to the following impairment losses on the related current accounts:

- ICAPE CALIFORNIA: €556,543 for the current account, including €179,663 for the 2023 financial year;
- ICAPE MEXICO: €454,470 for the current account, including €454,470 for the 2023 financial year;
- ICAPE JAPAN: €185,246 for the current account, including €185,246 for the 2023 financial year;
- Total: **€1,196,260** of which **€819,379** for the 2023 financial year.

Subsidiaries and Equity investments:

Financial assets are recognised at their initial cost. An impairment loss is recognised when the inventory value falls below the nominal value.

The value retained for assessing subsidiaries, as part of the determination of provisions, is the value in use.

The securities of ICAPE RUSSIA, ICAPE CALIFORNIA, ICAPE SINGAPORE, ICAPE MEXICO, ICAPE JAPAN, and ICAPE TRAX are 100% impaired. Those of ICAPE SOUTH AFRICA are depreciated at 35%.

	Capital	SHAREHOLDERS' EQUITY Excluding Capital	Share of capital held	Carrying Amount Securities held (gross)	Carrying Amount Securities held (net)	Revenue Excluding Tax	Result financial year	Loans and Advances granted	Dividends collected
ICAPE CALIFORNIA	45,249	(670,814)	100%	45,829	0	56,712	(103,779)	545,499	0
ICAPE BRAZIL	131,710	237,528	80%	230,000	230,000	870,059	59,131	36,440	0
ICAPE USA	185,520	461,944	100%	152,777	152,777	12,265,398	306,709	4,797,304	0
ICAPE MEXICO	2,670	(1,036,867)	100%	2,481	0	256,609	(107,036)	716,008	0
ICAPE CANADA	68	(145,660)	100%	2,289	2,289	1,782	(133,170)	151,548	0
ICAPE CHINA	469,562	629,227	100%	508,027	508,027	9,174,673	96,615	0	0
ICAPE HONG KONG	131,996	2,279,029	100%	105,003	105,003	30,590,938	1,847,791	0	(1,700,000)
ICAPE INDIA	67,897	522	100%	75,191	75,191	197,144	129,790	51,903	0
ICAPE SINGAPORE	47,975	(47,975)	100%	44,100	0	0	199,514	0	0
ICAPE JAPAN	63,967	(323,898)	100%	83,640	0	185,322	(90,525)	185,246	0
ICAPE CHANG AN EXPRESS	0	367,316	100%	41,697	41,697	3,840,973	245,061	0	0
ICAPE TRAX	15	79,818	60%	420,739	0	1,658,284	(692,855)	1,912,022	0
ICAPE SOUTH AFRICA	5	257,622	60%	399,095	259,516	1,876,140	(21,177)	0	0
ICAPE DEUTSCHLAND	25,000	537,329	100%	25,000	25,000	24,721,966	483,051	9,114,381	0
ICAPE RUSSIA	34,293	208,459	80%	60,000	0	1,215,938	179,581	0	0
ICAPE POLSKA	11,522	(301,941)	100%	10,966	10,966	1,470,629	17,222	256,091	0
ICAPE NETHERLANDS	18,000	1,299,705	100%	3,244,541	3,244,541	4,173,661	153,355	0	(200,000)
ICAPE HUNGARY	7,837	173,318	100%	193,791	193,791	969,093	137,611	0	0
ICAPE DENMARK	92,581	197,602	100%	1,252,500	1,252,500	2,065,385	18,167	0	0
ICAPE MALMO MONSTERKORT AB	2,071,460	(1,945,647)	100%	11,850,587	11,850,587	9,498,419	(416,309)	426,839	(200,000)

ICAPE CZECH REPUBLIC	8,089	(149,258)	100%	6,281	6,281	298,456	(5,926)	0	0
ICAPE PORTUGAL	29,928	2,842,933	100%	5,804,645		4,681,634	442,714	0	(500,000)
ICAPE IBERICA	50,000	287,239	100%	56,000	56,000	5,510,204	241,697	773,576	0
ICAPE ITALIA	150,000	587,867	100%	227,360	227,360	5,430,619	283,361	0	0
IDELEC FRANCE	40,000	1,013,875	100%	4,773,727	4,773,727	3,706,189	296,608	0	0
ICAPE FRANCE	53,000	4,299,236	100%	2,098,000	2,098,000	33,154,030	2,273,886	0	(1,000,000)
CIPEM HONG KONG	5,837	1,322,420	100%	4,906	4,906	7,992,612	540,179	0	0
CIPEM USA	45,249	807,866	100%	44,715	44,715	6,686,227	527,905	0	0
CIPEM DEUTSCHLAND	25,000	99,298	100%	25,000	25,000	4,020,117	99,298	909,182	0
CIPEM FRANCE	5,133,000	(952,095)	100%	5,261,221	5,261,221	14,291,769	656,320	0	0
ICAPE DIVSYS USA	1,085,973	(3,230,380)	100%	1,177,244	1,177,244	7,336,712	(314,913)	4,630,787	0
TOTAL	**10,033,404**	**(9,185,619)**		**38,227,351**	**37,430,983**	**198,197,696**	**7,349,878**	**24,506,826**	**(3,600,000)**

Other Equity investments:

	Carrying amount Securities held (Gross)	Carrying amount Securities held (Net)	Loans and advances granted	Sureties	Dividends collected
Subsidiaries held from 10% to 50%	NONE				

Receivables

The loans, deposits and others receivables have been assessed at their nominal value. Impairment is recognised when the inventory value is lower than the carrying amount.

Statement of Receivables:

STATEMENT OF RECEIVABLES		Gross Amount	Less than 1 year	More than 1 year
Receivables related to equity investments		-	-	-
Loans		-	-	-
Other non-current financial assets		433,881	-	433,881
Doubtful or disputed trade receivables		-	-	-
Other trade receivables		1,200,132	1,200,132	-
Receivables representative of securities loaned or used as collateral, previously recognised		-	-	-
Personnel and related accounts		48,401	48,401	-
Social security and other social organisations		-	-	-
State and public local authorities	Income tax	63,734	63,734	-
	Value-added tax	566,061	566,061	-
	Other taxes, duties and similar payments	-	-	-
	Miscellaneous	650	650	-
Group and associates		30,111,935	30,111,935	-
Sundry debtors		320,445	320,445	-
Prepaid expenses		185,632	185,632	-
Totals		**32,930,871**	**32,496,990**	**433,881**

Prepaid expenses:

CCA	N	N-1
Operations	185,632	89,309
Financial	-	-
Total	**185,632**	**89,303**

Value of investment securities and cash:

Value of Investment Securities	N	N-1
Value of Investment Securities	-	-
Banks	5,744,072	776,459
Total	**5,744,072**	**776,459**

INFORMATION RELATING TO THE BALANCE SHEET LIABILITIES

Shareholders' equity:

Label Balance at Opening Allocation of Income			Other variations		Balance at Closing
			+	-	
Share capital	3,235,273				3,235,273
Share issue	16,911,615				16,911,615
Legal reserve	300,837				300,837
Statutory, contractual reserves	-				-
Regulated reserves	-				-
Other reserves	4,936,671	(2,409,519)		(1,613,688)	913,464
Retained earnings	645,245				645,245
Net income (loss) for the financial year	(2,409,519)	2,409,519	37,584		37,584

The share capital is composed of 8,088,182 shares with a par value of €0.40. There was no change during the financial year.

