ANNUAL FINANCIAL REPORT

COGELEC GROUP

2021

SUMMARY

1. MANAGEMENT REPORT 8

1.1 HIGHLIGHTS 9
1.2 GROUP INFORMATION 9
1.3 COMPANY INFORMATION 14
1.4 MARKET INFORMATION 15
1.5 SUBSIDIARIES AND HOLDINGS 16
1.6 BRANCHES 17
1.7 POST BALANCE SHEET EVENTS AND OUTLOOK 17
1.8 RISK MANAGEMENT 17
1.9 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION 25
1.10 ELEMENTS OF THE MANAGEMENT REPORT PRESENTED IN OTHER PARTS OF THE ANNUAL FINANCIAL REPORT 26

2. CORPORATE GOVERNANCE REPORT 28

2.1 CORPORATE GOVERNANCE 28
2.2 INFORMATION ON REMUNERATION 35
2.3 OTHER ELEMENTS OF THE CORPORATE GOVERNANCE REPORT 36
2.4 INFORMATION CONCERNING THE SHARE CAPITAL 37

3. GROUP CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2019 41

3.1 CONSOLIDATED BALANCE SHEET 42
3.2 CONSOLIDATED INCOME STATEMENT 43
3.3 COMPONENTS OF THE OVERALL RESULT 43
3.4 CONSOLIDATED STATEMENT OF CASH FLOWS 43
3.5 TABLE OF CHANGES IN EQUITY 45
3.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 45

4. ANNUAL ACCOUNTS OF THE COMPANY AT DECEMBER 31, 2019 95

4.1 INCOME STATEMENT 96
4.2 BALANCE SHEET AS OF DECEMBER 31, 2019 98
4.3 APPENDICES TO THE CORPORATE ACCOUNTS 100
4.4 TABLE OF RESULTS FOR THE LAST 5 YEARS 120

5. STATUTORY AUDITORS' REPORTS 121

5.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS 122
5.2 STATUTORY AUDITORS' REPORT ON THE ANNUAL ACCOUNTS 125
5.3 STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS 129

6. OTHER INFORMATION 132

6.1 INFORMATION CONCERNING THE COMPANY 133
6.2 CERTIFICATE BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT 136

THE EXECUTIVE COMMITTEE

Roger LECLERC

Chairman and Chief Executive Officer

Eric BUBLEX

Director of operations

Véronique POCHET

Chief Financial Officer

Norbert MARCHAL

Head of advanced research and mechatronic projects

Laurent CARAMELLE

Director of the Research & Development program

Xavier BENAITEAU

Industrial Manager

Victor D'ALLANCE

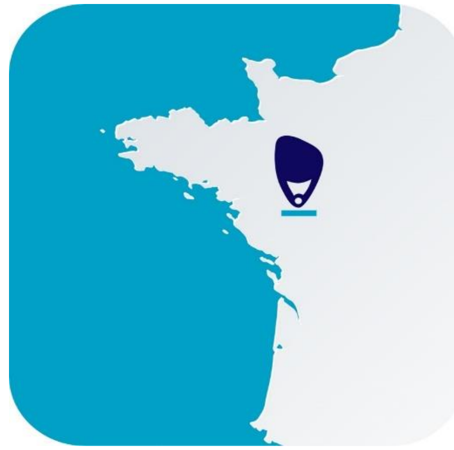
International Development Manager

THE COMPANY, ITS ACTIVITIES

Created in 2000 in Mortagne-sur-Sèvre (85), Cogelec is a group that is revolutionizing access control.

Founded on the values of innovation and quality of service, the company realizes its initial objective day after day: to put technology at the service of its customers and users to facilitate their daily lives and strengthen their security.

Cogelec designs and manufactures all of its ranges in France, in its premises, divided between its headquarters in Vendée, its Research and Development office in Nantes, and its European subsidiaries.



Our mission

Offer our customers and our networks complete, simple and economical solutions.

Simplify the daily lives of installers, managers and users.

Our DNA

Create to innovate

Be as close as possible to our customers to understand and anticipate their needs and meet them in the best possible way.

Cogelec has filed over 40 patents and launches a new product or service on the market about every two month.

Our values

The trust established with our customers is our driving force.

Team flexibility and availability is proof of their reliability and responsiveness.

Towards a **EUROPEAN** group

- **2000** – Establishment of Cogelec
- **2003** – France's leader in access control
- **2011** – Launch of export sales
- **2017** – Establishment of the subsidiary in Germany
- **2018** – Establishment of subsidiaries in the United Kingdom and the Netherlands

THE COMPANY, ITS BRANDS, PRODUCTS AND SERVICES

ITS BRANDS

Cogelec covers the entire access control market (collective and individual housing, tertiary sector and communities) through the products of its four brands:

Hexact · INTRATONE · kibolt · ROZOH

ITS PRODUCTS AND SERVICES to meet all the needs of its customers

KEY MANAGEMENT
Remote key management solutions

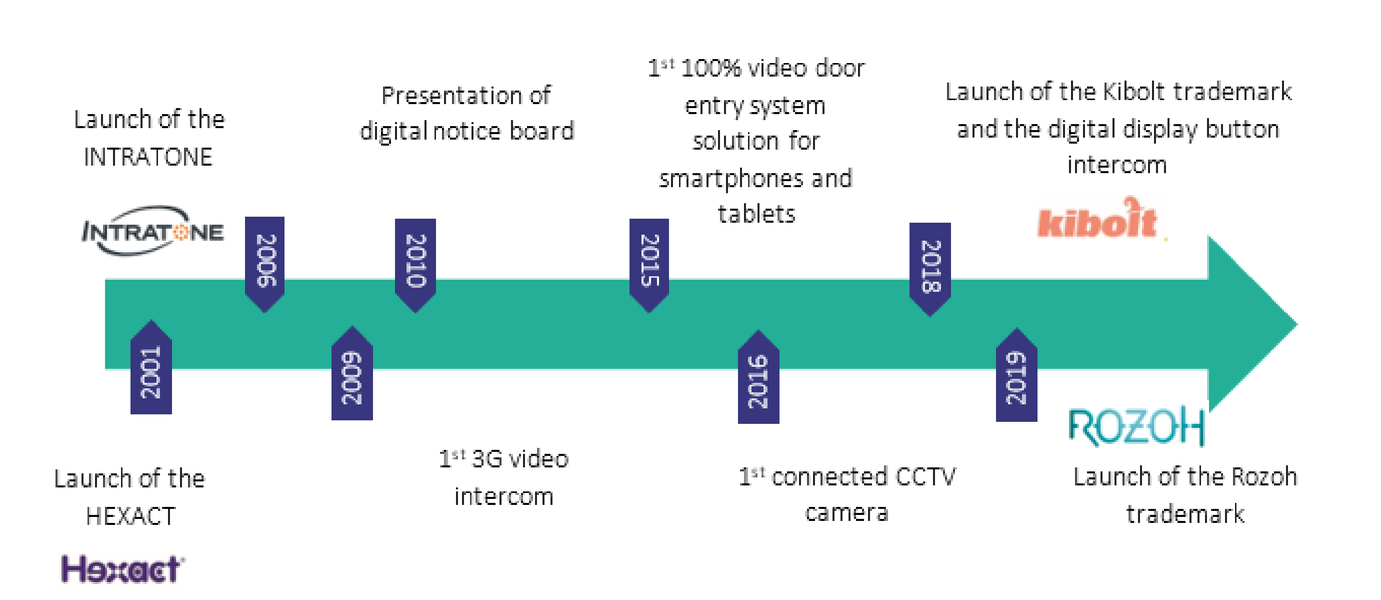
INTERCOMS and ACCESS CONTROL
A complete range of products to secure exteriors of residences

NOTICE BOARD
Solutions to communicate effectively and in real time to all or part of a residence

SOFTWARE AND APPLICATIONS
Cogelec provides its customers and partners with free applications and software for the real-time and remote management of all products.

SERVICES
Cogelec has developed numerous services to support its customers and partners on a daily basis: site programming, training, a hotline, on-site intervention.

HIS HISTORY



SOCIAL POLICY AND QUALITY OF LIFE AT WORK

Cogelec places the employee at the center of the company's success

Freedom for everyone to express their talents

A pleasant and friendly environment

A leading group with dynamic growth

And offers a fulfilling work environment

- *Relaxation and dining areas*
- *Sports lessons organized on site during the lunch break*
- *Company concierge*
- *Individual schedules*
- *Well-being breaks (monthly "seated massage" appointments, etc.)*
- *Annual team-building*
- *Support for sports projects led by employees*

AN ENVIRONMENTAL APPROACH

By developing new uses

Cogelec develops and designs products allowing the development of new uses and behaviors in line with its social and environmental commitment.

The GSM solution applied to intercom accompanies this environmental approach, and requires neither handsets nor cabling in the housing for installation.

Every year, 700,000 wired intercom handsets are installed in France, wireless solutions would therefore make it possible to avoid tons of potential copper and plastic waste.

Similarly, when in use, the GSM solution offers features for displaying and updating information remotely, which makes it possible to reduce on-site travel and the associated CO^2 emissions.

Throughout the product value chain

Procurement

85% of suppliers located in France

Production

100% of products assembled in France

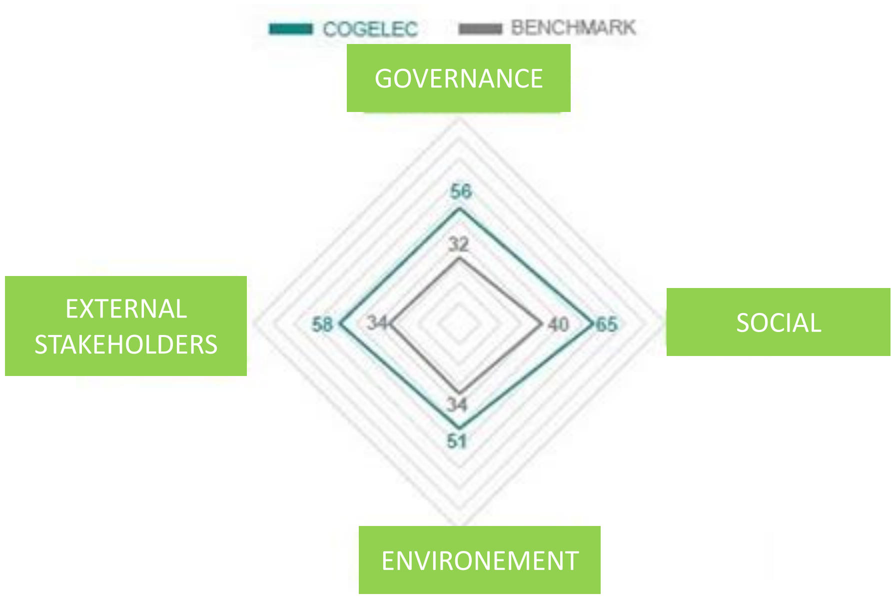
Packaging

Packaging made from 62% recycled cardboard

AN ESG APPROACH:

After an audit campaign on the data collected by COGELEC in 2019, the overall rating of 56/100 was awarded to COGELEC in March 2021.

This rating corresponds to a higher level of ESG maturity compared to comparable companies used in the reference benchmark(1).



On the four major CSR themes, COGELEC's scores are all above the average of the companies included in the reference panel, given the many initiatives already carried out within COGELEC to meet CSR requirements. . The following elements are particularly highlighted:

- Governance: Founded by 6 employee shareholders, the governance of COGELEC was structured with the establishment in 2018 of a Board of Directors including independents to support the growth of the Group in France and internationally.

- Social: With a view to building loyalty but also to optimizing working conditions, COGELEC has initiated various QWL measures, and is particularly attentive to the development of employee skills to support its innovative dynamic.

- Environment: The Group attaches crucial importance to the best maintenance actions to combat obsolescence. Its R&D policy focuses in particular on reducing the consumption of materials, managing and reducing waste with a permanent concern for reducing the environmental footprint of its products.

- External stakeholders: The Group gives priority to local sourcing and has developed a close relationship and partnership with its suppliers and subcontractors. It focuses its development on quality and secure products, while taking into account the evolving demands and needs of its customers.

Quickly achievable areas for improvement have been identified for the coming years and concern in particular the establishment of a dedicated referent body to manage the various extra-financial performance criteria within the Group. This measure, accompanied by the formalization of initiatives in the various fields, will contribute to building a coherent framework between the many initiatives already carried out within the Group and to deploying a strategic extra-financial vision.

1. Management report

1.1 HIGHLIGHTS

It is recalled that in 2020, the performance of the Cogelec Group was impacted by the global crisis and by the national lockdown decreed over the period from March to May 2020. This crisis had the effect of slowing down growth in 2020. Cogelec had measured the impacts on the main aggregates of Cogelec's social accounts by comparing equipment sales over the period from March to May 2020 with the same period in 2019.

It showed that Cogelec SA's 2020 revenue had been impacted by approximately -€2.9 million and the associated direct margin by -€1.6 million.

Due to the health crisis linked to the spread of Covid-19, which was still very critical at the start of 2021, in April 2021 the Company entered into a state-guaranteed loan agreement (PGE) for nine million euros. euros in order to maintain its level of cash. Furthermore, the Group had not requested a postponement of its social, tax and credit deadlines.

It should be noted that certain European countries, in particular Germany and the United Kingdom, were more widely impacted by the various confinements at the start of the 2021 financial year.

In its press release of July 22, 2021, the Group announced the effective completion of RAISE Investissement's entry into the capital of S.R.C, Cogelec's control structure, as a minority financial partner. RAISE Investissement now holds 35% of the capital and voting rights of Cogelec Développement, which holds the entire capital of S.R.C.The entry of RAISE Investissement into the capital of the Cogelec Group is part of a dynamic partnership with the managers of the Cogelec Group to actively support its long-term prospects of development in France and abroad.

Following the launch of Kibolt in the second quarter of fiscal year 2021, initial customer experiences demonstrated the product's full potential, as well as the need to adjust certain features. Managed via an app, the Kibolt universal smart key allows secure access to all equipped doors. To ensure new product developments, preserve the customer base and capitalize on the broad market potential, the Group decided in September 2021 to suspend the marketing of the current Kibolt generation. The next generation of Kibolt is expected to be available in September 2022.

As of December 31, 2021, the group recorded in its corporate and consolidated financial statements a net loss of €3.542 million linked to the discontinuation of version 1 of the Kibolt key, which is explained by:

- the scrapping of inventories in the amount of €2.07 million,
- by the removal of intangible assets corresponding to the development costs of version 1 for 0.955 M€ minus a reversal of amortization of 0.169 M€ and
- by the scrapping of machines and molds dedicated to version 1 for €0.542 million. Most of these costs were recognized in “Other non-current operating income and expenses”.