The company holds 25,473 (*i.e.* 0.31%) of its own shares.

The Company's shares are listed on the Euronext Growth market.

Provisions for Risks and Expenses:

PROVISIONS	Amount at the beginning of the financial year	Increases	Decreases	Amount at the end of the financial year
Provisions for litigation	-	-	-	-
Provisions for guarantees given to customers	-	-	-	-
Provisions for losses on forward markets	-	-	-	-
Provisions for fines and penalties	-	-	-	-
Provisions for foreign exchange losses	389	21	389	21
Provisions for pensions and similar obligations	-	-	-	-
Provisions for taxes	-	-	-	-
Provisions for renewal of non-current assets	-	-	-	-
Provisions for major maintenance and overhauls	-	-	-	-
Provision for social security and tax expenses on paid leave	-	-	-	-
Other provisions for risks and expenses	-	-	-	-
TOTALS	389	21	389	21

Statement of liabilities:

STATEMENT OF LIABILITIES	Gross Amount	Less than 1 year	+1 year, up to 5 years	Over 5 years
Convertible bonds	-	-	-	-
Other bonds	6,078,000	-	-	6,078,000
Borrowings and debts from credit institutions up to 1 year at the origin	-	-	-	-
Borrowings and debts from credit institutions at over 1 year at the origin	28,131,395	2,967,109	14,842,857	10,321,429
Miscellaneous borrowings and financial debt	-	-	-	-
Trade payables and related accounts	1,280,633	1,280,633	-	-
Personnel and related accounts	926,368	926,368	-	-
Social security and other organisations	737,871	737,871	-	-
Income tax	-	-	-	-
VAT	62,216	62,216	-	-
Guaranteed bonds	-	-	-	-
Other taxes and charges	119,832	119,832	-	-
Amounts payable on non-current assets and related accounts	1,371,940	1,371,940	-	-
Group and associates	14,885,337	14,885,337	-	-
Other debts	79,027	79,027	-	-
Debt representative of securities borrowed or used as collateral	-	-	-	-
Deferred income	-	-	-	-
TOTALS	**53,672,619**	**22,430,333**	**14,842,857**	**16,399,429**

Accrued expenses:

Accrued expenses:		Amount
Paid leave	Paid leave	77,152
	Social security expenses	34,162
	Tax expenses	-
Accrued Interest	Borrowings and Debt	-
	Debt to Group equity investments	-
	Debt to equity investments outside the Group	-
	Debt to affiliated companies	-
	Suppliers	-
	Partners	1,077,470
	Banks	-
	Overdrafts	-
Other expenses	Invoices yet to be received	248,520
	Discounts Reductions Rebates, Credit notes issued	34,472
	Employee shareholding	-
	Personnel	849,216
	Social organisations	400,000
	Other tax expenses	31,200
	Miscellaneous	-
	Total	**2,752,192**

Assessment of receivables and debts in currencies:

When assets are acquired in a foreign currency, the conversion rate used is the exchange rate on the entry date or, where applicable, the date of the hedge if it was taken out before the transaction. The costs incurred to set up the hedges are also included in the acquisition cost. Debts, receivables and cash in foreign currencies are shown in the balance sheet at their exchange value at the end of the financial year. The difference resulting from the discounting of debts and receivables in foreign currencies at this last rate is recorded in the balance sheet as a translation differential.

Unrealised foreign exchange losses that are not offset are subject to a provision for risks, in full, according to the regulatory terms and conditions.

INFORMATION ON THE INCOME STATEMENT

Revenue:

		Revenue Excl. Tax France	Revenue Excluding Tax Export and intra-community	Total
Goods		-	-	-
Production	Goods	-	-	-
	Services	2,232,867	2,835,418	5,068,285
Total revenue		**2,232,867**	**2,835,418**	**5,068,285**

Net finance income (expense):

Net finance income (expense)	N	N-1
Financial income from equity investments	3,600,000	2,377,104
Income from other securities and receivables from capitalised assets	1,168,636	424,981
Other interest and similar income	-	2,319
Reversals on provisions and transfers of expenses	1,269,294	177,854
Foreign exchange gains	184,276	56,567
Net income from disposals of marketable securities	20,025	-
Total Financial income	**6,242,232**	**3,038,825**
Financial allocations to amortisation, depreciation and provisions	1,465,839	1,736,104
Interest and similar expenses	1,870,304	530,388
Foreign exchange losses	-	578,463
Net expenses on disposals of marketable securities	74,008	4,317
Total Financial Expenses	**3,410,151**	**2,849,272**
Net Financial Income	**2,832,081**	**189,553**

The financial result amounted to €2,832 thousand at 31 December 2023 and can be broken down as follows:

- dividends received for €3,600 thousand;
- interest received on current accounts for €1,162 thousand;
- reversals of impairment losses on equity investments and related current accounts for €1,269 thousand;
- foreign exchange income for €184 thousand;
- interest paid on current accounts for €(620) thousand;
- impairment charges on equity investments and related current accounts for €(1,465) thousand;
- interest on loans and debts to banking institutions for €(1,250) thousand;
- other non-significant items for €(48) thousand.

Non-recurring profit (loss):

Non-recurring income and expenses takes into account items that are not related to the Company's normal business.

Non-recurring profit (loss)	N	N-1
Non-recurring income on management operations	12,112	-
Non-recurring income on equity transactions	3,984,548	99,739
Reversals on provisions and transfers of expenses	-	-
Total Non-recurring Income	**3,996,660**	**99,739**
Non-recurring expenses on management operations	470,822	804,739
Non-recurring expenses on equity transactions	5,118,679	92,815
Non-recurring allocations to amortisation, depreciation and provisions	138,245	85,510
Total Financial Expenses	**5,727,746**	**983,064**
Non-recurring profit (loss)	**(1,731,086)**	**(886,325)**

The non-recurring income amounted to €(1,731) thousand as of 31 December 2023 and can be broken down as follows:

- net capital losses on the disposal of equity investments within the Group (FIMOR ELECTRONICS, ICAPE AB and DIVSYS FRANCE) for €(637) thousand;
- various contractual indemnities for €(465) thousand;
- reversal of loan issue costs for the syndicated loan refinanced in December 2023 for €(298) thousand;
- intragroup debt waiver for €(217) thousand;
- derogatory depreciation charge for €(138) thousand;
- other non-material items for €24 thousand.

Corporate income taxes:

Tax consolidation:

As from the financial year starting 01/01/2023, ICAPE HOLDING is included in the tax consolidation scope of the ICAPE HOLDING Group.

ICAPE HOLDING acts as the head of the group.

Each entity included in the tax consolidation scope bears the same tax expense as if it had not been consolidated. Tax payables and receivables arising from the tax consolidation are recognised respectively as liabilities or assets to the head of the tax group.

DIVSYS FRANCE exited the scope in 2023 following its merger with CIPEM FRANCE, itself a member of the tax consolidation group.

Tax breakdown:

Tax breakdown	Profit and loss account	Tax adjustments	Tax base	IS 25%
Operating income	(1,994,497)	97,755	(1,896,742)	-
Net finance income (expense)	2,832,081	(3,995,933)	(1,163,852)	-
Non-recurring profit (loss)	(1,731,086)	570	(1,730,516)	-
Corporate income taxes	931,085	(931,085)	-	931,085
Of which tax consolidation	*1,051,294*	*(1,051,294)*	-	*1,051,294*
Of which tax credits	*(120,209)*	*120,209*	-	*(120,209)*
Total	**37,584**	**(4,828,693)**	**(4,791,110)**	**931,085**

As of 31 December 2023, corporate income tax represented of €931 thousand, which breaks down as follows:

- tax consolidation income for €1,051 thousand;
- sponsorship tax credits for €(120) thousand.

Deferred tax loss carryforwards:

As of 31 December 2023, the tax loss carryforwards for the entire tax consolidation scope was €2,021,837, compared with €1,435,901 for the previous financial year.

Increase and reduction in future tax liability:

None.

OTHER SPECIFIC INFORMATION:

Identity of the consolidating parent company:

ICAPE HOLDING is the consolidating company of the ICAPE Group.

Senior managers' compensation:

This information is not mentioned in this Note, as it would indirectly lead to individual compensation.

Average workforce:

The average workforce is 13 people, including 12 managers and 1 apprentice

Financial commitments given:

- joint surety granted by ICAPE HOLDING as collateral for a real estate lease of €57 thousand;
- joint surety granted to the ICAPE Planète Bleue Foundation from 2022 by ICAPE HOLDING for €150 thousand over 5 years.

Debt commitments with real collateral:

As part of the refinancing of 20 December 20 2023, the Group entered into a counter-securities pledge agreement concerning the CIPEM France, ICAPE France and IDELEC France subsidiaries (until the completion of the merger with ICAPE France).

Retirement commitment:

The Company's collective agreement provides for end-of-career indemnities. It has not signed any specific agreements. The corresponding commitments are fully disclosed in this note.

The retirement departure indemnity is determined by applying a method that takes into account projected end-of-career salaries, staff turnover, life expectancy and discounting assumptions for foreseeable payments. The actuarial assumptions selected are as follows:

- Discount rate: 3.65%
- Salary growth rate: 1.5%
- Retirement age: 64 years
- Staff turnover rate: 1%

Amount of commitments made in terms of pensions, supplementary pensions and similar benefits: €123,331. For a defined benefit plan, ANC Regulation 2013-02 applies.

Subsequent events:

IDELEC merged with ICAPE France on 31 January 2024. As the two companies are wholly owned by the Group's holding company, the transaction is subject to the simplified regime for mergers between sister companies.

The purpose of this internal merger is to streamline and simplify the Group's legal structure to improve economic efficiency.

2. STATUTORY AUDITOR'S REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

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ICAPE HOLDING SA

Statutory Auditors' report on the annual financial statements

Financial year ended 31 December 2023
ICAPE HOLDING SA
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ICAPE HOLDING S.A.
33, Avenue du Général Leclerc - 92260 Fontenay-aux-Roses, France

Statutory Auditors' report on the annual financial statements

Financial year ended 31 December 2023

To the General Shareholders' Meeting of ICAPE HOLDING S.A.,

Opinion

In compliance with the mission entrusted to us by your General Shareholders' Meeting, we have audited the annual financial statements of ICAPE HOLDING SA for the financial year ended 31 December 2023, as attached to this report.

We certify that the annual financial statements are, in accordance with French accounting rules and principles, regular and fair and give a true and fair view of the results of operations for the past financial year as well as the financial position and assets of the company at the end of this financial year.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we have collected is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of this report.

Independence

We carried out our audit engagement in compliance with the independence rules provided for by the French Commercial Code and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, over the period from 1 January 2023 to the date of our report.

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Justification of assessments

Pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the most significant assessments made by us, in our professional judgement, involved: the appropriateness of the accounting principles applied.

Equity securities, for which the net amount shown in the balance sheet at 31 December 2023, were €37,430,983, are valued at their acquisition cost and impaired on the basis of their value in use according to the methods described in the "Subsidiaries and equity interests" notes.

On the basis of the information provided to us, our work consisted in assessing the data on which these values in use are based, in particular in reviewing the update of the profitability outlook for the activities concerned and the achievement of objectives, and in checking the consistency of the assumptions used with the forecast data from the strategic plans drawn up by each of these activities under the control of Senior Management.

These assessments were made in the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on the elements of these annual financial statements taken in isolation.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by law and regulations.

Information given in the management report and in the other documents on the financial position and the annual financial statements sent to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the financial statements sent to the Shareholders.

We attest to the fair presentation and the consistency with the annual financial statements of the information relating to payment terms mentioned in Article D. 441-6 of the French Commercial Code.

Corporate governance report

We attest that the Board of Directors' report on corporate governance contains the information required by Article L. 225-37-4 of the French Commercial Code.

Other information

In accordance with the law, we have ensured that the various information relating to equity investments and controlling interests has been provided to you in the management report.