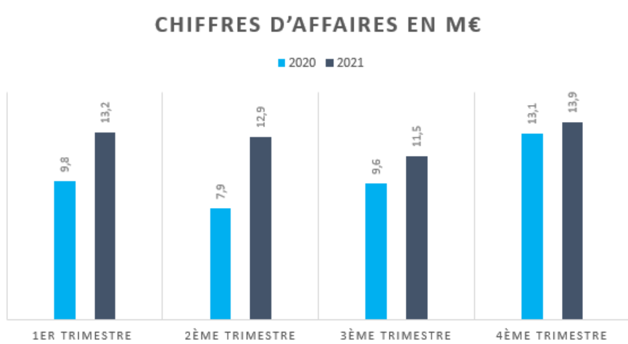
In order to finance the commercial development of its subsidiaries, Cogelec granted an advance of €5.5 million for 2021, i.e. a cumulative amount of €22.6 million as of December 31, 2021.

1.2 GROUP INFORMATION

1.2.1 2021 ACTIVITY REPORT

Sales

In 2021, the group continued its commercial dynamic in France and Europe and experienced a 27.5% increase in its annual turnover. Turnover breaks down as follows:



In the 4th quarter, COGELEC's business volume reached €13.9 million, up +6.3%. In an environment still impacted by the health crisis, marked by the persistence of inertia in investment decisions at general meetings and the slowdown in construction activity in December, the Group maintained a satisfactory level of activity. COGELEC has also been able to diversify its sources of supply for electronic components, in order to ensure all deliveries on time and to strengthen its market share.

In €m	2021	2020	Change in %
1st trimester	13,2	9,8	+35%
2nd quarter	12,9	7,9	+63.6%
3rd quarter	11,5	9,6	+19.2%
4th trimester	13,9	13,1	+6.3%
TOTAL	**51,5**	**40,4**	**+27.5%**

Human ressources

As of December 31, 2021, the number of group employees stood at 306, including 61 employees in the 3 subsidiaries. The workforce varied by 12 people and reflects in particular the reinforcement of the group's industrial workforce directly linked to the strong growth in activity.

1.2.2 CONSOLIDATED REVENUES

Over the full year, revenue amounted to €51.5 million, up +27.5% compared to 2020, still driven by the continued development of Intratone sales in France and by strong commercial momentum in Europe. In France, activity recorded an increase of +25.5% to reach €45.2 million. In Europe, this increase in activity amounts to +43.6% for €6.3 million.

In thousands of €	31/12/2021	31/12/2020
Equipment sales	37 830	28 995
Sales of services	13 719	11 436
TOTAL	**51 549**	**40 431**

In thousands of €	31/12/2021	31/12/2020
France	45 206	36 013
export	6 342	4 417
TOTAL	**51 549**	**40 431**

Subscriptions continue to grow at €13.7 million (+20.0%) and represent 27% of revenue for the whole of 2021. The termination rate remains very low.

2.3 KEY INDICATORS

Gross margin

Despite major price disruptions on the world market for raw materials and electronic components, the consolidated gross margin rate remained almost stable. This stability is explained by good anticipation of component purchases, which made it possible to contain the impact of the rise in supplier prices, the favorable level of the dollar and the tariff increase on the price of equipment.

	31/12/2021	31/12/2020
Turnover	**51 549**	**40 431**
Other products of the activity	5	5
Consumed purchases	-19 278	-15 173
Change in inventories of products in progress and	1 327	1 142
GROSS MARGIN	**33 604**	**26 404**
As a percentage of turnover	***65,2 %***	***65,3 %***

EBITDA

In the context of a prolonged health crisis in the first half of 2021 for two of its subsidiaries, a global shortage in the components market and the discontinuation of version 1 of the Kibolt key, the Group maintained a positive EBITDA. In fact, Cogelec continued its effort to invest in subsidiaries to the tune of nearly 6 million euros, had to bear 3.7 million euros in costs of exiting assets linked to version 1 of the Kibolt key as announced in its press release dated September 29, 2021. The Group confirms a good operational performance of its teams since restated for this Kibolt impact, EBITDA would be 5.1 million euros, i.e. 9.8% of the turnover consolidated business.

	31/12/2021	Before impact Kibolt	After kibolt impact	Impact	31/12/2020
Operating income	**-2 569**	**973**	**-2 569**	**-3 542**	**-2 566**
Depreciation and amortization	4 157	4 327	4 157	169	3 955
Impairment of assets net of reversals	-232	-232	-232		262
EBITDA	**1 356**	**5 068**	**1 356**	**-3 373**	**1 651**
As a percentage of turnover	***2,6 %***	***9,8 %***	***2,6%***		***4.1%***

1.2.4 CONSOLIDATED INCOME STATEMENT

As of December 31, 2021, the Group's current operating income amounted to €2,335,000 compared to -€1,972,000 the previous year. This marked improvement in operating income is mainly due to the increase in the gross margin driven by the volume of activity and the control of current operating expenses.

In thousands in euros	31/12/2021	Before impact Kibolt	After kibolt impact	Impact	31/12/2020
Sales figures	**51 549**	**51 642**	**51 549**	**(93)**	**40 431**
% turnover evolution	+27.5%	+27.7%	+27.5%		+1.1%
current operating income	2 335	2 259	2 335	76	-1 972
Operating income	-2 569	973	-2 569	-3 542	-2 566
Income taxes	-923	-923	-923	—	-1 104
Consolidated net income	**-3 280**	**262**	**-3 280**	**-3 542**	**-4 020**

1.2.5 FINANCIAL STRUCTURE

The total balance sheet amounted to €74.23 million at December 31, 2021, compared to €61.8 million compared to December 31, 2020.

Simplified balance sheet as of December 31, 2021

ASSETS in thousands of euros	31/12/2021	Before impact Kibolt	After kibolt impact	Impact	31/12/2020*
Intangible assets	6 857	7 643	6 857	(786)	7 649
Fixed assets	11 794	12 336	11 794	(542)	9 569
Other financial assets	550	550	550		454
Other non-current assets	5 804	5 804	5 804		4 663
Total non-current assets	**25 006**	**26 334**	**25 006**	**(1 328)**	**22 334**
Inventories and work in	15 293	17 362	15 293	(2 070)	13 218
Receivables	11 904	11 904	11 904		11 310
Other current assets	3 104	3 104	3 104		2 855
Current tax assets	147	147	147		66
Cash and cash equivalents	18 779	18 923	18 779	(144)	12 056
Total current assets	**49 226**	**51 440**	**49 226**	**(2 214)**	**39 505**
TOTAL ASSETS	**74 232**	**77 773**	**74 232**	**(3 542)**	**61 840**

LIABILITIES in thousands of	31/12/2021	Before impact	After kibolt	Impact	31/12/2020*
Total owner's equity	**6 782**	**10 324**	**6 782**	**(3 542)**	**10 447**
Borrowings and financial debts	20 607	20 607	20 607		10 642
Provisions for retirement	690	690	690		766
Other long-term provisions	1 830	1 830	1 830		937
Other non-current liabilities	26 007	26 007	26 007		22 143
Non-current tax liabilities	343	343	343		145
Total non-current liabilities	**49 477**	**49 477**	**49 477**		**34 633**
Borrowings and financial debts	3 834	3 834	3 834		3 942
Payables	5 412	5 412	5 412		4 287
Other current liabilities	8 727	8 727	8 727		8 530
Current tax liabilities					
Total current liabilities	**17 973**	**17 973**	**17 973**		**16 759**
TOTAL LIABILITIES	**74 232**	**77 773**	**74 232**	**(3 542)**	**61 840**

** The 2020 amounts have been restated following the application of the IFRS IC decision on the allocation of employee benefits to periods of service.

Fixed assets and investments

In 2021, the Group made investments for an amount of €7.2 million

Intangible investments represent 28.7% of investments, or €2.07 million. They correspond to development costs for new products or technologies and to investments in IT solutions. In addition, tangible investments in 2021 include in particular the program to extend its buildings in Mortagne-sur-Sèvre started in 2020 and the rental of a commercial showroom in Paris.

Main investments in K€	31/12/2021	31/12/2020
Intangible assets	**2 074**	**2 040**
Of which development costs	447	625
Of which intangible assets in progress	1 421	1 082
Of which other intangible assets	206	332
Fixed assets	**5 163**	**3 580**
Of which housing complex	1 179	523
Of which fixed assets in progress	2 999	1 652
Including technical installations, equipment and tools	407	712
Of which other property, plant and equipment	579	694
Total investments	**7 237**	**5 620**

Equity

As of December 31, 2021, the group's equity stood at €6.782 million compared to €10.426 million as of December 31, 2020, i.e. a decrease of €3.644 million.

1.2.6 NET FINANCIAL DEBT

As of December 31, 2021, gearing (ratio of net financial debt to equity) stood at 83%, compared to 24% as of December 31, 2020. In the first half, the Company subscribed to a PGE for €9 million.

In thousands of €	31/12/2021	31/12/2020
Long-term portion of financial debts	20 607	10 642
Current portion of financial debt	3 818	3 942
Borrowings at less than one year and creditor	15	
Total gross debts	**24 441**	**14 584**
Cash and cash equivalents	**18 779**	**12 056**
TOTAL NET DEBT	**5 662**	**2 528**

1.2.7 CASH FLOW

Cash increased by €6.6 million while Cogelec continued to significantly support the development of its subsidiaries for approximately €6 million, in particular thanks to the very strong growth of our prepaid offers and the implementation of the PGE of €9 million subscribed in April 2021.

Amount in thousands of €	2021	2020
Opening cash	12 056	17 371
Closing cash	18 763	12 056
change in translation differences	-43	27
Change in cash	6 664	-5 288

1.3 COMPANY INFORMATION

1.3.1 COGELEC REVENUES

COGELEC's turnover increased by 21.54% to €49.277 million as of December 31, 2021, compared to €40.544 million as of December 31, 2020.

1.3.2 RESULTS

As of December 31, 2021, operating income amounted to €4.765 million, up 37% compared to the previous financial year. The net result for the 2021 financial year, however, shows a loss of €6.015 million, being impacted mainly due to the taking into account of an impairment of receivables related to equity interests in the amount of €7.9 million.

1.3.3 RESEARCH AND DEVELOPMENT ACTIVITY

Research and development information

In accordance with its strategy, the Company continues to invest in innovation, improving its products and developing new products. The development teams are divided into two design offices and represent 13% of the Group's workforce. The main R&D axes are technical innovation, the development of new products, services and concepts as well as the evolution of existing ranges.

New products

In 2021, Intratone began revamping its range of intercoms. With nearly 19,000 intercoms sold, the best-selling Intracode gave way to a new version featuring the now essential hands-free badge reader, but also for the first time at Intratone: a large color screen for a user experience and optimum design.

For access control, Haussmann coded keypads have been redesigned. With a sleek design and a multitude of colours, this new range is ideal for equipping a secondary access or a building airlock.

Patent and license information

The Company has a set of patents protecting the innovations implemented by its various design offices.

At the end of the 2021 financial year, the Company held 52 valid patent families, 28 brands and 20 models. During the 2021 financial year, the Company filed 7 patents.

No patent is individually strategic for the Company and therefore does not lead to significant dependence.

1.3.4 NON-TAX DEDUCTIBLE EXPENSES

The expenses not deducted for tax purposes, in accordance with the provisions of article 223 quater of the General Tax Code, are:

- non-deductible rents on vehicles up to €165,462, and the corresponding tax up to €43,847;
- company car tax of €21,399 and corresponding tax of €5,671;
- the remuneration of directors not tax deductible up to €0.

1.3.5 INFORMATION ON SUPPLIER AND CUSTOMER PAYMENT DEADLINES

Unpaid invoices received and issued as of December 31, 2021 break down as follows

	Invoices received but not paid as of December 31, 2021 whose term has						Invoices issued but not settled as of December 31, 2021 whose term has					
In days	0	1 to 30	31 to 60	61 to 90	91 and more	Total (1and more)	0	1 to 30	31 to 60	61 to 90	91 and more	Total (1 and more)
Late payment tranches												
Number of invoices concerned	11					66	781					4 674
Amount of the invoices concerned (including tax in K€)	24	43	(55)	52	13	54	1 453					950
% of the total amount of purchases for the financial year (including tax)	0,05%	0,10%	(12,00%)	0,12%	0,03%	0,12%						
% of turnover for the financial year							1,77%	0,79%	0,17%	0,13%	0,07%	1,16%
Excluded invoices relating to disputed or unrecognized debts and receivables												
Number of invoices excluded	0											
Total amount of invoices excluded (including tax in K€)	0											
Reference payment terms used (contractual or legal - article L441-14 or article L443-1 of the Commercial Code)												
Payment terms used for the calculation of late payments	Contractual deadlines: 30 days end of month Legal deadlines: 60 days from the date of issue of the invoice						Contractual deadlines: Receipt of invoices and 45 days FDM Legal deadlines: 30 days following the date of					

1.4 MARKET INFORMATION

1.4.1 COGELEC SHARE MARKET

COGELEC shares have been listed on the Euronext Growth Paris market since December 7, 2020. Previously, COGELEC shares were listed on the regulated market of Euronext Paris, compartment C.

The number of shares in circulation amounts to 8,898,048 as of December 31, 2021.

1.4.2 EVOLUTION OF THE STOCK PRICE IN 2021

The share price on December 31, 2021 was €7.10.

Month	Course the highest	Course the lowest	Latest Course
January 2021	8,02	7,04	7,24
February 2021	7,60	6,60	7,16
March 2021	8,04	6,80	7,86
April 2021	9,16	7,60	9,02
May 2021	9,44	8,38	9,20
June 2021	9,70	9,04	9,58
July 2021	9,70	8,76	9,60
August 2021	9,86	9,30	9,32
September 2021	9,74	7,28	7,40
October 2021	8,14	6,54	7,60
November 2021	7,66	7,34	7,34
December 2021	7,22	6,78	7,10

1.4.3 REDEMPTION OF SHARES

Summary of purchases and sales of shares for the 2021 financial year

During the 2021 financial year, the Company purchased and resold COGELEC shares, under a liquidity contract entered into on June 25, 2018 and a share buyback contract entered into on October 30, 2018, entrusted to Louis Capital Markets UK LLP. Details of these purchases and sales are given below.

	Number of shares	Value of actions
Shares held as of 12/31/2021	406 637	2 887 123 €
Shares acquired during the 2021 financial year	54 607	438 598 €
Shares sold during the 2021 financial year	44 764	375 040 €

These shares were acquired as part of a share buyback program, in accordance with the authorization granted by the General Meeting of June 24, 2021. As a reminder, the maximum number of shares likely to be bought back by the Company may not exceed 10% of the share capital on the date of these purchases. The maximum purchase price by the Company of its own shares may not exceed €23.50 per share, the total amount allocated to this program may not exceed €5,000,000.

During the 2021 financial year, the Company did not allocate, cancel or reassign shares.

Dividend per share

In accordance with the provisions of Article 243 bis of the General Tax Code, the amount of dividends distributed for the three previous years is as follows:

Practice	Number of actions	Net dividends per share
2018	8,898,048	0
2019	8,898,048	0
2020	8,898,048	0

1.5 SUBSIDIARIES AND HOLDINGS

The Company holds 100% of the capital and voting rights of INTRATONE GMBH located in Dusseldorf. In 2021, INTRATONE GMBH continued its development, and its workforce is stable. This subsidiary does not hold a stake in the Company or in any other company. As of December 31, 2021, the share capital of INTRATONE GMBH was €25,000.