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Responsibilities of management and those charged with governance for the annual financial statements

It is the responsibility of management to prepare the annual financial statements that present a true and fair view in accordance with French accounting rules and principles and to implement the internal control that it deems necessary to prepare the annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the responsibility of management to assess the Company's ability to continue as a going concern, to present in these financial statements, where applicable, the necessary information relating to the going concern and to apply the going concern accounting policy, unless it is planned to liquidate the company or cease its activity.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors for the audit of the annual financial statements

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material when they can reasonably be expected, taken individually or in combination, to influence the economic decisions that users of the financial statements take based on these statements.

As specified by Article L. 821-55 of the French Commercial Code, our mission of certifying the financial statements does not consist of guaranteeing the viability or the quality of the management of your company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise their professional judgment throughout the audit. In addition:

• they identify and assess the risks that the annual financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address these risks, and collect information that they consider sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, because fraud can involve collusion, forgery, wilful omissions and misrepresentation or circumvention of internal control;

• they examine the internal control relevant to the audit in order to define audit procedures appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;

• they assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information provided in the annual financial statements;

• they assess the appropriateness of management's application of the going concern accounting policy and, depending on the elements collected, the existence or not of a material uncertainty related to events or circumstances likely to call into question the Company's ability to continue as a going concern. This assessment

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is based on the information collected up to the date of its report, it being noted, however, that subsequent circumstances or events could call into question the going concern. If they conclude that a material uncertainty exists, they draw the attention of the readers of their report to the information provided in the annual financial statements about this uncertainty or, if this information is not provided or is not relevant, they issue a certification with reservation or a refusal to certify;

• they assess the overall presentation of the annual financial statements and assess whether the financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

Statutory Auditors

Paris La Défense, 27 March 2024	Paris, 27 March 2024
KPMG SA	BM&A
Rémi Toulemonde	Eric Seyvos
Partner	Partner

REPORT OF THE BOARD OF DIRECTORS SETTING OUT THE DRAFT RESOLUTIONS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING

The draft resolutions that will be submitted to shareholders at the Combined Shareholders' Meeting of 22 May 2024 are presented below. Each of the proposed resolutions is preceded by an introductory paragraph setting out the terms and reasons.

Resolutions within the remit of the Ordinary Shareholders' Meeting

Resolutions 1 to 5 - Financial statements for the 2023 financial year and allocation of income

The **first resolution** concerns the approval of the annual parent company financial statements. The net income for the 2023 financial year amounts to €37,584. Detailed comments on the annual financial statements are included in the Annual Financial Report.

The **second resolution** concerns the approval of non-tax-deductible expenses and charges amounting to €72,361.

The **third resolution** concerns the approval of the annual consolidated financial statements. The Group's consolidated net income for the 2023 financial year amounts to €4,230 thousand. Detailed comments on the consolidated financial statements are included in the Annual Financial Report.

The **fourth and fifth resolutions** concern the allocation of income and the setting of the dividend. It is proposed to allocate the profit of €37,584 in the amount of €22,690 to "Legal reserve" and €14,894 to "Other reserves", and to deduct €1,617,636.40 from "issue premiums" and to distribute it to shareholders as a dividend. Consequently, the dividend per share (in cash) would be set at 0.20 euros per share. It would be removed on 19 June 2024 and paid from 21 June 2024.

After this allocation, the "*issue premiums*" would thus be reduced to €15,293,978.60.

This dividend proposal is in line with the objective indicated by the Company when its shares were admitted to trading on Euronext Growth to distribute dividends for the financial year ended 31 December 2023 representing approximately 30% of its net income Group share, subject to approval by the Annual Shareholders' Meeting.

FIRST RESOLUTION

Approval of the parent company financial statements for the year ended 31 December 2023

The Shareholders' Meeting, having reviewed the Board of Directors' management report and the Statutory Auditors' report on the parent company financial statements, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings,

approves the Company's annual financial statements for the financial year ended 31 December 2023, as presented to it, as well as the transactions reflected in these financial statements or summarised in these reports, which show a profit of €37,584.

SECOND RESOLUTION

Approval of the expenses and charges referred to in 4 of Article 39 of the French General Tax Code

The Shareholders' Meeting, having reviewed the Board of Directors' management report, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings,

approves the amount of expenses and charges not deductible from corporate income tax referred to in 4 of Article 39 of the French General Tax Code, namely the sum of €72,361.

THIRD RESOLUTION

Approval of the consolidated financial statements for the year ended 31 December 2023

The Shareholders' Meeting, having reviewed the Board of Directors' management report and the Statutory Auditors' report on the consolidated financial statements, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings,

approves the Company's consolidated financial statements for the financial year ended 31 December 2023, as presented, as well as the transactions reflected in these financial statements or summarised in these reports, which show a consolidated net profit of €4,230 thousand.

FOURTH RESOLUTION

Allocation of income

The Shareholders' Meeting, having reviewed the Board of Directors' report, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings,

noting that the financial statements as of 31 December 2023 and approved by this Shareholders' Meeting show a profit for the 2023 financial year of €37,584,

resolves to allocate the profit for the financial year ended 31 December 2023, *i.e.* €37,584, to the following items:

- €22,690 on the "Legal reserve" item, the amount of which would thus be reduced from €300,837 to €323,527;
- €14,894 on the "Other reserves" item, which would thus be reduced from €913,464 to €928,358,

takes note that the dividends distributed and paid in respect of the previous three financial years were as follows:

Financial year	Total dividend (€)	Dividend per share (€)	Dividend eligible for tax relief (Article 243 *bis* of the French General Tax Code)	Dividends not eligible for tax relief (Article 243 *bis* of the French General Tax Code)
2022	1,617,636.40	0.20	1,617,636.40	-
2021	224,000	1	224,000	-
2020	None	None	None	None

FIFTH RESOLUTION

Distribution of a dividend taken from "issue premiums"

The Shareholders' Meeting, having reviewed the Board of Directors' report, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, noting that the financial statements for the year ended 31 December 2023 and approved by this Shareholders' Meeting show the existence of distributable sums in the amount of €18,485,218, of which €16,911,615 corresponds to "*issue premiums*", €928,358 to "*other reserves*" and €645,245 to "*retained earnings*",

resolves to deduct from the item "*issue premiums"* a sum of €1,617,636.40 to be distributed to shareholders as a dividend,

specifies that the Company's "*issue premiums*" account is thus reduced to €15,293,978.60 and that, taking this allocation into account, the Company's shareholders' equity is €20,760,969.60,

specifies that the amount of the dividend thus allocated corresponds to a dividend of 0.20 euros per share,

specifies that the dividend to be distributed will be detached from the share on 19 June 2024 and will be paid on 21 June 2024,

specifies that in the event that, when the dividend is paid, the Company holds some of its own shares, the amounts corresponding to the unpaid dividends pertaining to these shares will be allocated to the "*other reserves*" account.