A second subsidiary, INTRATONE Ltd, whose capital is wholly owned by the Company, was created in London in February 2018. In 2020, this company continued its development, and its workforce is stable. This subsidiary does not hold a stake in the Company or in any other company. As of December 31, 2021, the share capital of INTRATONE Ltd was £100.

A third subsidiary, INTRATONE BV, whose capital is wholly owned by the Company, was created in Amsterdam in October 2018. In 2020, this company experienced strong development, and its workforce is stable. This subsidiary does not hold a stake in the Company or in any other company. As of December 31, 2021, the share capital of INTRATONE BV was €10,000.

Below is a summary of the financial statements of the subsidiaries over the past period:

Companies	Method of consolidation	Figure business tax	Result of exercise
INTRATONE GMBH	GI	1017 K€	(3573) K€
INTRATONE UK	GI	1409 K£	(1280) K£
INTRATONE BV	GI	2463 K€	(1482) K€

There are no cross-shareholdings within the Group.

1.6 BRANCHES

The Company has no branches.

1.7 POST BALANCE SHEET EVENTS AND OUTLOOK

1.7.1 POST BALANCE SHEET EVENTS

The war in Ukraine declared at the end of February 2022 is destabilizing the world economy and the financial markets. The Group does not operate in the countries concerned and is not directly impacted to date without it being possible to precisely quantify the potential impacts due to the unpredictability of the evolution of this crisis.

The Group is very attentive to the situation and the possible consequences for its activities in France and Europe.

1.7.2 OUTLOOK

The strategy is confirmed by the acceleration of growth compared to the previous financial year, even though international activities represent only a small part of turnover. France drives the Group's annual performance thanks, in part, to the marketing of new innovative products such as the push-button panel. The continued conquest of the territories of the Group's subsidiaries and the reinforced presence of the Company in its home market offer the Group strong development potential over the coming financial year.

The deployment of GSM solutions, more suited to a market in search of performance of an economic and above all ecological nature, confirms the Company on the strategic choice of the company and on the GSM global offer solutions proposed by COGELEC for the 'coming.

In accordance with the values that have made it possible to develop the COGELEC group, the Group will continue to develop and create innovations that will accompany the world of access control while taking care to preserve, each day more, people and the environment, which are a priority.

For the 2022 financial year, COGELEC aims to grow its turnover by more than 10%. The launch of the second generation of the Kibolt key scheduled for the start of the 2022 school year should support this growth. COGELEC also forecasts an improvement in consolidated EBITDA over the full year.

Regarding the war in Ukraine, COGELEC is not directly affected (no subsidiary and no activity in Ukraine). However, the COGELEC Group could be impacted by the indirect consequences of this war, particularly in the event of general price inflation.

1.8 RISK MANAGEMENT

1.8.1 DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FACED BY THE GROUP

General Management has carried out a review of the risks that could have a significant adverse effect on its activity, its financial situation or its results (or on its ability to achieve its objectives) and considers that there are no other significant risks identified at the date of this annual financial report.

In accordance with the provisions of Article L. 225-100-1 of the French Commercial Code, in addition to the main risks presented below, you will find a presentation of interest rate, exchange rate and liquidity risks in section "3. STATEMENTS CONSOLIDATED NOTE 3.6.2 "Assessment of risk factors" of this annual financial report.

In accordance with the provisions of Regulation (EU) No. 2017/1129 (regulation known as "Prospectus 3") and Delegated Regulation (EU) No. 2019/980, only the risks specific to the Company and the Group are presented in this chapter, and which are important for making an informed investment decision. In each risk category, the most significant risks are presented first.

For each of the risks set out below, the Company has proceeded as follows:

– presentation of the gross risk, as it exists within the framework of the activity of the Company;
– presentation of the measures implemented by the Company for the purpose of managing said risk.

Applying these measures to gross risk allows the Company to analyze net risk. The Company has assessed the degree of criticality of the net risk, which is based on the joint analysis of two criteria: (i) the probability of seeing the risk materialize and (ii) the estimated magnitude of its negative impact. The degree of criticality of each risk is set out below.

Summary table:

Type of risk	Degree of criticality of the net risk
Emerging risks Covid-19 health crisis	Raised - Ongoing monitoring and evaluation
Risks related to the Company's business and market	
– Dependence on telephone operators	Moderate
– Technological failures	Moderate
– Dependence on subcontractors	Moderate
– Dependence on suppliers	Moderate
– Dependence on key people	Moderate
– Competetion	Moderate
– Technological rupture	Moderate
– Company reputation	Moderate
Legal risks – Intellectual property	Moderate
Financial risks – Financing needs	Moderate

RISKS RELATED TO THE COVID-19 HEALTH CRISIS

It is recalled that in 2020, the performance of the Cogelec Group was impacted by the global crisis and by the national lockdown decreed over the period from March to May 2020. This crisis had the effect of slowing down growth in 2020. Cogelec had measured the impacts on the main aggregates of the social accounts of Cogelec SA by comparing the sales of equipment over the period from March to May 2020 with the same period in 2019.

It showed that Cogelec SA's 2020 revenue had been impacted by approximately -€2.9 million and the associated direct margin by -€1.6 million.
Due to the health crisis linked to the spread of Covid-19, which was still very critical at the start of 2021, the company signed a state-guaranteed loan agreement (PGE) in April 2021 for nine million euros. euros in order to maintain its level of cash. In addition, the group had not requested a postponement of its social security, tax and credit deadlines. It should be noted that certain European countries, in particular Germany and the United Kingdom, were more widely impacted by the various confinements at the start of the 2021 financial year.

Due to the uncertainty regarding the evolution of this pandemic, the risk linked to the Covid 19 health crisis on the Group's activity remains high.

Risks related to the Company's business and market

RISKS RELATED TO DEPENDENCY ON TELEPHONE OPERATORS

Due to the nature of its activities, the Company is dependent on the relationship it maintains with telephone operators and the contracts entered into with them (contracts are currently in force with the operators Orange, SFR and Bouygues Télécom).

Due to its dependence on the aforementioned telephone operators, the Company identifies the following risks, which could have a significant adverse effect on the Company, its activity, its financial situation, its results, its development and its prospects:

- the loss of the telecommunications operator license, by one or more operators;
- the loss of one or more frequencies by one or more operators;
- the unavailability of a network or several networks simultaneously;
- the degradation of the networks in place and/or the quality of services linked to these networks;
- the termination of a contract concluded with the Company, by an operator or simultaneously by several operators;
- the sharp upward variation in the pricing conditions negotiated with one or more operators.

In order to limit the impact of these risks, the Company has chosen to enter into agreements with several operators and not just one. Thus, the Company can replace one operator with another depending on the specific needs of its projects.

Furthermore, the risk associated with a possible upward variation in the pricing conditions negotiated with one or more operators is mitigated because the Company has the ability to pass on these increases to its end customers.

The Company considers the degree of criticality of this net risk to be moderate, given that:

- dependence on telephone operators is extremely important;
- although dependence on telephone operators is mitigated by spreading the risks associated with this dependence among a plurality of operators, several operators could be confronted at the same time with the risks stated (e.g.

unavailability of several networks at the same time, loss of frequencies of several operators, degradation of the networks in place managed by several different operators).

RISKS RELATED TO TECHNOLOGICAL FAILURES

Disruptions that may affect the Group's business have a variety of origins, many of which are beyond the control of the Group, including: loss of power and failure of telecommunications systems; software and hardware errors, failures, defects or crashes; computer viruses and other similar disruptive issues; fires, floods and other natural disasters; network-related attacks or damage to business intelligence tools, software and systems introduced by hackers or cybercriminals; and the performance of third-party providers.

The Company has implemented measures (security systems, data backup procedure, access protection and emergency plan) ensuring the reliability and security of its IT systems, both for internal IT resources (Design Office , sales, marketing, production and accounting) and for external IT resources in order to ensure business continuity in the event of the occurrence of one of the risks mentioned above.

The Company considers the degree of criticality of this net risk to be moderate, given that:

- the Company has implemented security measures concerning failures that may occur, however the prevention of such technological failures depends on the know-how of third-party organizations whose core business is this activity;
- if in the future the Company is unable to deal with one of the risks related to the management of IT systems, its activity, results, financial situation, development and outlook could be affected.

RISKS RELATED TO DEPENDENCE ON SUBCONTRACTORS

As part of its cost control policy, the Company outsources the manufacture of the electronic cards present in its products. The entire production of electronic cards is outsourced to two companies located geographically closest to the Company, in the Pays de la Loire region, in order to promote responsiveness and the fluidity of exchanges.

The Company ensures that its subcontractors have sufficient material and human resources to monitor its developments, and/or diversify its sources of supply. Despite these measures, the Company could find itself faced with longer delivery times compared to the initial schedule. Such a delay could in turn lead to a delay in the realization of the turnover of the products concerned.

The Company has not put in place any specific contractual provisions with its subcontractors (such as volume commitments).

The Company is currently organizing to double the number of its subcontractors, in order to limit the risks inherent in production and to have additional production capacities, to be used or not, in whole or in part, depending on the speed of its future development.

The Company considers the degree of criticality of this net risk to be moderate, given that:

- the Company cannot provide any guarantee that its subcontractors will continue their commercial relations with it over the long term or will maintain an operational level in line with its needs and in the event of failure of subcontractors, the Company may not be able to replace them quickly;
- the occurrence of the events described in this section could have a significant negative impact on the activity of all of the Company's subcontractors at the same time, despite the proliferation of subcontractors to which the Company calls.

RISKS RELATED TO DEPENDENCE ON SUPPLIERS

For the manufacture of its products, the Company relies on a large number of components delivered by various suppliers, most of which are interchangeable. The Company's main supply markets are Europe and Asia (which induces a foreign exchange risk, described in section 3. CONSOLIDATED STATEMENTS NOTE 3.6.2 "Assessment of risk factors" of this annual financial report).

Although the Company attaches great importance to the quality of its suppliers, the use of suppliers involves a certain number of risks, in particular disruption of supply, insufficient quality of components, origin of products or non-compliance with applicable regulations and intellectual property rights of third parties. The use of suppliers may therefore lead to financial risks and risks to the reputation of the Company, in particular in the event that these suppliers do not themselves comply with the regulations applicable in particular to product safety.

The occurrence of one or more of these risks could have a significant adverse effect on the Company, its activity, its financial situation, its results, its development and its prospects. The Company considers the degree of criticality of this net risk to be moderate, given that:

- the Company cannot provide any guarantee that its suppliers will continue their commercial relations with it over the long term or will maintain an operational level in line with its needs and in the event of supplier failure, the Company may not be able to meet them. replace quickly;
- the occurrence of the events described in this section could have a significant negative impact on the activity of all of the Company's suppliers that the Company uses.

RISKS RELATED TO DEPENDENCE ON KEY PERSONS

The Group relies on key people within the Management and the rest of the staff. In this sense, any departure of said members of management or said personnel could cause damage to the Group's activities.

The Group must also meet the challenge of attracting, training and retaining qualified personnel while controlling its labor costs. The Group's ability to support its strategy may be limited by its ability to recruit, train, motivate and retain a sufficient number of qualified employees.

The Company's inability to attract and retain these key people could prevent it from achieving its objectives and thus have a significant adverse effect on its business, results, financial situation, development and prospects.

The Company considers that the degree of criticality of this net risk is moderate, given that the occurrence of the events described in this section could have a significant negative impact on the Company (non-achievement of the Company's objectives, disorganization, impact on the turnover and profitability).

RISKS RELATED TO COMPETITION

Cogelec has to face up to active competition which essentially affects prices but also the ability to offer GSM offers. Innovations demonstrated by competing companies could affect the Company's future growth. It is generally very likely that the vast majority of market players will launch in the short term into systems similar to those developed by the Company.

In response, Cogelec is making significant investments in innovation.

Faced with this competition, Cogelec could have to reposition its strategy in order to maintain its market share and its margin.

The Company considers the degree of criticality of this net risk to be moderate, given that:

- the effectiveness of the measures put in place by the Company to deal with the heightened competitive environment in which it operates may be reduced (in the event of delays in the development of innovative projects or in the event of the development of new products competing with those offered by the Company) ;

- the occurrence of the events described in this section could have a significant negative impact on the Company (impact on the Company's turnover and level of profitability).

RISKS OF TECHNOLOGICAL BREAKTHROUGH

Innovative technologies under development, potentially more effective, safer and/or less expensive or other techniques not yet known to date could, in the more or less near future, be marketed.

In order to anticipate these technological developments, the Company has a team in charge of technological monitoring and keeps abreast of recent research and the latest progress in its fields of activity.

However, the Company could fail to correctly assess the technological, IT and commercial opportunities that these new technologies could offer, and potentially be left behind by the competition.

The Company considers that the degree of criticality of this net risk is moderate, given that the occurrence of the events described in this section could have a significant negative impact on the Company (impact on the turnover and level of profitability of the society).

REPUTATIONAL RISK

The Company's reputation is essential in the presentation of its products and services, as well as in the context of its strategy of retaining customers and conquering new markets. The success of the Company over the next few years will thus be largely linked to its reputation and its reliability in terms of the quality of the products and services that the Company will offer. This reputation has already enabled the Company to consolidate its market share and has strongly contributed to its development.

The Company could find itself weakened if a bad experience of one or more customers were to spread online or via other information channels such as social networks, a phenomenon that is extremely difficult to control.

The Company considers the degree of criticality of this net risk to be moderate, given that:

- the Company believes that the dissemination of criticism relating to the Company is likely, but that the Company will be able to react effectively thanks to the monitoring of Internet tools and social networks;
- the occurrence of the events described in this section could have a negative impact on the Company (deterioration of the Company's reputation, loss of attractiveness of the Group's products, impact on the Company's turnover and level of profitability).

RISKS RELATED TO INTERNATIONAL DEVELOPMENT

The Company makes its international development an important part of its growth strategy. To extend its leadership in Europe, the Company, which offers its solutions in 10 European countries, has created its first foreign subsidiaries in Germany (Düsseldorf), the United Kingdom (London area) and the Netherlands (Amsterdam). international scope of the Company's activities is an element of complexity that increases the risks inherent in its activity. Various risks are associated with this international expansion, including:

- subject to different legal and regulatory requirements, taxation or trade laws;
- the possible occurrence of unexpected changes in the legal, political or economic framework of the countries in which the Company sources or sells its products;
- the difficulty of identifying, recruiting and retaining talented and competent employees in foreign countries;
- the need to adapt product offerings to the local market and to adapt to local practices and various cultural standards, and the need to be competitive vis-à-vis other competitors who potentially have better knowledge of the local market ;
- differences in social regulations from one country to another;
- limitations on the Company's ability to reinvest earnings from its operations in one country to fund the capital requirements of its operations in other countries;
- the fluctuation of currency exchange rates against the Euro for the Company's activities outside the Euro zone);
- the increase in costs related to the Company's international presence;
- evolving regulations from one country or region to another regarding data security, unauthorized access and use of business and personal information;
- limited or unfavorable intellectual property protection in certain countries.