The gross dividend mentioned above is before any tax and/or social security deductions that may apply to shareholders according to their own situations.

In accordance with the provisions of Article 200 A of the French General Tax Code, dividends received by individuals who are fiscally resident in France and are subject to income tax, are (for their gross amount and unless exempted under income conditions) automatically subject to a single flat-rate withholding tax of 12.8% in respect of income tax (Article 200 A 1. of the French General Tax Code), plus social security contributions at a rate of 17.2%, *i.e.* overall taxation at 30%.

By way of derogation and on express, overall and irrevocable option, these dividends are subject to income tax at the progressive scale (Article 200 A 2. of the French General Tax Code), and are then eligible for tax relief of 40% referred to in paragraph 2 of 3 of Article 158 of the French General Tax Code, applicable under certain conditions. This option is overall and applies to all income within the scope of the single flat-rate withholding tax. In this case, the dividend is also subject to social security contributions at the rate of 17.2%.

In accordance with the provisions of Article 117 *quater*, I.-1 of the French General Tax Code, a request for an exemption from the non-discharging flat-rate withholding tax of 12.8% in accordance with the provisions of Article 242 *quater* of the French General Tax Code may be made to the Company before 30 November of the year preceding the year of payment by taxpayers whose "reference tax income" for the penultimate year does not exceed a certain threshold, set in paragraph 3 of the same article and provided that they have made the express request when filing the declaration of income concerned, under the conditions provided for in Article 200 A 2. of the French General Tax Code, for dividends received in 2024.

Resolutions 6 to 7 - Approval of the Statutory Auditors' report on the regulated agreements referred to in Article L. 225-38 of the French Commercial Code

By the **sixth and seventh resolutions**, you are asked to approve the Statutory Auditors' special report presenting the regulated agreements referred to in Article L. 225-38 of the French Commercial Code, which sets out the severance pay agreements entered into during the financial year ended 31 December 2023 between the Company and Mr Yann Duigou and Christelle Bonnevie. You are reminded that these three agreements were previously authorised by the Board of Directors on 19 June 2023.

SIXTH RESOLUTION

Special report of the Statutory Auditors on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code and approval of an agreement entered into with Mr Yann Duigou

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the special report prepared by the Statutory Auditors on the agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code,

approves the forced departure severance agreement entered into during the financial year ended 31 December 2023 with Mr Yann Duigou and mentioned in the said report.

SEVENTH RESOLUTION

Special report of the Statutory Auditors on the agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code and approval of an agreement entered into with Mrs Christelle Bonnevie

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the special report prepared by the Statutory Auditors on the agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code,

approves the forced departure severance agreement entered into during the financial year ended 31 December 2023 with Mrs Christelle Bonnevie and mentioned in the said report.

Resolutions 8 to 11 - Composition of the Board of Directors

The composition of the Board of Directors aims in particular to achieve a balance with regard to the experience and skills of its members and the representation of men and women, in order to enable the Board of Directors to best fulfil the diversity of its responsibilities. The Board of Directors also sees that a fair balance is maintained by ensuring the presence of independent members with regard to the governance principles to which the Company refers. These objectives are reviewed each year by the Compensation, Appointments and Governance Committee.

By the **eighth and ninth resolutions**, the Board of Directors proposes that you renew the terms of office of Mr Thierry Ballenghien for a period of three years (date of first appointment: 2021) and Mrs Pascale Auger (date of first appointment: 2021) that are about to expire. More detailed comments, including the biographies of these directors, are included in the Annual Financial Report. These renewed terms of office would thus expire at the end of the Ordinary Shareholders' Meeting to be held in 2027 and which will be called upon to approve the financial statements for the financial year ending 31 December 2026.

By the vote of **tenth and eleventh resolutions**, you are also asked to ratify the co-option by the Board of Directors of Mr Thomas Chea as director, to replace Mr Cyril Calvignac, for the remainder of his term of office, *i.e.* until the end of this Shareholders' Meeting, and to renew, for a period of three years, the term of office of Mr Thomas Chea which is due to expire. More detailed comments, including the biographies of Mr Thomas Chea, are included in the Annual Financial Report. These renewed terms of office would thus expire at the end of the Ordinary Shareholders' Meeting to be held in 2027 and which will be called upon to approve the financial statements for the financial year ending 31 December 2026.

EIGHTH RESOLUTION

Renewal of the term of office as director of Mr Thierry Ballenghien

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and noted that the term of office as director of Mr Thierry Ballenghien expires today,

resolves to renew her term of office for a term of three years, which will expire at the end of the Ordinary Shareholders' Meeting to be held in 2027 and which will be called upon to approve the financial statements for the financial year ending 31 December 2026.

NINTH RESOLUTION

Renewal of the term of office as director of Mrs Pascale Auger

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and noted that the term of office as director of Mrs Pascale Auger expires today,

resolves to renew her term of office for a term of three years, which will expire at the end of the Ordinary Shareholders' Meeting to be held in 2027 and which will be called upon to approve the financial statements for the financial year ending 31 December 2026.

TENTH RESOLUTION

Ratification of the co-option of Mr Thomas Chea as a director

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report,

ratifies the co-option by the Board of Directors of Mr Thomas Chea, as director of the Company, at the meeting of the Board of Directors of 19 June 2023, to replace the term of office of Mr Cyril Calvignac, who resigned for the remainder of his term of office, *i.e.* until the end of this Shareholders 'Meeting of the Company.

ELEVENTH RESOLUTION

Renewal of the term of office as director of Mr Thomas Chea

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report and noted that the term of office as director of Mr Thomas Chea expires today,

subject to the adoption of the tenth resolution above,

resolves to renew her term of office for a term of three years, which will expire at the end of the Ordinary Shareholders' Meeting to be held in 2027 and which will be called upon to approve the financial statements for the financial year ending 31 December 2026.