The Company considers that the degree of criticality of this net risk is moderate, given that the occurrence of the events described in this section could have a negative impact on the Company (deterioration of the Company's reputation, loss of attractiveness of the products of the Group, impact on the turnover and the level of profitability of the Company as well as on its development and its prospects).

Legal risks

RISKS RELATED TO INTELLECTUAL PROPERTY

The Company currently holds 46 patent families, 28 brands and 19 designs. It has also obtained the concession of several VIGIK brand operating licenses for products that it designs, manufactures and markets. The success of the Company depends, among other things, on its ability to obtain, retain and protect its patents, trademarks, designs and models as well as its other intellectual property or similar rights (such as, in particular, its trade secrets and know-how) .

The Company takes a very active approach to the protection of its intellectual property rights, and enlists the advice of two law firms specializing in this matter, one dealing with patents, and the other with trademarks, and logos.

Furthermore, within the framework of its development projects, the Company cannot be certain that the confidentiality of its unpatented technologies, or of its industrial secrets, will be effectively guaranteed by the protections put in place, and that in the event of violation , satisfactory remedies may be exercised. In these cases, the Company requires the signing of confidentiality agreements (particularly in the context of partnership agreements). Indeed, unpatented and/or unpatentable proprietary technologies, processes, know-how and data are considered trade secrets that the Company tries in part to protect by such confidentiality agreements, where applicable.

Intellectual property claims by a third party or the Group's failure or inability to protect its intellectual property rights could diminish the value of the Group's brand and weaken its competitive position.

On September 21, 2016, EOZ sued the Company for patent infringement (concerning the manufacture of a type of keyboard). On the day of publication of this annual financial report, the dispute resulted in a contractual transaction for an amount of 240,000 euros on December 16, 2021.

However, in order to limit the aforementioned risks, the Company always begins an R&D project with an analysis of the state of the art, and in particular a review of existing patents which could be related to the project, in particular with the aim of always ensure that, if it succeeds in removing the identified technological barriers, the Company will indeed have the freedom to exploit its innovation. Then and after having obtained the approval of the registered patents, it launches its new products and services on the market.

The Company considers the degree of criticality of this net risk to be moderate, given that:

- the number of patents filed in its sector of activity is very large, with significant levels of technical complexity on similar technologies, which increases the probability of being confronted with complaints for unauthorized use of third-party patents;
- the occurrence of the events described in this section could have a significant negative impact on the Company (loss of competitive advantages, impact on the Company's turnover and level of profitability, risk of litigation).

Financial risks

RISK ON FINANCING NEEDS

The Company's annual cash requirements have so far been met through tools such as the capital increase, public aid for innovation (BPI repayable advance), the Research Tax Credit, the Innovation tax and the bank loan.

The Company will continue in the future to have significant financing needs for the development and marketing of its products. The Company could find itself unable to self-finance its growth, which would lead it to seek sources of financing, in particular through the use of bank financing allowing a leverage effect, through the issuance of financial instruments classified as liabilities. financial instruments or through the issue of new shares.

The ability of the Company to raise additional funds will depend on financial, economic and economic conditions, as well as other factors, over which it has no or only limited control. Furthermore, the Company cannot guarantee that additional funds will be made available to it when it needs them and, if necessary, that the said funds will be available on acceptable terms.

If the necessary funds were not available, the Company could in particular have to limit the development of new products or delay or abandon marketing in new markets.

Furthermore, to the extent that the Company raises capital by issuing new shares or other financial instruments that may ultimately give access to the Company's capital, its shareholders could be diluted.

The Company considers the degree of criticality of this net risk to be moderate, given that:

– the Company takes steps to obtain the financing necessary for the development of its activity;
– the occurrence of the events described in this section could have a significant negative impact on the Company (impediments to the development of the Company's activities, impact on the Company's turnover and level of profitability).

1.8.2 INSURANCE AND RISK COVERAGE

The Company has implemented a coverage policy for the main insurable risks with amounts of guarantee that it considers compatible with the nature of its activity.

The amount of expenses borne by the Company under all insurance policies amounted to €128,000 for the financial years ended December 31, 2020 and €157,000 for the financial year ended December 31, 2021.

The Company's main policies, taken out with insurance companies, are as follows:

Type of insurance	Main guarantees
Haulage	Purchasing supplies Sales Own account
Buildings	Material damage to insured property Loss of rent and/or loss of use/financial loss Costs and losses (including insured expert fees, excavation costs, guarding costs) Responsibilities
Car fleet	Company fleet Occasional missions with use of the personal vehicle
Multi-risk	Fires and related risks Flight Broken glass Breakage of machinery Operating losses
Professional Liability	Damage before delivery, during and after Defense Appeal
Global secure	Employee travel assistance
Key men	Death-Absolute and Definitive Disability (IAD) Accident/Illness cover Total Permanent Disability Guarantee
Public liability	Officers Administrators
Data theft/ hacking and cyber attack	Personal Data Breach Breach of confidential data Operating loss Cyber responsibilities

A detailed summary of the policies taken out is presented in section 4.8 of the Company's registration document, available on the Company's website.

1.9 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

1.9.1 OBJECTIVES OF INTERNAL CONTROL

The internal control system implemented in Group companies aims to ensure:

– compliance with laws and regulations,
– the application of the instructions and guidelines set by the general management,
– the proper functioning of the processes, in particular those contributing to the safeguarding of assets,
– the reliability of financial information, and
– in general, the system contributes to the control of activities, the effectiveness of operations and the efficient use of resources.

Like any control system, this system cannot absolutely guarantee that all risks are controlled. It aims above all to reduce their probability of occurrence and their potential impact, by deploying appropriate actions.

1.9.2 PREPARATION OF FINANCIAL INFORMATION

Planning, management and reporting process

The budget preparation and monthly monitoring procedures are as follows:

– at the end of the year, a detailed budget is prepared for the following year by general management. This budget is then presented to the Board of Directors.
– The purpose of a monthly meeting of the Management Committee is to monitor and measure deviations from the budget and to determine the corrective actions to be implemented.

Account closing procedures

The Group reviews certain key indicators on a monthly basis and closes its full consolidated financial statements half-yearly. These operations are carried out by the accounting firm that has supported the Company since its creation.

A chartered accountant intervenes to prepare the tax package, the consolidated accounts as well as the consolidation package in IFRS standards. The accounts are then checked by the auditors and approved by the Board of Directors.

Applicable standards

In general, all of the Company's accounting options are defined by management and then discussed with the statutory auditors. The Group's consolidated financial statements are prepared in accordance with IFRS standards. The Company's financial statements are prepared in accordance with French rules.

1.10 ELEMENTS OF THE MANAGEMENT REPORT PRESENTED IN OTHER PARTS OF THE ANNUAL FINANCIAL REPORT

The elements of the management report are reproduced in full through different sections of this document:

- interest rate and foreign exchange risk hedging policy, and risk factors – section 3.6.2 of the chapter relating to the consolidated financial statements;
- corporate governance information – section 2.1 of the corporate governance report chapter;
- table of results for the last 5 financial years – section 4.4 of the chapter relating to the Company's annual accounts;
- information on the capital, shareholding and transactions on own shares - section 2.4 of the chapter relating to the report on corporate governance;
- statement of employee shareholding on the last day of the financial year – section 2.4.10 of the chapter relating to the report on corporate governance.

2. REPORT ON THE GOVERNMENT CORPORATE

2.1 CORPORATE GOVERNANCE

In accordance with the provisions of Article L. 225-37 of the French Commercial Code and in addition to the management report, this report of the Board of Directors on corporate governance aims to report to shareholders:

- the composition, operation and powers of the Board;
- the conditions for preparing and organizing the work of the Board;
- the compensation of corporate officers;
- agreements entered into between a manager or a significant shareholder and a subsidiary;
- terms and conditions relating to the participation of shareholders in the general meeting.

Since June 2018, the Company has referred to the MiddleNext Corporate Governance Code. The Code can be consulted on the website www.middleNext.com.

Furthermore, in accordance with recommendation R22 of the Middlenext Code updated in September 2021, the Board of Directors has taken note of the elements presented in the "points of vigilance" section, which are essential provisions of the code, and declares that it has made the review when preparing this report.

All the recommendations of the code have been studied and the Company complies with them or provides detailed explanations.

For the financial year ended December 31, 2021, in addition to the information provided in this report, the status of application of the recommendations of the Reference Code is as follows:

Recommendations from the MiddleNext Code	Compliant	Consider going there	Consider no appropriate
R1: Ethics of Board members	X		
R2: Conflicts of interest	X (1)		
R3: Composition of the Board – Presence of independent members on the Board		X(2)	
R4: Information of Board members	X		
R5: Training of Board members	X (3)		
R6: Organization of Board and committee meetings	X		
R7: Establishment of committees	X		
R8: Establishment of a specialized committee on corporate social/societal and environmental responsibility (CSR)	X (4)		
R9: Establishment of internal rules for the Board	X		
R10: Choice of each administrator	x		
R11: Term of office of Board members	X		
R12: Remuneration of the administrator	X		
R13: Implementation of an evaluation of the work of the Board	X		
R14: Relations with "shareholders"	X (5)		
R15: Diversity and equity policy within the company	X (6)		
R16: Definition and transparency of the compensation of executive corporate officers	X		
R17: Preparation of the succession of "leaders"	X		
R18: Combination of employment contract and corporate office	X		
R19: Severance pay	X		
R20: Supplementary pension plans	X		
R21: Stock options and free allocation of shares	X (7)		
R22: Review of vigilance points	X		

(1) In accordance with recommendation R2 of the Middlenext Code updated in September 2021, the Board of Directors meeting of March 30, 2022 decided to set up a procedure for disclosing and monitoring conflicts of interest which consists of the secretary responsible for drawing up the minutes of the Board of Directors, at the start of each meeting of the Board of Directors to approve the annual financial statements, openly asks all the directors to find out whether they are or not in a situation of conflict of interest and to remind them of their duty, where applicable, to abstain from participating in the deliberations or the vote. In case of doubt about the presence or not of a conflict of interest, the directors not concerned may deliberate and vote by a show of hands on the need to remove the director in a situation of conflict of interest from the room. In the event of a tie, the independent director will have a casting vote. In addition to strengthening the disclosure of these conflicts, and also in order to ensure their follow-up, the Board of Directors will deliberate annually in order to carry out an inventory of the existence of such conflicts of interest and, if necessary, to manage. This procedure has been included in Article 9.4 of the internal rules of the Board of Directors.

(2) The Board of Directors has been made up of a single independent director (Mrs. Lydie Delebarre) since the expiry of the term of Mrs. Cécile Vacher at the general meeting of June 24, 2021, but the Company does not rule out proposing the appointment of a second independent director, in the future, in order to comply with recommendation R3 of the Middlenext Code updated in September 2021.

(3) In accordance with recommendation R5 of the Middlenext Code updated in September 2021, the Board of Directors meeting of March 30, 2022 decided to set up a training plan for directors which consists of (i) granting all directors who would request a maximum of 3 days of training during their term of office on specific financial and legal topics, and (ii) organize an annual visit to one or more sites of the Cogelec group to train them and raise their awareness of operational activity of the society. In this context, an article 11 has been inserted in the internal regulations of the Board of Directors.

(4) .In accordance with recommendation R8 of the Middlenext Code updated in September 2021, the Board of Directors, meeting on March 30, 2022, decided that the Board will meet as a CSR committee as often as necessary, and at least once once a year, (ii) that the Board will be chaired on this occasion by Mr. Patrice Guyet and (iii) to modify article 10 of the internal regulations of the Board of Directors.

(5) In accordance with recommendation R14 of the Middlenext Code updated in September 2021, the Board of Directors meeting of March 30, 2022 paid particular attention to negative votes and analyzed the votes of minority shareholders on the resolutions of the general meeting June 24, 2021.

(6) In accordance with recommendation R15 of the Middlenext Code updated in September 2021, the Board of Directors meeting on April 26, 2022 took note of the report sent by the Company's human resources department on the policy undertaken in terms of professional equality. and salaries but also in terms of diversity and equity, particularly with regard to the gender balance and the results obtained during the financial year ended December 31, 2021. It carried out the verifications and means implemented at within the Company to achieve the gender balance and equity established within the Company.

(7) No allocation has been made to date.

2.1.1 THE BOARD OF DIRECTORS

Composition of the Board of Directors

The Board of Directors is composed since June 24, 2021 of four members as follows:

Firstname name, function	Member Independent	Date of 1st nomination	Due date of the	Committee strategic	experience and expertise provided
Roger LECLERC, President	Nope	April 23, 2018	2024		Chairman and Chief Executive Officer since the creation of the Company Research and development
Lydie DELEBARRE	Yes	April 23, 2018	2023	President	Member of management committee Finance, Audit and Risk Management Corporate restructuring
Patrick FRUNEAU	Nope	April 23, 2018	2022	Member	Technical expertise Research and development
Patrice GUYET	Nope	April 23, 2018	2023		Production and Finance

Table relating to the composition of the Board of Directors and the Committees, in accordance with recommendation R3 of the MiddleNext Code updated in September 2021. The maximum term of office is 3 years. Some directors have been appointed for a shorter term, in compliance with the Company's Articles of Association, in order to allow a staggering of terms of office in accordance with recommendation R11 of the MiddleNext Code updated in September 2021.

The directorship of Mr. Roger Leclerc was renewed for a period of 3 years at the general meeting of June 24, 2021 called to approve the financial statements for the year ended December 31, 2020 and his term of office as Chairman and Chief Executive Officer renewed for the entire duration of his directorship by the Board of Directors meeting on June 24, 2021.

The term of Mrs. Cécile Vacher expired at the general meeting of June 24, 2021 called to approve the financial statements for the year ended December 31, 2020 and was not renewed on this occasion.

LIST OF OFFICES AND DUTIES EXERCISED AT DECEMBER 31, 2021 BY EACH MEMBER OF THE BOARD OF DIRECTORS

name	Company	Function/ Mandate
Roger LECLERC	COGELEC SA	Chairman of the Board of Directors and Chief Executive Officer
	COGELEC DEVELOPMENT	President
	INTRATONE GMBH	President
	INTRATONE UK	President
	INTRATONE BV	President
	CBC	President of HRC, President of SRC
	HRC	President
	SCI La Crume	Manager
Lydie DELEBARRE	COGELEC SA	Administrator
Patrick FRUNEAU	COGELEC SA	Administrator
Patrice GUYET	SC PRONOIA	Manager

INDEPENDENCE OF DIRECTORS

Lydie DELEBARRE is, since the expiry of the term of Cécile VACHER on the occasion of the general meeting of June 24, 2021, the only independent director of the Board. She meets the five independence criteria within the meaning of the MiddleNext Code.

The Company does not rule out proposing the appointment of a second independent director in the future, in order to comply with recommendation R3 of the Middlenext Code updated in September 2021, which recommends that the Board include at least two independent directors. .

NO CONVICTIONS FOR FRAUD

To the knowledge of the Company and on the day this report was drawn up:

– no conviction for fraud has been pronounced over the past five years against any of the members of the Board of Directors;
– no incrimination and/or official public sanction has been pronounced against any of the members of the Board of Directors of the Company by statutory or regulatory authorities (including designated professional bodies);
– no director has been prevented by a court from acting as a member of an administrative, management or supervisory body or from intervening in the management or conduct of the affairs of an issuer.

ABSENCE OF POTENTIAL CONFLICTS OF INTEREST

To the knowledge of the Company, there is no potential conflict of interest between the duties, with regard to the Company, of the members of the administrative bodies and the general management and their private interests.

Mission of the Council

The missions of the Board of Directors comply with Article L. 225-35 of the French Commercial Code.

Board of directors :

– appoints and dismisses the Chairman and the Chief Executive Officer, sets the amount of their compensation, as well as the scope and duration of their powers;

- appoints the members of the specialized committees attached to it;
- examines and validates the orientations of the Company's activity and ensures their implementation, takes up any question concerning the smooth running of the Company and settles by its deliberations the matters which concern it;
- carries out the checks and verifications it deems appropriate;
- studies and validates the plans put in place to deal with the main risks of the Company, as well as the internal control plans, regularly monitors the activity and performance of the Company and ensures transparency in the communication of information;
- sets up and monitors the limitations on the powers of executive corporate officers.

Functioning of the Board

In accordance with recommendation R9 of the Middlenext Code updated in September 2021, the Board of Directors has adopted internal rules, the last update of which was approved on March 30, 2022. The internal rules can be consulted on the Company's website.

In accordance with recommendation R1 of the Middlenext Code updated in September 2021, each member of the Board is made aware of the responsibilities and obligations incumbent on him, in particular at the time of his appointment, by the handing over to him of the internal regulations recalling all of the rights and duties of the members of the Board, the terms of operation of the latter as well as the rules of ethics that they must apply.

MISSIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors organizes and directs the work of the Board, on which he reports to the General Meeting. He oversees the proper functioning of the Company's bodies and ensures, in particular, that the directors are able to fulfill their mission.

FREQUENCY OF MEETINGS

The Board meets as often as the interests of the Company require or as required by law and at least once every quarter. During the past financial year, it met five times.

The average attendance rate observed during the five meetings that took place during the 2021 financial year was [100]%. Board meetings are held, at the Chairman's request, at the registered office. In addition, and in accordance with recommendation R6 of the Middlenext Code updated in September 2021, the members of the Board discuss with each other regularly and informally outside the framework of meetings.

During the 2021 financial year, the Board notably examined and approved the half-year and annual financial statements, authorized the tacit renewal of the service provision contract entered into with the company HRC S.A.S., renewed the mandate of Chairman and Chief Executive Officer of Mr. Roger Leclerc, authorized the Chairman and Chief Executive Officer to enter into an amendment to the real estate leasing contract entered into on February 25, 2015 with BATIROC BRETAGNE-PAYS DE LOIRE and CREDIT MUTUEL REAL ESTATE LEASE with a view to carrying out extension work on the real estate complex located in Mortagne-sur-Sèvre, decided to abolish the audit committee and the appointments and compensation committee and to create a strategy committee.

CONVENING OF DIRECTORS

The directors are convened by e-mail (and notified beforehand by telephone). An agenda is attached to the invitation and a working file is sent by email prior to the meeting.

INFORMATION FOR DIRECTORS

In accordance with recommendation R4 of the MiddleNext Code updated in September 2021, and according to the conditions specified in the internal regulations, the members of the Board receive, prior to meetings, the documents necessary for their mission in sufficient time, and situations of operations are regularly sent to them.

MINUTES OF MEETINGS

The minutes of the meetings of the Board of Directors are drawn up at the end of each meeting and their approval is carried out during the next Board meeting.

2.1.2 COMMITTEES OF THE BOARD OF DIRECTORS

The Board has set up a strategy committee from among its members and has decided to meet at least once a year as a CSR committee. The Strategy Committee and the meeting in formation of the CSR Committee are intended to improve its operation and contribute effectively to the preparation of its decisions.

Strategy Committee

On December 7, 2020, the Cogelec shares were transferred from the regulated market of Euronext Paris to the Euronext Growth Paris market, so that since that date, the Company is not subject to the obligation to set up an audit committee. , in accordance with the provisions of Articles L. 823-19 and L. 823-20 of the French Commercial Code. In addition, the so-called say on pay regulations relating to the compensation of corporate officers are also no longer applicable to the Company due to the aforementioned transfer, which makes the meeting of the Appointments and Compensation Committee less necessary.

In this context, the Board of Directors, at its meeting of June 24, 2021, decided to abolish these two committees and to modify Article 10 of the internal regulations of the Board of Directors in order to create a legal framework allowing the constitution of a strategic committee.

The mission of the strategic committee is to support and accompany the strategy of the company concerning short, medium or long term projects. He presents to the Board of Directors the reports, studies or other investigations that he has implemented and formulates, where appropriate, any opinion or recommendation, with the responsibility for the Board of Directors to assess the follow-up it intends to give thereto. .

The Strategy Committee is made up of two members, Mr. Patrick Fruneau and Mrs. Lydie Delebarre, the latter being appointed as Chair of the Committee, for the entire duration of their terms of office as directors.

The Strategy Committee meets under the terms of Article 10 of the Board of Directors' internal regulations, as often as necessary when convened by its Chairman.

Setting up meetings of the Board of Directors in formation of the CSR committee

In accordance with recommendation R8 of the Middlenext Code updated in September 2021, the Board of Directors has decided to set up meetings of the Board of Directors in the form of a CSR committee, without creating an ad hoc committee to the extent where the Board is restricted and has only 4 directors since June 24, 2021.

The Board of Directors meets as a CSR committee in order to reflect on the sharing of value and, in particular, the balance between the level of remuneration of all employees, the remuneration of the risk taking of the shareholder and the investments necessary to ensure the sustainability of the company.

The Board of Directors, meeting as a CSR committee, is chaired by Mr. Patrice Guyet who, although not qualified as an independent director, has a perfect knowledge of the Company.

The Board of Directors meets as a CSR committee under the terms of Article 10 of the Board of Directors' internal regulations, as often as necessary, and at least once a year.

2.1.3 GROUP EXECUTIVE MANAGEMENT

General Management brings its expertise to the Board of Directors in developing and monitoring the strategy approved by the Board. It makes every effort for the good management of the company and the realization of the budget validated by the Board of Directors.

President and CEO

During the meeting of the Board of Directors on April 23, 2018, it was decided to combine the functions of Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He exercises these powers within the limits of the corporate purpose, subject to those that the French Commercial Code expressly attributes to shareholders' meetings and to the Board of Directors. He represents the Company in its relations with third parties.

In addition, the rules of procedure list a certain number of operations for which the Chairman and Chief Executive Officer must obtain prior authorization from the Board as follows:

- take or sell all direct or indirect holdings of the Company, in all companies created or to be created, participate in the creation of all companies, groups and organizations, subscribe to all issues of shares, shares or bonds, when the the Company's financial exposure exceeds five million euros (€5,000,000) for the operation in question;
- consent to all contributions, exchanges, relating to property, titles or securities (excluding any current account contribution by the Company to its subsidiaries), for an amount exceeding five million euros (€5,000,000);
- in the event of a dispute, enter into all treaties and transactions, accept all compromises, for an amount exceeding one million euros (€1,000,000);
- any acquisition or disposal of buildings for an amount exceeding three million euros (€3,000,000);
- grant or contract any loans, borrowings, credits and advances by the Company, or authorize the subsidiaries of the Company for this purpose, for an amount exceeding five million euros (€5,000,000);
- acquire or sell, by any means, any receivables, for an amount exceeding one million euros (€1,000,000);
- grant all guarantees, sureties and endorsements for an amount exceeding one million euros (€1,000,000).

The Management Committee

The Executive Committee is primarily responsible for implementing the company's vision and strategy. It is of course the body where decisions, guided by this vision, are taken in order to optimize the management and growth of the company. It makes it possible both to deal with important subjects requiring management decisions, strategic communication subjects, the opportunity to go up and down structuring information, but also a summary analysis meeting of the key figures of the departments and projects.

Since April 1, 2021, it is composed of 7 members:

- Victor d'ALLANCE, International Development Manager;
- Eric BUBLEX, Director of Operations;
- Xavier BENAITEAU, Industrial Manager;
- Laurent CARAMELLE, Director of the Research & Development program;
- Roger LECLERC, Chairman and CEO;
- Norbert MARCHAL, Head of Advanced Research and Mechatronics Projects;
- Véronique POCHET, Chief Financial Officer.

2.2 INFORMATION ON REMUNERATION

2.2.1 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Compensation awarded to the Chairman and Chief Executive Officer, Roger Leclerc

	Compensation awarded for the 2020 financial year	Compensation awarded for the 2021 financial year
Fixed	€300K	300 K€
Variable	None	None
Exceptional	None	None
Total	€300K	€300K

The performance objectives (EBITDA of at least €10 million) conditioning the activation of the variable part of Roger Leclerc have not been achieved. Consequently, the variable portion was not activated in 2021.

2.2.2 REMUNERATION OF OTHER CORPORATE OFFICERS

Compensation awarded to members of the Board of Directors

	Compensation awarded for the 2020 financial year	Compensation awarded for the 2021 financial year
Roger Leclerc	None	None
Lydie Delebarre	€11K	€11K
Patrick Fruneau	None	None
Patrice Guyet	None	None
Total	€20k	11 K€

Under the terms of the 6th resolution of the general meeting of June 24, 2021, the shareholders of the Company have set at 20,000 euros the amount of the total remuneration of the directors to be distributed among the members of the Board of Directors and/or the ad committees. hoc for the financial year ended December 31, 2021.

At its meeting of April 20, 2021, the Board of Directors decided to allocate the following allocation to the Board of the Appointments and Compensation Committee (still constituted at this date) for the 2020 financial year:

- Lydie Delebarre, Chairman of the Audit Committee formed on this date: €11,000
- Cécile Vacher, Chairman of the Appointments and Remuneration Committee set up on this date: €9,000

Mr. Patrick Fruneau, director and shareholder, does not receive any compensation as a corporate officer.

2.3 OTHER ELEMENTS OF THE CORPORATE GOVERNANCE REPORT

2.3.1 AGREEMENTS CONCLUDED BETWEEN MANAGERS OR SIGNIFICANT SHAREHOLDERS AND COMPANY SUBSIDIARIES

No agreement was entered into during the 2021 financial year between an executive or a significant shareholder of the Company and a company controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code.

2.3.2 REGULATED AGREEMENTS

A regulated agreement was entered into during the 2021 financial year. This is the agreement entered into between COGELEC and the company HRC S.A.S., on April 23, 2018 and tacitly renewed with the prior authorization of the Board of Directors on April 18, 2019, April 21, 2020 and April 20, 2021. This is an agreement under which HRC S.A.S. provides commercial and technical services.

No other regulated agreement, entered into during a previous financial year and whose execution would have continued during the financial year, is in force within the Company.

2.3.3 GENERAL MEETINGS

General Meetings are convened under the conditions set by law and regulations. They meet at the head office or at any other place as indicated in the notices of meeting.

The right to participate in Meetings is justified by the registration of shares in the account under the conditions and time limits provided for by the regulations.

Meetings are held and deliberate in accordance with the law and regulations.

In addition, the managers are available to shareholders who wish to exchange or obtain information outside General Meetings, in accordance with recommendation R14 of the MiddleNext Code updated in September 2021. The Board of Directors also pays particular attention and analyzes annually the manner in which the majority of minority shareholders expressed themselves at the annual general meeting.

2.3.4 AGREEMENTS CONCLUDED BY THE COMPANY AND AMENDED IN THE EVENT OF A CHANGE OF CONTROL

The Company entered into a “machine to machine” partnership and services contract with Société Française du Radiotéléphone (SFR) on October 18, 2011, subsequently amended by several amendments.

The purpose of this contract is to provide the Group with SIM cards and the services associated with them, in order to equip the products marketed by the Group, in return for the payment of a price by the Company in accordance with the pricing conditions provided for by the contract. The contract provides geographical coverage in more than 50 geographical areas, in addition to France.

The contract was concluded for an initial period expiring on December 31, 2012. It has since been renewed by tacit agreement for a period of 12 months, unless terminated by either party. The contract also provides for several cases of manual termination by SFR (e.g. misuse of SIM cards, term or withdrawal of SFR's establishment and operating permits, judicial liquidation, low rate of achievement of objectives by the Company, change of control of the Company or acquisition of a stake in the Company by a competitor of SFR).

2.4 INFORMATION CONCERNING THE SHARE CAPITAL

2.4.1 SHARE CAPITAL

As of December 31, 2021, the share capital stood at 4,004,121.60 euros made up of 8,898,048 shares with a nominal value of 0.45 euros, all of the same class and fully paid up.

	01/01/2021	31/12/2021
Number of actions	8 898 048	8 898 048
Of which shares with simple voting rights	3 550 670	3 550 105
Of which shares with double voting rights	5 347 378	5 347 943
nominal in €	0.45€	0.45€
Capital in euros	**4 004 122**	**4 004 122**

2.4.2 CHANGE IN SHARE CAPITAL

During the 2021 financial year, the Company did not carry out any capital transaction.

2.4.3 CAPITAL STRUCTURE AND NUMBER OF VOTING RIGHTS AT DECEMBER 31, 2021

As of December 31, 2021				
Breakdown of capital and voting rights	**Number of actions**	**% of capital**	**Number of voting rights**	**% of voting rights**
SAS SRC(1)	5,347,065	60,09 %	10 694 130	75,77 %
AUDIENCE	**3 144 326**	35,33 %	3 145 184	24,23 %
SAS HRC(2)	20	0,02 %	40	0,00 %
COGELEC²	406 637	4,56 %	0	0,00 %
TOTAL	8 898 048	100 %	13 839 354	100 %

(1) Simplified joint-stock company with share capital of €2,808,326, whose registered office is located at 370 rue de Maunit, 85290 Mortagne-sur-Sèvre, registered with the RCS of La Roche-sur-Yon under number 802 817 585.

(2) Simplified joint-stock company with share capital of €5,050,618, whose registered office is located at Chambrette, 85130 Les Landes-Genusson, registered with the RCS of La Roche-sur-Yon under number 451 628 309. Majority shareholder of HRC is Roger LECLERC (94.63%).

2.4.4 OWNERSHIP AND CONTROL

To date, the Company is controlled by SRC, itself wholly owned by Cogelec Développement. The Company has not implemented any specific measures to ensure that this control is not exercised in an abusive manner.

The application of the recommendations of the MiddleNext Code and in particular the composition of the Strategy Committee ensures the protection of the interests of minority shareholders.

2.4.5 EXECUTIVE TRANSACTIONS

In accordance with Article L.621-18-2 of the Monetary and Financial Code and Article 19 of EU Regulation No. 596/2014 of April 16, 2014 on market abuse, it is specified that no transaction was carried out by the managers of the Company, or a related person, on COGELEC shares during the 2021 financial year.