Resolution 12 - Compensation of members of the Board of Directors

By the **twelfth resolution**, you are asked, pursuant to Article L. 225-45 of the French Commercial Code, to set the amount of the annual fixed sum to be allocated to the directors as compensation for their activities (formerly directors' fees) at €90,000 for the financial year ending 31 December 2024, an annual amount that the Board of Directors may freely distribute among its members.

TWELFTH RESOLUTION

Setting of the total annual compensation allocated to the members of the Board of Directors

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings, having reviewed the Board of Directors' report,

resolves to set the amount of the annual fixed sum provided for by Article L. 225-45 of the French Commercial Code that the Company may allocate to the directors as compensation for their activities (formerly directors' fees) at €90,000 in respect of the financial year ending 31 December 2024.

The Board of Directors may freely distribute among its members the annual fixed amount allocated to the Directors.

Resolution 13 - Authorisation to buy back Icape shares

The **thirteenth resolution** is intended to renew the authorisation to buy back shares granted to the Board of Directors by your Shareholders' Meeting of 16 April 2023, for a period of 18 months.

Your Board used this authorisation to continue the execution of the liquidity agreement between the Company and Gilbert Dupont. The purpose of this liquidity agreement is the management of the Icape Holding share by Gilbert Dupont on the Euronext Growth multilateral trading facility in Paris. Detailed comments on the liquidity agreement are included in the Annual Financial Report.

As of 31 December 2023, your Company held, directly and through the liquidity agreement, 25,473 shares, *i.e.* 0.31% of the total number of shares comprising the share capital.

The resolution submitted to the vote sets the maximum number of shares that your Company may acquire at 10% of the total number of shares comprising the Company's share capital on the date of completion of the purchases. The purchase price per share may not exceed thirty (30) euros.

This resolution takes over the purposes for which you voted in favour in previous years.

These purchases could thus make it possible to:

- *(x)* the implementation of (i) stock option plans, (ii) free share allocation plans (or similar plans), (iii) employee shareholding transactions reserved for members to a company savings plan (or similar plans), in accordance with the legal provisions in force, through the sale of shares previously acquired by the Company under this resolution, or providing for a free allocation of these shares under the terms of this resolution, a contribution to the Company's shares and/or in substitution for the discount or (iv) share allocation, for the benefit of employees and/or corporate officers of the Company and its related companies, in particular in the case of participation in the Company's results, as well as *(y)* carry out all hedging transactions relating to these transactions, under the conditions provided for by the market authorities and at the times that the Board of Directors or the person acting on behalf of the Board of Directors deem appropriate;

- *(x)* the delivery of shares when the rights attached to securities giving access to the Company's share capital are exercised, by redemption, conversion, exchange, presentation of a voucher or in any other way, and *(y)* to carry out any hedging operations relating to these transactions, under the conditions laid down by the market authorities and at the times the Board of Directors or the person acting on behalf of the Board of Directors deem appropriate;

- use them in connection with any hedging of the Company's commitments in respect of financial instruments relating in particular to changes in the Company's share price;

- hold shares and subsequently use them for payment or exchange within the framework of potential external growth transactions, mergers, demergers or contributions;

- cancel all of part of the shares by way of a reduction in share capital (in particular with a view to optimising cash management, return on equity or earnings per share), subject to adoption by this Shareholders' Meeting of the fifteenth resolution below;

- manage the equity market under a liquidity agreement entered into with an investment service provider, in accordance with the Code of Ethics recognised by the French Financial Markets Authority;

- implement any market practice that may be authorised by the French Financial Markets Authority and, more generally, complete all transactions in accordance with legal and regulatory provisions in force.

The purchase of these shares, as well as their sale or transfer, may be carried out, on one or more occasions, by any means and at any time, in accordance with the limits and terms and conditions set by the regulations.

A detailed report on the share buyback transactions carried out by the Company in 2023 is included in the Annual Financial Report.

THIRTEENTH RESOLUTION

Authorisation to be granted to the Board of Directors for the Company to purchase its own shares in accordance with Article L. 22-10-62 of the French Commercial Code

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Ordinary Shareholders' Meetings,

having reviewed the Board of Directors' report, and in accordance with European Regulation No. 596/2014 of the European Parliament and of the Council of 16 April 2014 and the provisions of Article L. 22-10-62 of the French Commercial Code,

authorises the Board of Directors, with the option of subdelegation under the conditions provided for by law, to purchase or cause to be purchased, by any means authorised by the regulations in force or which may come to be so authorised, on any markets, including multilateral trading facilities (MTF) or *via* a systematic internaliser, or over-the-counter, including through the acquisition or sale of blocks of shares (without limiting the portion of the buyback programme that may be carried out in this way), these means including the use of any financial contracts or forward financial instruments (such as, in particular, any forward contracts or options) with the exception of the sale of put options, in compliance with the regulations in force, on one or more occasions, a number of shares not exceeding 10% of the Company's share capital (at any time, this percentage being applied to the capital adjusted according to subsequent transactions),

resolves that the Company may buy back its own shares in order to:

- *(x)* the implementation of (i) stock option plans, (ii) free share allocation plans (or similar plans), (iii) employee shareholding transactions reserved for members to a company savings plan (or similar plans), in accordance with the legal provisions in force, through the sale of shares previously acquired by the Company under this resolution, or providing for a free allocation of these shares under the terms of this resolution, a contribution to the Company's shares and/or in substitution for the discount or (iv) share allocation, for the benefit of employees and/or corporate officers of the Company and its related companies, in particular in the case of participation in the Company's results, as well as *(y)* carry out all hedging transactions relating to these transactions, under the conditions provided for by the market authorities and at the times that the Board of Directors or the person acting on behalf of the Board of Directors deem appropriate;

- *(x)* the delivery of shares when the rights attached to securities giving access to the Company's share capital are exercised, by redemption, conversion, exchange, presentation of a voucher or in any other way, and *(y)* to carry out any hedging operations relating to these transactions, under the conditions laid down by the market authorities and at the times the Board of Directors or the person acting on behalf of the Board of Directors deem appropriate;

- use them in connection with any hedging of the Company's commitments in respect of financial instruments relating in particular to changes in the Company's share price;

- hold shares and subsequently use them for payment or exchange within the framework of potential external growth transactions, mergers, demergers or contributions;

- cancel all of part of the shares by way of a reduction in share capital (in particular with a view to optimising cash management, return on equity or earnings per share), subject to adoption by this Shareholders' Meeting of the fifteenth resolution below;

- manage the equity market under a liquidity agreement entered into with an investment service provider, in accordance with the Code of Ethics recognised by the French Financial Markets Authority;

- implement any market practice that may be authorised by the French Financial Markets Authority and, more generally, complete all transactions in accordance with legal and regulatory provisions in force,

sets the terms and conditions of such purchase as follows:

The maximum amount of funds allocated to the share buyback programme is one million (1,000,000) euros, net of fees.