2.4.6 SHAREHOLDERS AGREEMENT

A shareholders' agreement was concluded on July 22, 2021 between the seven partners of Cogelec Développement. The main provisions of this agreement are described in the AMF decision dated July 21, 2021 under number 221C1838.

2.4.7 COLLECTIVE COMMITMENTS

To the best of the Company's knowledge, no collective commitment to retain Cogelec shares is currently in force.

2.4.8 PARTICIPATION THRESHOLDS

Any natural or legal person acting alone or in concert who comes to own a number of shares or voting rights representing more than one of the thresholds set by law must comply with the information obligations provided for by the latter in the deadline. The same information is also given when the shareholding in capital or voting rights falls below the legal thresholds.

If not declared under the above conditions, the shares exceeding the fraction that should have been declared are deprived of voting rights, under the conditions provided for by the provisions of the French Commercial Code.

2.4.9 DELEGATIONS AND AUTHORIZATIONS IN TERMS OF CHANGES IN CAPITAL

In accordance with the provisions of Article L. 225-37-4, 3° of the French Commercial Code, the table below summarizes the delegations in force as of December 31, 2021 in terms of capital increases and the use made of these delegations during the financial year ended December 31, 2021.

The General Meeting of June 24, 2021 granted the Board of Directors certain delegations authorizing it to increase the capital of the Company, with the option of sub-delegation under the conditions provided for by law:

Object	Date Assembly general	Duration of the delegation	Ceiling/Limit	Use made of these delegations
Authorization to be given to the Board of Directors to operate on Company shares	June 24, 2021	18 months	€5,000,000 10% of share capital	None
Delegation of authority granted to the Board of Directors to issue, with maintenance of preferential subscription rights, shares and/or securities giving access to new shares of the Company	June 24, 2021	26 months	€2,300,000 *	None
Delegation of authority to be granted to the Board of Directors to issue, with cancellation of the preferential subscription right, shares and/or securities giving access to new shares of the Company in accordance with Article L. 225 -136 of the Commercial Code, in particular in the context of a public offer	June 24, 2021	26 months	€2,300,000 *	None
Delegation of authority to be granted to the Board of Directors with a view to issuing shares and/or securities giving access to new shares, with cancellation of preferential subscription rights for the benefit of a category of persons**	June 24, 2021	18 months	€2,300,000 *	None
Authorization to be given to the Board of Directors to increase, in accordance with Article L. 225-135-1 of the French Commercial Code, the number of securities to be issued on the occasion of issues carried out with maintenance or cancellation	June 24, 2021	26 months	€2,300,000 *	None
Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and /or securities giving access to new shares of the Company in accordance with Article L. 225-129-6 of the French Commercial Code	June 24, 2021	26 months	1% of share capital *	None
Delegation of powers to be granted to the Board of Directors to issue securities giving access to new shares of the Company, without preferential subscription rights, within the framework of an exchange of financial securities	June 24, 2021	18 months	The capital increases likely to be carried out in the future by virtue of this delegation may lead the Company to double its capital.	None
Authorization to be given to the Board of Directors to allocate free shares with cancellation of preferential subscription rights for the benefit of eligible employees or corporate officers of the Company and related companies	June 24, 2021	38 months	10% of share capital	None
Authorization to be given to the Board of Directors to grant stock subscription or purchase options with cancellation of preferential subscription rights to eligible employees or corporate officers of the Company or affiliated companies	June 24, 2021	38 months	10% of share capital	None
Delegation of powers to be granted to the Board of Directors to increase the share capital by incorporating reserves, premiums, profits or other in accordance with Article L. 225-130 of the French Commercial Code	June 24, 2021	26 months	The increase in the share capital may be carried out in one or more times and in the proportion and at the times that the Board of Directors deems	None
Authorization to be given to the Board of Directors to reduce the share capital by canceling shares	June 24, 2021	24 months	10% of the share capital for periods of 24 months	None

*the maximum nominal amount of capital increases, immediate or in the future, likely to be carried out is deducted from the overall limit on authorizations to issue in cash of €2,300,000 (13th resolution of the general meeting of June 24 2021).

**definition of the category of persons: (i) French or foreign investment companies or funds managing collective savings, investing on a regular basis or having invested over the past 36 months more than 5 million euros in medium and small caps operating in the security and/or new technologies sectors, or (ii) French or foreign companies or groups with an operational activity in these sectors, or (iii) French or foreign companies or groups having set up a partnership with the Company in the context of the conduct of its business, or (iv) or creditors holding liquid claims, due or not, on the Company having expressed their wish to see their claim converted into shares of the Company and for which the Board of Directors of the Company deems it appropriate to offset their debt with shares of the Company.

2.4.10 STATEMENT OF EMPLOYEE PARTICIPATION IN THE SHARE CAPITAL ON THE LAST DAY OF THE PAST FINANCIAL YEAR

The Company has set up a company savings plan.

As the Company has exceeded the threshold of 50 employees, legal employee profit-sharing is calculated on the basis of the results for the financial year.

3. GROUP CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2021

In all the financial statements and annexes, the amounts are indicated in thousands of Euros (K€), unless otherwise indicated, and the differences of ± 1 K€ are due to rounding.

3.1 CONSOLIDATED BALANCE SHEET

3.1.1 ASSETS

ASSET	Ratings	31/12/2021	31/12/2020 *
Intangible assets	**3.6.7.1**	6 857	7 649
Fixed assets	**3.6.7.2**	11 794	9 569
Other financial assets	**3.6.7.3**	550	454
Other non-current assets	**3.6.7.4**	5 804	4 663
Non-current tax assets	**3.6.7.5**		
Total non-current assets		**25 006**	**22 334**
Inventories and work in progress	**3.6.7.6**	15 293	13 218
Customer receivables and accounts	**3.6.7.7**	11 904	11 310
Other current assets	**3.6.7.7**	3 104	2 855
Current tax assets	**3.6.10.1**	147	66
Cash and cash equivalents	**3.6.7.8**	18 779	12 056
Total current assets		**49 226**	**39 505**
TOTAL ASSETS		**74 232**	**61 840**

3.1.2 LIABILITIES

PASSIVE	Ratings	31/12/2021	31/12/2020 *
Share capital	**3.6.7.9 and**	4 004	4 004
Issuance premiums	**3.5**	18 551	18 551
Other comprehensive income	**3.5**	-327	189
Consolidated reserves group share	**3.5**	-12 167	-8 277
Consolidated result group share	**3.5**	-3 280	-4 020
Equity group share	**3.5**	**6 782**	**10 447**
Consolidated reserves minority interests	**3.5**		
Consolidated result minority share	**3.5**		
Equity capital share of minority interests	**3.5**		
Total owner's equity		**6 782**	**10 426**
Borrowings and financial debts	**3.6.7.10**	20 607	10 642
Provisions for retirement commitments	**3.6.7.12**	690	766
Other long-term provisions	**3.6.7.13**	1 830	937
Other non-current liabilities	**3.6.7.15**	26 007	22 143
Non-current tax liabilities	**3.6.7.5**	343	145
Total non-current liabilities		**49 477**	**34 633**
Borrowings and financial debts	**3.6.7.10**	3 834	3 942
Trade payables and related accounts	**3.6.7.15**	5 412	4 287
Other current liabilities	**3.6.7.15**	8 727	8 530
Current tax liabilities	**3.6.10.1**		
Total current liabilities		**17 973**	**16 759**
TOTAL LIABILITIES		**74 232**	**61 840**

* The 2020 amounts have been restated following the application of the IFRS IC decision on the allocation of employee benefits to periods of service.

3.2 CONSOLIDATED INCOME STATEMENT

	Ratings	31/12/2021	31/12/2020
TURNOVER	**3.6.8.1**	**51 549**	**40 431**
Other products of the activity		5	5
Consumed purchases	**3.6.8.2**	-19 278	-15 173
Staff costs	**3.6.8.3**	-18 060	-16 030
External charges	**3.6.8.4**	-8 977	-8 170
Dues and taxes		-541	-652
Additions / Depreciation reversals	**3.6.7.1 and**	-4 157	-3 955
Additions / Reversals of provisions and depreciation		232	-262
Change in inventories of products in progress and finished products		1 327	1 142
Other current operating income and expenses	**3.6.8.5**	236	692
CURRENT OPERATING INCOME		**2 335**	**-1 972**
Other operating income and expenses	**3.6.8.6**	-4 904	-594
OPERATING INCOME	**3.6.4.25**	**-2 569**	**-2 566**
Income from cash and cash equivalents		22	20
Cost of gross financial debt		-224	-175
Cost of net financial debt	**3.6.4.25 and 3.6.8.7**	-203	-155
Other financial income and expenses	**3.6.8.7**	416	-196
Tax charges	**3.6.10.1**	-923	-1 104
Share of profit of other companies accounted for using the equity			
CONSOLIDATED NET INCOME		**-3 280**	**-4 020**
Group share		-3 280	-4 020
Minority share			
BASIC NET EARNINGS PER SHARE	**3.6.4.26**	-0,3862	-0,4671
DILUTED NET EARNINGS PER SHARE	**3.6.4.26**	-0,3862	-0,4671

3.3 COMPONENTS OF THE OVERALL RESULT

	31/12/2021	31/12/2020
RESULT OF THE PERIOD	**-3 280**	**-4 020**
Items recyclable in the income statement		
Conversion differences	-389	222
Taxes on items recognized directly in equity		
Items not recyclable in the income statement		
Taxes on items recognized directly in equity	-22	11
Actuarial differences	84	-44
Income and expenses recognized directly in equity		
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**-327**	**189**
OVERALL RESULT FOR THE PERIOD	**-3 606**	**-3 832**
Group share	-3 606	-3 832
Minority share		

3.4 CONSOLIDATED STATEMENT OF CASH FLOWS

	Ratings	31/12/2021	31/12/2020
CASH FLOW RELATED TO ACTIVITY			
Net income from continuing operations	**3.2**	**-3 280**	**-4 020**
Net depreciation and provisions	**3.6.7.1-3.2-3.3-3.7-3.12-**	5 104	4 124
Grant takeovers	**3.6.8.5**	-579	-717
Share of prepaid income included in income	**3.6.7.15**	-2 850	-2 272
Gains and losses on disposals	**3.6.9.1**	1 531	646
Exchange difference on reciprocities		-417	220
Cash flow after cost of net financial debt and tax		**-491**	**-2 019**
Cost of net financial debt	**3.6.8.7**	203	155
Tax expense (including deferred taxes)	**3.6.9.2**	747	799
Cash flow before cost of net financial debt and tax		**459**	**-1 065**
Taxes paid	**3.6.9.3**	-647	-2 335
Change in working capital requirement related to the activity:			
- Other non-current assets	**3.6.7.4**	-1 139	-554
- Inventory	**3.6.9.4**	-2 049	-2 697
- Clients	**3.6.9.5**	-573	-1 512
- Other current assets (excluding loans and guarantees)	**3.6.9.6**	-234	-701
- Other non-current liabilities	**3.6.9.7**	3 864	2 733
- Suppliers	**3.6.9.8**	1 350	1 239
- Other current liabilities	**3.6.9.9**	3 588	4 320
	Total	**4 808**	**2 827**
Net cash flow generated by the activity		**4 620**	**-574**
CASH FLOW FROM INVESTING OPERATIONS			
Capital acquisitions	**3.6.9.10**	-4 789	-4 261
Disposals of fixed assets	**3.6.9.11**	12	32
Change in loans and advances granted	**3.6.9.12**	-99	-156
Net cash flow from investing activities		**-4 876**	**-4 385**
CASH FLOW FROM FINANCING OPERATIONS			
Dividends paid to shareholders of the parent company	**3.5**		
Capital increase in cash	**3.5**		
Own shares	**3.5**	-64	-1 595
Loan issues	**3.6.9.13**	11 228	4 999
Loan repayments	**3.6.7.14**	-4 041	-3 578

Cost of net financial debt	**3.6.8.7**	-203	-155
Net cash flow from financing activities		**6 920**	**-330**
CHANGE IN CASH		**6 664**	**-5 288**
Opening cash		12 056	17 371
Closing cash	**3.6.7.8**	18 763	12 056
Change in translation differences		-43	27
Change in cash		**6 664**	**-5 288**

3.5 TABLE OF CHANGES IN EQUITY

	Capital social	Premiums	Others elements result global	Reservations	Result of exercise	Total capital clean	Interests minority	Capital clean band
Au December 31, 2019	**4 004**	**18 551**	**-159**	**-3 681**	**-2 862**	**15 853**	**0**	**15 853**
Movements:								
Allocation result N-1			159	-3 022	2 862			
Own shares				-1 595		-1 595		-1 595
Actuarial differences			-33			-33		-33
Exchange difference			222			222		222
Consolidated result					-4 020	-4 020		-4 020
December 31, 2020	**4 004**	**18 551**	**189**	**-8 298**	**-4 020**	**10 426**	**0**	**10 426**
Impact of change in IAS 19 method				21		21		21
Au December 31, 2020	**4 004**	**18 551**	**189**	**-8 277**	**-4 020**	**10 447**	**0**	**10 447**
Movements:								
Allocation result N-1			-189	-3 832	4 020			
Own shares				-59		-59		-59
Actuarial differences			+62			62		62
Exchange difference			-389			-389		-389
Consolidated result					-3 280	-3 280		-3 280
Au December 31, 2021	**4 004**	**18 551**	**-327**	**-12 167**	**-3 280**	**6 782**	**0**	**6 782**

The capital increase of June 13, 2018, linked to the Company's initial public offering, generated a new issue premium in the amount of €20,110,000, to which were charged the costs of IPO net of IS for an amount of €1,558k.

Treasury shares are restated in accordance with note 3.6.7.9.

3.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The information below constitutes the notes to the IFRS accounts which form an integral part of the financial statements presented for the financial years ended December 31, 2021 and December 31, 2020. Each of these financial years has a duration of twelve months covering the period from January 1 to December 31st.

In all the financial statements and annexes, the amounts are indicated in thousands of Euros (K€), unless otherwise indicated, and the differences of ± 1 K€ are due to rounding.

3.6.1. PRESENTATION OF THE GROUP AND IMPORTANT EVENTS

3.6.1.1 Information relating to the Company and its activity

COGELEC is a public limited company (SA). The IFRS accounts include the parent company COGELEC and its subsidiaries.

Head office address: 370 rue Maunit, Mortagne-sur-Sèvre (85290), France.

Trade and Companies Register number: 433 034 782

COGELEC is a French manufacturer of telephone intercoms and access control solutions for collective and individual housing. The Company is organized in such a way as to provide the best overall offer to its customers and to develop new products, by investing in research and development.

COGELEC and its subsidiaries are hereinafter referred to as the “Company” or the “Group”.

As part of its export development, on December 4, 2017, the company COGELEC subscribed to the capital of the company INTRATONE Gmbh. Its head office is in Düsseldorf and the company was registered on December 28, 2017. On February 12, 2018, COGELEC subscribed to the capital of INTRATONE UK Limited, whose head office is in London. On October 29, 2018, COGELEC subscribed to the capital of INTRATONE BV, headquartered in Amsterdam. These companies were created with the aim of facilitating the marketing of INTRATONE products internationally. They are currently in the launch phase and generated €5.7 million in consolidated losses in 2021, broken down as follows:

- INTRATONE GMBH: -€3.5m
- INTRATONE UK: -€1.3m
- INTRATONE BV: -€0.9 million

The German subsidiary INTRATONE GmbH uses the exemption concerning the publication of its 2021 annual accounts as provided for in article 37 of the Single Accounting Directive no. 2013/34/EU which was transposed in Germany in 2015.

3.6.1.2 Significant events during the 2021 financial year

It is recalled that in 2020, the performance of the Cogelec Group was impacted by the global crisis and by the national lockdown decreed over the period from March to May 2020. This crisis had the effect of slowing down growth in 2020. Cogelec had measured the impacts on the main aggregates of Cogelec's social accounts by comparing equipment sales over the period from March to May 2020 with the same period in 2019.

It showed that Cogelec SA's 2020 revenue had been impacted by approximately -€2.9 million and the associated direct margin by -€1.6 million.

Due to the health crisis linked to the spread of Covid-19, which was still very critical at the start of 2021, in April 2021 the Company entered into a state-guaranteed loan agreement (PGE) for nine million euros. euros in order to maintain its level of cash. Furthermore, the Group had not requested a postponement of its social, tax and credit deadlines.

It should be noted that certain European countries, in particular Germany and the United Kingdom, were more widely impacted by the various confinements at the start of the 2021 financial year.

In its press release of July 22, 2021, the Group announced the effective completion of the entry of RAISE Investissement into the capital of S.R.C, Cogelec's control structure, as a minority financial partner.

RAISE Investissement now holds 35% of the capital and voting rights of Cogelec Développement, which holds the entire capital of S.R.C.

The entry of RAISE Investissement into the capital of the Cogelec Group is part of a dynamic partnership with the leaders of the Cogelec Group to actively support its development prospects in France and abroad over the long term.

Following the launch of Kibolt in the second quarter of fiscal year 2021, initial customer experiences demonstrated the product's full potential, as well as the need to adjust certain features. Managed via an app, the Kibolt universal smart key allows secure access to all equipped doors. To ensure new product developments, preserve the customer base and capitalize on the broad market potential, the Group decided in September 2021 to suspend the marketing of the current Kibolt generation. The next generation of Kibolt is expected to be available in September 2022.

As of December 31, 2021, the group recorded in its corporate and consolidated financial statements a net loss of €3.542 million linked to the discontinuation of version 1 of the Kibolt key, which is explained by:

- the scrapping of inventories in the amount of €2.07 million,
- by the removal of intangible assets corresponding to the development costs of version 1 for 0.955 M€ minus a reversal of amortization of 0.169 M€ and
- by the scrapping of machines and molds dedicated to version 1 for €0.542 million. Most of these costs were recognized in “Other non-current operating income and expenses”.

In order to finance the commercial development of its subsidiaries, Cogelec granted an advance of €5.5 million for 2021, i.e. a cumulative amount of €22.6 million as of December 31, 2021.

3.6.1.3 Summary and outlook

The strategy is confirmed by the acceleration of growth compared to the previous financial year, even though international activities represent only a small part of turnover. France drives the Group's annual performance thanks, in part, to the marketing of new innovative products such as the push-button panel. The continued conquest of the territories of the Group's subsidiaries and the reinforced presence of the Company in its home market offer the Group strong development potential over the coming financial year.

The deployment of GSM solutions, more suited to a market in search of performance of an economic and above all ecological nature, confirms the Company on the strategic choice of the company and on the GSM global offer solutions proposed by COGELEC for the 'coming.

In accordance with the values that have made it possible to develop the COGELEC group, the Group will continue to develop and create innovations that will accompany the world of access control while taking care to preserve, each day more, people and the environment, which are a priority.

For the 2022 financial year, COGELEC aims to grow its turnover by more than 10%. The launch of the second generation of the Kibolt key scheduled for the start of the 2022 school year should support this growth. COGELEC also forecasts an improvement in consolidated EBITDA over the full year.

Regarding the war in Ukraine, COGELEC is not directly affected (no subsidiary and no activity in Ukraine). However, the COGELEC Group could be impacted by the indirect consequences of this war, particularly in the event of general price inflation.

3.6.2 ASSESSMENT OF RISK FACTORS

COGELEC may find itself exposed to different types of financial risk: market risk, credit risk and liquidity risk. Where applicable, COGELEC implements simple means proportionate to its size to minimize the potentially adverse effects of these risks on financial performance. COGELEC's policy is not to subscribe to financial instruments for speculative purposes.

- Credit risk

Credit risk represents the risk of financial loss for the Group in the event that a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is not exposed to significant credit risk, which is mainly concentrated on trade receivables. The net book value of recognized receivables reflects the fair value of the net flows to be received estimated by Management, based on information at the closing date.

With regard to trade receivables, the Company regularly assesses, internally, the customer credit risk and the financial situation of its customers. It is specified that the receivables item consists of a very large number of invoices for small amounts spread over many different third parties. This configuration tends to limit the risk in question.

- *Liquidity risk*

The Group's cash and cash equivalents amounted to €18,763,000 as of December 31, 2021.

Available cash is mainly invested in (i) bank accounts and (ii) short-term investment accounts (term accounts) that are very liquid and easily convertible at a maturity of less than 3 months into a known amount of cash and whose value is very slightly exposed to risks of variation.

The Company is not exposed to a liquidity risk resulting from the possible implementation of clauses for the early repayment of bank loans.

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future maturities over a time horizon of 12 months.

A significant risk in terms of liquidity would be that the customers concerned request the termination of their prepaid subscription contracts at the same time and demand the reimbursement of the sums received in advance by the Company (PCA). However, the probability of this risk occurring is considered low by the Company.

- *Risk of change*

The Group's strategy is to favor the euro as the currency when signing its contracts.

The Group is exposed to exchange rate risks in connection with its purchases of components in the United States and Asia (purchases made in dollars). These purchases in foreign currencies amount to $10.5 million in 2021 compared to $6.6 million in 2020.

The Group has not taken any hedging arrangements at this stage in order to protect its business against exchange rate fluctuations. He currently makes all these purchases in spot dollars.

- *Interest rate risk*

As of December 31, 2021, the Company's financial debts are not subject to the risk of interest rate volatility insofar as the Company is indebted at fixed rates.

- *Market risk*

Financial market risks (risks on own shares) are monitored by an external service provider. For details of transactions for the year, see note 6.7.9.

3.6.3 EVENTS AFTER THE CLOSING OF 2021

The war in Ukraine declared at the end of February 2022 is destabilizing the world economy and the financial markets. The group does not operate in the countries concerned and is not directly impacted to date without it being possible to precisely quantify the potential impacts due to the unpredictability of the evolution of this crisis.

The Group is very attentive to the situation and the possible consequences for its activities in France and Europe.

3.6.4 ACCOUNTING PRINCIPLES, RULES AND METHODS

The financial statements are presented in thousands of euros unless otherwise indicated. Roundings are made for the calculation of certain financial data and other information contained in these accounts. Consequently, the figures given as totals in certain tables may not be the exact sum of the figures which precede them.

3.6.4.1 Declaration of conformity

The Company has prepared its accounts, approved by the Board of Directors on April 26, 2022, in accordance with the standards and interpretations published by the International Accounting Standards Boards (IASB) and adopted by the European Union on the date of preparation of the statements. financial statements, and presented with a comparison of the 2020 financial year established according to the same reference system.

This repository, available on the European Commission website (http://ec.europa.eu/internal_market/accounting/ias_fr.htm), includes international accounting standards (IAS – International Accounting Standards and IFRS – International Financial Reporting Standards) , the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The general principles, accounting methods and options adopted by the Group are described below.

3.6.4.2 Principle of preparation of financial statements

The Group's IFRS financial statements have been prepared according to the historical cost principle, with the exception of certain categories of assets and liabilities in accordance with the provisions laid down by IFRS standards: employee benefits valued using the projected unit credit method, borrowings and financial debts valued using the amortized cost method (see note 6.11.3).

3.6.4.3 Business continuity

The principle of continuity of operation has been adopted by the Board of Directors.

3.6.4.4 Accounting methods

The accounting principles used are identical to those used for the preparation of the annual IFRS financial statements for the financial year ended December 31, 2020, with the exception of the application of the following new standards, amendments to standards and interpretations adopted by the European Union , mandatory for the Group as of January 1, 2021.

Standards, amendments to standards and interpretations applicable from the fiscal year beginning on January 1, 2021

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 – Interest rate benchmark reform – Phase 2
- Amendments to IFRS 4 – Extension of the temporary exemption from the application of IFRS 9

These amendments to standards have no impact on the Group's financial statements.

Standards, amendments to standards and interpretations published but not applied in advance by the Group:

- Amendments to IAS 16 – Proceeds Prior to Intended Use
- Amendments to IAS 37 - Onerous Contracts - Contract Fulfillment Costs
- Amendments to IFRS 3 – Reference to the conceptual framework
- Amendments to IFRS 16 – Rent relief linked to Covid-19 beyond June 30, 2021
- IFRS 17 – Insurance contracts
- Amendments to IFRS 17 – Amendment to IFRS 17
- Annual improvements (2018-2020 cycle) - Annual improvements to IFRS standards 2018-2020 cycle (Standards concerned: IFRS 1, IFRS 9, IFRS 16 and IAS 41)

These amendments to standards have no impact on the Group's financial statements.

3.6.4.5 Consolidation method

The Group applies IFRS 10, “Consolidated Financial Statements”, IFRS 11, “Joint Arrangements” and IFRS 12, “Disclosure of Interests in Other Entities”.

IFRS 10, which deals with the accounting for consolidated financial statements, presents a single consolidation model which identifies control as the criterion to be met to consolidate an entity. An investor exercises control over an investee, if he has power over this entity, if he is exposed to the variable returns of the entity, or if he has rights to these variable returns because of his involvement in that entity, and whether it has the ability to use its power over the entity to influence the amount of those returns.

Subsidiaries are entities over which the Group exercises control.

3.6.4.6 Use of judgments and estimates affecting assets and liabilities

The company's management reviews its estimates and assessments on a regular basis on the basis of its past experience as well as various other factors deemed reasonable in view of the circumstances. These form the basis of its assessments of the book value of items of income and expenses and of assets and liabilities. These estimates affect the amounts of income and expenses and the values of assets and liabilities. It is possible that the actual amounts subsequently prove to be different from the estimates used.

The main items that require estimates established at the closing date on the basis of future development assumptions and for which there is a significant risk of a material change in their value as recorded in the balance sheet at the closing date concern:

- The valuation of intangible assets related to developments (refer to notes 6.6.1 and 6.7.1)
- Inventory valuation (refer to notes 6.4.11 and 6.7.6)
- The valuation of provisions for pension commitments (refer to notes 6.4.15 and 6.7.12)
- Provisions for charges (refer to notes 6.4.16 and 6.7.13)
- The research tax credit (refer to note 6.4.19)

3.6.4.7 Breakdown of current/non-current assets and liabilities

In accordance with IAS 1, the Company presents its assets and liabilities by distinguishing between current and non-current items:

- The assets and liabilities making up the working capital requirement entering into the normal operating cycle of the activity concerned are classified as current.
- Fixed assets are classified as non-current, with the exception of financial assets which are broken down into current and non-current.
- Provisions for liabilities entering into the normal operating cycle of the activity concerned and the portion at less than one year of other provisions are classified as current. Provisions that do not meet these criteria are classified as non-current liabilities.
- Financial debts that must be settled within 12 months after the closing date of the financial year are classified as current. Conversely, the portion of financial debt maturing in more than 12 months is classified as non-current liabilities.
- Deferred taxes are presented in full in non-current assets and liabilities

3.6.4.8 Intangible assets

Intangible fixed assets mainly consist of development costs and fixed assets in progress. Fixed assets in progress consist of expenses incurred for projects that have not yet been activated.

Development costs are essentially costs incurred to develop products that give rise to one or more patents.
Development costs are thus capitalized to the extent that the six criteria defined by IAS 38 are met:

- Technical feasibility for commissioning or sale,
- Intention to complete it and use or sell it,
- Ability to use or sell it,
- Likely economic benefits,
- Availability of resources to complete development and use or sell,

– Ability to reliably estimate expenses related to different projects.

Capitalized development costs are costs directly attributable to a project, as they result from the monitoring of costs by project. The share of the research tax credit linked to activated projects is restated as deferred income.

The implementation of IAS 23 Interest on Borrowings has not led to the inclusion of interest in development costs.

The Company regularly analyzes compliance with the activation criteria. These costs are maintained as assets, as long as the Company retains most of the benefits and risks related to the projects, and in particular when the Company retains the intellectual property and has granted a temporary right of use and/or exploitation. results of the development phases.

Ongoing development projects are subject to impairment tests according to the procedures defined in Note 6.6.1.

Activated costs are amortized on a straight-line basis over the period of use expected by the Company, over a period of five years, from the launch of their marketing.

Intangible fixed assets also consist of the costs of obtaining the contract. In accordance with IFRS 15, these costs related to contracts comprising services over several years are capitalized and amortized over the term of each contract.

Finally, intangible assets include software and licenses, amortized over a period of between 1 and 5 years. The rights of use are amortized over the term of the lease contract, i.e. a period ranging from 2 to 4 years.

3.6.4.9 Tangible fixed assets

Property, plant and equipment correspond mainly to land and buildings, general installations and fittings, equipment and tools, transport, office and IT equipment, and furniture. In accordance with IAS 16, they are valued at cost and amortized over their estimated useful life on acquisition and reviewed each year.

Components have been identified for the building complex. Each component has been depreciated over an appropriate useful life:

– Structural work: 35 years
– Cladding: 20 years
– General installations: 15 years
– Fixtures: 10 years

For other property, plant and equipment, the depreciation periods applied are as follows:

– General installations and fittings: 2 to 10 years
– Equipment and tools: 1 to 10 years
– Transport equipment: 2 to 5 years
– Office equipment: 3 to 5 years
– Computer hardware: 2 to 5 years
– Furniture: 3 to 10 years

Regarding the rights of use, they are amortized over the duration of the lease contract, i.e. a period ranging from 2 to 7 years.

Amortization schedules and residual values, if they exist, are reviewed each year.

3.6.4.10 Monitoring of the value of non-current assets (excluding financial assets)

The review of the valuation of non-current assets (intangible assets and tangible assets) is carried out every year, or more frequently if events or circumstances, internal or external, indicate that a reduction in value is likely to have occurred.

The recoverable amount of an asset is the higher of fair value and value in use.

The value in use of assets to which it is possible to attach independent cash flows is determined according to the following principles:

- The cash flows are derived from 5-year forecast results drawn up by the group's management, associated with the determination of a terminal value (discounted cash flows to infinity).
- The discount rate is determined on the basis of a weighted average cost of capital.