These purchase, sale, exchange or transfer transactions may be carried out on one or more occasions by any means, in particular, on the market or over-the-counter within the limits permitted by the regulations in force, in particular through the acquisition or sale of blocks. These transactions may take place at any time, in accordance with the regulations in force, including during a public offer, subject to the legal and regulatory provisions in force.

It is specified that (i) a maximum amount of 5% of the shares comprising the Company's share capital may be allocated with a view to their holding and subsequent delivery in payment or exchange in the context of a merger, spin-off or contribution transaction, and (ii) in the event of acquisition under a liquidity agreement, the number of shares taken into account for the calculation of the limit of 10% of the amount of share capital mentioned above shall correspond to the number of shares purchased less the number of shares sold during the term of this authorisation.

The maximum purchase price per share of the Company's own shares, excluding costs, may not exceed thirty (30) euros. It is specified that in the event of capital transactions, in particular changes in the par value of the share, a capital increase by incorporation of reserves followed by the creation and allocation of free shares, the stock split or reverse stock split of shares, the Board of Directors may adjust the aforementioned maximum purchase price to take into account the impact of these transactions on the value of the Company's share.

The Board of Directors shall have full powers, with the option of subdelegation under legislative and regulatory conditions, in order, in compliance with the relevant legislative and regulatory provisions, to carry out the authorised allocations and, where applicable, to reallocate shares bought back for one of the objectives of the program to one or more of its other objectives, or their sale, on the market or off-market.

The Shareholders' Meeting **delegates** to the Board of Directors, in the event of a change in the par value of the share, a capital increase through the incorporation of reserves, a stock split or reverse stock split, and the distribution of reserves or any other assets, amortisation the share capital or any other transaction affecting shareholders' equity, the power to adjust the aforementioned purchase and sale prices in order to take into account the impact of these transactions on the value of the share,

gives all powers to the Board of Directors, subject to strict compliance with laws and regulations, with the option of subdelegation under the conditions provided for by law, in order to:

- assess the advisability of launching a buyback programme;

- determine the terms and conditions of the buyback programme, including the price of the shares purchased;

- acquire, sell or transfer these shares by any means; place any stock market order;

- allocate or reallocate the shares acquired to the various objectives pursued in accordance with the applicable legal and regulatory conditions;

- enter into any agreement with a view, in particular, to the keeping of share purchase and sale registers, make any declaration to the French Financial Markets Authority and any other bodies, complete all formalities;

- prepare and publish the information release relating to the implementation of the share buyback programme; and

- in general, do whatever is necessary to carry out and implement this authorisation,

sets at eighteen (18) months, from the date of this Shareholders' Meeting, the period of validity of the delegation of authority covered by this resolution, *i.e.* until 22 November 2025, at which date it will be deemed null and void if the Board of Directors has not made use of it.

The Board of Directors will provide the shareholders at the Annual Shareholders' Meeting, in the report provided for in Article L. 225-100 of the French Commercial Code and in accordance with Article L. 225-211 of the French Commercial Code, with the information relating to the completion of share purchase transactions authorised by the Shareholders' Meeting, in particular the number and price of the shares thus acquired, and the volume of shares used.

This authorisation cancels the authorisation granted to the Board of Directors by the Shareholders' Meeting of 16 April 2023 in its fifteenth resolution.

Resolution 14 - Allocation of existing free shares

By the **fourteenth resolution**, you are asked to authorise the Board of Directors to allocate free shares in the Company, under the conditions provided for in Articles L. 225-197-1 *et seq.* of the French Commercial Code.

This resolution, for a period of 38 months, would allow these Icape Holding share allocations to be placed in a favourable framework for the Company and its shareholders as well as for the beneficiaries of free shares.

Free share allocations may only relate to existing Company shares resulting from purchases made previously by it under the conditions provided for by the legal provisions in force, to the exclusion of shares to be issued.

It is specified that the allocations may be subject to the achievement of one or more performance conditions.

The long-term incentive scheme is a key component of the Icape Group's policy for recognising the potential and performance of its employees. Thanks to its duration and vesting conditions, it helps to retain the beneficiaries and link their interests more closely to those of shareholders.

The allocation decision taken by the Board of Directors would relate to a minimum vesting period of one year, at the end of which, if the conditions set by the Board of Directors are met, the beneficiary would become a shareholder. The Board of Directors would determine the duration of any share retention period.

It is proposed to set the ceiling for the allocation of free shares at 10% of the share capital.

FOURTEENTH RESOLUTION

Authorisation to be granted to the Board of Directors to allocate free existing shares

The Shareholders' Meeting, ruling under the quorum and majority conditions required for Extraordinary Shareholders' Meetings,

having reviewed the Board of Directors' report and the special report of the Statutory Auditors,

authorises the Board of Directors, in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, to allocate free existing shares, on one or more occasions, to the beneficiaries it will determine from among (i) the employees, or certain categories of them, of the Company or of companies or groups related to it under the conditions provided for in Article L. 225-197-2 of the said Code and/or (ii) corporate officers, or certain categories of them, who meet the conditions set out in Article L. 225-197-1, II of the French Commercial Code, under the conditions defined below,

specifies that the free share allocations may only relate to existing shares of the Company resulting from purchases previously made by it under the conditions provided for by the legal provisions in force, to the exclusion of shares to be issued,

resolves that the total number of free shares allotted under this authorisation may not exceed 10% of the share capital of the Company at the time of allotment, and to this ceiling of 10% will be added, where applicable, the nominal amount of additional shares to be allotted, to preserve, in accordance with the law, and if applicable, contractual provisions, the rights of beneficiaries in the event of financial transactions or transactions affecting the Company's share capital or shareholders' equity**,**

resolves that the grants made pursuant to this delegation may be subject to the achievement of one or more performance conditions or other criteria set by the Board of Directors,

resolves that the allocation of said shares to their beneficiaries will become definitive, for all or part of the shares allocated, at the end of a vesting period of at least one year,

resolves that, within the limits set in the previous paragraphs, the Board of Directors will determine the duration of the vesting period and the duration of any holding period; it being specified that at the end of any holding period, these shares may only be sold in accordance with the applicable legislative and regulatory provisions,

resolves that the allocation of said shares to their beneficiaries will become definitive before the expiry of the aforementioned vesting periods in the event of disability of the beneficiary corresponding to the classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code and that said shares will be freely transferable in the event of disability of the beneficiary corresponding to the classification in the aforementioned categories of the French Social Security Code,

provides full powers on the Board of Directors, with the option to sub-delegate these powers in accordance with the law and regulations, to implement or not this authorisation, as well as to suspend it if necessary, in accordance with the law and within the limits and under the conditions set out above, and in particular to:

- decide on the number of existing shares to be allocated free of charge, and carry out the acquisition of the necessary shares as part of the share buyback programme and allocate them to the allocation plan;

- set, under the legal conditions and limits, the dates on which the allocations will be made;

- determine the identity of the beneficiaries of the share allocations from among (i) employees, or certain categories of them, of the Company or of the aforementioned companies or groups and the corporate officers who meet the conditions set by Article L. 225-197-1, II of the French Commercial Code and/or (ii) corporate officers, or certain categories of them, who meet the conditions set by Article L. 225-197-1, II of the French Commercial Code;

- in the case of any shares, where applicable, allocated to the executive corporate officers referred to in Article L. 225-197-1 II paragraph 5 of the French Commercial Code, either decide that these shares may not be sold by the parties concerned before the termination of their duties, or set the number of such shares that they will be required to hold in registered form until the termination of their duties;

- register the free shares in a registered account in the name of their holder, mentioning the unavailability and the duration thereof;

- set the conditions and, where applicable, the criteria for the allocation of shares, and in particular any performance conditions that it deems useful, as well as the terms of adjustment in the event of a financial transaction by the Company;

- adjust, where applicable, the number of shares allocated in connection with any transactions involving the Company's share capital,

takes note of the fact that, in the event that the Board of Directors uses this authorisation, it will inform the Ordinary Shareholders' Meeting each year of the transactions carried out pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, under the conditions provided for by Article L. 225-197-4 of the said Code,

resolves that this authorisation is given for a period of thirty-eight (38) months from the date of this decision, the period of validity of this delegation, *i.e.* until 22 July 2027, on which date it will be deemed null and void if the Board of Directors has not made use of it.

This authorisation cancels the authorisation granted to the Board of Directors by the Shareholders' Meeting of 12 April 2022 in its thirteenth resolution.

Resolution 15 - Capital reduction by cancellation of shares

By the **fifteenth resolution**, you are asked to renew, for a period of 18 months, the authorisation given to your Board of Directors to cancel, by way of a reduction in the share capital, shares purchased by the Company under the authorisations granted by your Shareholders' Meeting as part of the share buyback programme and to reduce the share capital within the limit of 10% of the share capital per 24 month period.

The cancellation by the Company of treasury shares may meet various objectives such as, for example, active capital management, balance sheet optimisation or offsetting the dilution resulting from capital increases.

In accordance with legal provisions, shares may only be cancelled within a limit of 10% of the share capital per 24-month period.

FIFTEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to carry out capital reductions by cancelling shares

The Shareholders' Meeting, ruling under the quorum and majority conditions for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the special report of the Statutory Auditors,

in accordance with the provisions of Article L. 22-10-62 of the French Commercial Code,

authorises the Board of Directors, with the option of subdelegation in accordance with the law, to cancel on one or more occasions at such times it sees fit, for a period of eighteen (18) months from this Shareholders' Meeting, *i.e.* until 22 November 2025, the shares acquired by the Company pursuant to the authorisation granted in the thirteenth resolution or any resolution having the same purpose and the same legal basis, within the limit of 10% of the share capital of the Company per period of twenty-four (24) months, and correspondingly reduce the share capital, it being recalled that this percentage applies to a share capital adjusted according to the transactions affecting it subsequent to this Shareholders' Meeting,

authorises the Board of Directors to apply the difference between the repurchase value of the cancelled shares and their par value from the premiums and available reserves of its choice, including the legal reserve, up to a limit of 10% of the capital reduction carried out,

gives all powers to the Board of Directors, subject to strict compliance with laws and regulations, with the option of subdelegation in order to:

- carry out this or these share cancellation and capital reduction transactions;

- determine the final amount of the capital reduction;

- set the terms and conditions;

- record its completion;
- amend the Company’s Articles of Association accordingly;
- carry out all formalities and declarations to all bodies; and
- generally, do whatever is necessary to implement this authorisation.

This authorisation cancels the authorisation granted to the Board of Directors by the Shareholders' Meeting of 16 May 2023 in its twenty-first resolution.

Resolution 16 - Powers for formalities

The **sixteenth resolution** is a standard resolution that makes it possible to carry out the formalities required by law following the Shareholders’ Meeting.

SIXTEENTH RESOLUTION

Powers for formalities

The Shareholders’ Meeting **resolves** to grant full powers to the bearer of a copy or extract of this document, for the purposes of carrying out all publication and filing formalities provided for by the legislation in force.

Appendix 1
Table of payment terms

In accordance with Article L. 411-14 and D. 411-6, I of the French Commercial Code, we provide you with information on the payment terms of our suppliers and customers, indicating the number and total amount of invoices received and issued but not paid at 31 December 2023 and the breakdown of this amount by tranche of arrears in the following table:

Trade payables (in €)						
Article D. 441 l.-1°: Invoices received but not paid at the reporting date of the financial year whose term has expired						
	Not past due (0 days)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payment tranches						
Number of invoices concerned	38	34	17	5	10	66
Total amount of invoices concerned including VAT	€229,997	€708,173	€109,867	€23,001	€(12,238)	€882,802
Percentage of the total purchases for the financial year including VAT	21.72%	66.88%	10.38%	2.17%	-1.16%	78.28%
(B) Invoices excluded from (A) relating to disputed or unrecognised debts						
Amount incl. Tax	None					
(C) Reference payment terms used						
Payment terms used to calculate late payments	Legal deadlines: 60 days					

Trade receivables (in €)						
Article D. 441 l.-2°: Invoices issued but not paid at the reporting date of the financial year whose term has expired						
	Not past due (0 days)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payment tranches						
Number of invoices concerned	47	15	-	24	94	133
Total amount of invoices concerned including VAT	€739,252	€71,256	-	€54,954	€271,713	€397,924
Percentage of revenue for the financial year including VAT	65.01%	6.27%	-	4.83%	23.89%	34.99%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables						
Amount incl. Tax	None					
(C) Reference payment terms used						
Payment terms used to calculate late payments	Legal deadlines: 60 days					