In order to determine the value in use, the intangible and tangible assets to which it is not possible to directly attach independent cash flows are grouped together within the Cash Generating Unit (CGU) to which they belong. The recoverable value of the CGU is determined by the discounted cash flow method (DCF) according to the same principles as those detailed above.

The recoverable value of the Cash Generating Unit thus determined is then compared to the contribution value to the consolidated balance sheet of its fixed assets.

Impairment losses are recognized when it appears that the book value of an asset is significantly higher than its recoverable value.

3.6.4.11 Inventory

Inventories are recorded at cost or net realizable value, whichever is lower. The net realizable value represents the estimated selling price under normal business conditions, less marketing costs.

Inventory acquisition costs include the purchase price, customs duties and other taxes, excluding taxes subsequently recoverable by the entity from the tax authorities, as well as transport, handling and other costs. costs directly attributable to the cost price of raw materials, goods, work in progress and finished products. Trade discounts, rebates, cash discounts and other similar items are deducted in determining acquisition costs.

Manufactured products are valued at production cost including consumption, direct and indirect production costs, depreciation of goods contributing to production. The cost of the sub-activity is excluded from the inventory value. Interest is excluded for inventory valuation. Inventories are valued using the first in, first out method.

Depreciation of stocks equal to the difference between the gross value determined according to the methods indicated above and the market price or the realizable value after deducting proportional selling costs, is taken into account when this gross value is greater than the other term stated.

3.6.4.12 Trade receivables and other receivables

Trade receivables and other receivables are valued at their nominal value after deduction of depreciation, if any. The amount of the impairment is recognized in the income statement. It is established when there is an objective indicator of the Group's inability to recover all or part of its debt.

Management regularly reviews and assesses the recoverable value of trade receivables. When the recoverable value is less than the net book value, an impairment or a loss on an irrecoverable debt is recognized in net income. This credit risk assessment is based on past experience in terms of debt collection and payment defaults, the level of anteriority of debts whose due date has passed, as well as the payment terms granted.

Receivables include receivables related to equipment rental contracts with customers.

The receivables are of a commercial nature and as such, the group has opted for the simplification measures applicable to the calculation of the provision for expected losses and recommended by IFRS 9.

All receivables at more than one year are presented in other non-current assets.

3.6.4.13 Financial assets and liabilities

Financial assets

Financial assets include loans, bank shares and deposits and guarantees.

The Group applies IAS 32, IFRS 9 and IFRS 7. IFRS 9 defines two categories of financial assets:

- financial assets at fair value whose changes are recognized either in the income statement if they are held for the short term, or in equity if they correspond to a long-term investment;
- financial assets recognized at amortized cost such as loans and receivables.

In any event, COGELEC values the financial assets at cost less any loss in value.

Financial liabilities

All interest-bearing borrowings or debts are initially recorded at the fair value of the amount received, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are valued at amortized cost, using the effective interest rate method.

Borrowings are classified as current liabilities, except when the group has an unconditional right to defer payment of the debt for at least 12 months after the closing date, in which case these borrowings are classified as non-current liabilities. The portion at less than one year of borrowings and financial debts is presented as current liabilities.

3.6.4.14 Cash and cash equivalents

Cash and cash equivalents consist of bank accounts and short-term investment accounts (term accounts) that are very liquid and easily convertible over a period of less than 3 months into a known amount of cash and whose value is very little exposed at risk of variation.

The cash flow statement is presented using the indirect method in accordance with IAS 7. The tax charge is presented globally in operating flows. The financial interest paid is recorded as cash flow. Dividends paid are classified as financing flows.

3.6.4.15 Employee benefits

Employee benefits are accounted for in accordance with IAS 19. The obligations of COGELEC in terms of pensions, supplementary pensions and retirement benefits are those imposed by the legal texts applicable in France. The coverage of obligations in terms of pensions and supplementary pensions is fully ensured by payments to organizations which release the employer from any subsequent obligation; the organization responsible for paying employees the amounts due to them. These include, in particular, French public pension schemes.

There are no employee benefits for foreign companies.

Post-employment benefits

Retirement indemnities are paid to employees at the time of their retirement based on their seniority and their salary at retirement age. These indemnities come under the defined benefit plan. As a result, the method used to assess the amount of the Company's commitment with regard to end-of-career indemnities is the retrospective projected unit credit method.

It represents the probable current value of the rights acquired, assessed taking into account salary increases up to retirement age, probabilities of departure and survival.

The past commitment formula can be broken down into four main terms as follows:

The main assumptions used for this estimate are as follows:

Hypotheses	31/12/2021	31/12/2020
Discount rate reference	IBOXX corporate AA rate + 10 years	
Discount rate	0.87%	0.34%
Mortality table	INSEE 2014-2016	INSE 2010-2012
Wage growth	4% decreasing	4% decreasing
Turnover rate	3.00%	2.44%
retirement age	65 years	65 years

Actuarial differences are recognized in other comprehensive income.

The new position adopted by the IFRIC in June 2021 constitutes a change in method. The IFRIC considers that, from the moment when, on the one hand, no rights are acquired in the event of departure before retirement age and, on the other hand, the rights are capped after a certain number of years of seniority, it would be the last years of the employee's career in the company that confer rights upon departure. As this is a retrospective application, COGELEC has recalculated its commitments as of December 31, 2020, which amount to €766,000 compared to €794,000 in the consolidated financial statements published as of December 31, 2020. The difference, i.e. €21,000 net deferred tax, has a positive impact on shareholders' equity as of December 31, 2020, which therefore goes from €10,426,000 to €10,447,000. At the same time, provisions for retirement commitments went from €794,000 to €766,000 and non-current tax liabilities from €137,000 to €145,000.

Other post-employment benefits

These benefits are mainly based on the defined contribution plan (general plan).

Under this plan, the Company has no obligation other than the payment of contributions; the expense corresponding to the contributions paid is taken into account in the income statement for the financial year.

Other long-term benefits

The Company has set up a company savings plan. The short-term benefits include in particular the profit-sharing agreement according to the legal formula which is calculated on the basis of the tax result. Labor awards are negligible. Where applicable, compensation for breach of employment contract is provisioned.

There are no other long-term benefits granted within the group.

3.6.4.16 Provisions and contingent liabilities

In accordance with IAS 37, a provision is recorded when an obligation towards a third party will definitely or probably cause an outflow of resources without at least equivalent consideration. The provision is maintained as long as the due date and the amount of the outflow of resources are not precisely fixed. The amount of the provision is the best possible estimate of the outflow of resources required to settle the obligation.

A contingent liability is based on a potential obligation resulting from past events and the existence of which will only be confirmed by the occurrence (or not) of one or more uncertain future events which are not entirely within the company's control. . A contingent liability is also a present obligation resulting from past events but which is not recognized because on the one hand, it is not probable that an outflow of resources representing economic benefits will be necessary to extinguish the obligation. and on the other hand, the amount of the obligation cannot be assessed with sufficient reliability.

In accordance with IAS 37, the Company has to set up a provision for “after-sales service” (SAV). After-sales service costs have been provisioned on the basis of the product warranty period, ie 3 to 10 years depending on the product. The rates used for the calculation were determined on the basis of the costs observed over the last 5 years and were related to the turnover for the year of sale of the products concerned by the after-sales service expenses incurred. Costs incurred include labor costs and spare parts.

3.6.4.17 Taxes

Deferred taxes are accounted for using the liability method for temporary differences between the tax basis of assets and liabilities and their accounting basis in the consolidated financial statements.

The book value of deferred tax assets is reviewed at each closing date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the use of the benefit of all or part of these deferred tax assets. Deferred tax assets are reassessed at each closing date and are recognized to the extent that it becomes probable that a future taxable profit will make it possible to recover them.

Deferred tax assets and liabilities are valued at the tax rate adopted or virtually adopted on the date of each closing in a definitive manner and whose application is expected during the financial year during which the asset will be realized or the liability set for each tax regulation. The tax rates applied are as follows:

	31/12/2021	31/12/2020
Rate France	25,825 %	25,825 %
Germany rates	31,225 %	31,225 %
UK rates	19,000 %	19,000 %
Netherlands rates	15,000 %	15,000 %

Taxes relating to items recognized directly in equity are recognized in equity and not in the income statement.

Deferred tax assets are recognized only to the extent that the realization of a future taxable profit, which will allow the allocation of temporary differences, is probable.

Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset when they relate to the same tax entity and the same rate.

They are presented in an offsetting manner on the Group's balance sheet and justified by means of proof of tax (see 6.10.1).

In the income statement, the Contribution on the Added Value of Companies (CVAE) is included in the line Tax charges.

3.6.4.18 Product recognition

Revenue from ordinary activities is recognized when the Group fulfills a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of the asset.

The Company's revenue corresponds to the fair value of the consideration received or receivable for goods and services sold in the normal course of the Company's activities. These products are shown net of value added tax, returns of goods, discounts and rebates and net of intra-group sales.

Maintenance services cover periods of more than 12 months. These services are thus subject to recognition over time, on a straight-line basis since the costs are incurred at this frequency.

Sales of equipment generate recognition of revenue on the date of delivery. It is considered that it is on this date that the customer has accepted the characteristics of the goods delivered. A receivable is recognized when the goods are delivered, i.e. when the consideration is unconditional, because only the passage of time is sufficient to make payment of the consideration due.

There are 2 types of products:

1/ Sales of equipment immediately recognized in profit or loss.

For this type of contract, each delivery is considered as a separate performance obligation which is recognized on the date of delivery.

The contracts to which it relates are:

- Equipment sales contracts with distributors.
- Sales of equipment associated with Prepaid offers. These materials correspond to the plate, the management unit and the data transmission module.
- Revenue related to finance leases under “package offer” contracts (see detailed comments in point i) below).

2/ Service provision contracts.

Revenue from Services is represented by 3 main families:

a. Prepaid offers: all the equipment accompanying these offers is sold to COGELEC customers. These offers are concluded either within the framework of access control without intercom (so-called prepaid data offers) or within the framework of access control associated with intercom (prepaid voice offers). These offers are invoiced in one go for a period of 10 or 15 years (sometimes less). When COGELEC sells “prepaid kits”, the company separately recognizes the sale of equipment at its selling price and the related provision of services.

The turnover relating to the material part is recognized immediately in the income statement, on the date of delivery.

The provision of services includes in particular access to the management web applications developed by COGELEC, the maintenance of these applications, the training of managers, etc.

The provision of services related to these offers is recognized on a straight-line basis over the duration of the contract, since the costs are stable from one year to another and this in accordance with IFRS 15.

b. Subscription offers:

These offers include:

i. Global subscription offers: these cover the rental of equipment (turntables, etc.) and the provision of services. These global offers are with fixed or indefinite term commitment. The provision of services includes in particular the provision of a transmission module, the maintenance of the rented equipment, as well as access to the management web applications developed by COGELEC, the maintenance of these applications, the training of managers, etc.

Leased equipment is treated as a finance lease in accordance with IFRS 16 (discounted payments covering the fair value of the leased asset). Thus a product is recognized in material turnover on the date of delivery for an amount corresponding to the discounted value of future payments.

The provision of services related to these offers is recognized on a straight-line basis over the duration of the contract, since the costs are stable from one year to another and this in accordance with IFRS 15.

ii. Classic subscription offers: Since 2017, these offers are non-binding and open-ended (So-called Classic Offer). The turnover relating to the hardware part (platinums, etc.) is immediately recognized in the income statement, on the date of delivery.

The provision of services includes in particular the provision of a transmission module, the maintenance of rented equipment, as well as access to the management web applications developed by COGELEC, the maintenance of these applications, the training of managers, etc.

The provision of services related to these offers is recognized on a straight-line basis over the duration of the contract, in accordance with IFRS 15.

iii. Mixed subscription offers (Jumbo offer):

These offers are concluded for an indefinite period without a commitment period. Part of the equipment is sold to the customer (platinums, etc.). The turnover relating to this material part is recognized immediately in the income statement, on the date of delivery. Another part, in particular the Display Board, is made available to the customer and remains the property of COGELEC.

The provision of services includes in particular the provision of a transmission module, the maintenance of the rented equipment, as well as access to the management web applications developed by COGELEC, the maintenance of these applications, the training of managers, etc.

The provision of services (including the provision of the bulletin board) related to these offers are recognized on a straight-line basis over the duration of the contract in accordance with IFRS 15, consistent with the costs incurred.

All of these subscription offers constitute recurring business for COGELEC. Unfulfilled obligations under fixed-term or open-ended offers with a commitment of duration are presented in the table below. The performance obligations that remain to be fulfilled correspond to the services that the Group is required to provide to customers during the remaining firm term of the contract.

Offers of unlimited duration without commitment or with expired commitment constitute a significant part of COGELEC's potential portfolio but, by definition, do not appear in the unfulfilled obligations mentioned above.

c. Other services: these include after-sales services for example, or any other services not falling within the scope of the offers mentioned below.

Revenue is explained in point 6.8.1.

Contract assets are transferred to trade receivables when this right to payment becomes unconditional. Contract liabilities relate to advance payments received from Group customers, for which revenue is recognized when maintenance services are performed.

Assets and liabilities on contracts are explained in points 6.7.4, 6.7.7 and 6.7.15.

Three types of turnover will be observed in the coming years:

- Unfulfilled obligations under fixed-term or indefinite-term offers with a commitment of duration
- The turnover already invoiced and collected on the prepaid offer contracts in the portfolio (currently in deferred income)
- Turnover to be invoiced and collected from non-binding or expired-binding contracts not terminated to date.

The table below only shows the turnover from prepaid offers and unfulfilled obligations from offers with commitment

Types of contracts	Details	Note	TOTAL	2022	2023	2024	2025	2026	Beyond
Global Offer Contracts	CA remaining to be invoiced on services	3.6.4.18	2 955	943	713	555	438	274	33
Contracts Prepaid offers	Prepaid Products	3.6.7.15	27 747	2 753	2 758	2 715	2 670	2 593	14 258
Total			**30 703**	**3 695**	**3 471**	**3 270**	**3 108**	**2 867**	**14 291**

For the establishment of this table, the residual duration of the contracts with commitment is used, i.e.:

- Premium: 5 and 10 years.
- Prepaid: 15 years.

The Company incurs costs in obtaining contracts, in the form of commissions. Commissions related to the sale of equipment are recognized immediately as expenses and commissions related to the provision of services are classified as intangible assets.

	31/12/2021	31/12/2020
Raw values	739	679
Depreciations	401	293
Net worth	**339**	**387**

Commissions are amortized over a period of 5 or 10 years, in accordance with the duration of the contracts to which they relate. There is no need to depreciate these assets.

3.6.4.19 Grants

Government grants are government assistance in the form of transfers of resources to an entity, in exchange for the fact that it has complied or will comply with certain conditions related to its operational activities. According to IAS 20, asset-related grants are government grants whose primary condition is that an eligible entity must purchase, build or otherwise acquire long-lived assets.

Government grants are recognized in profit or loss on a systematic basis for the periods in which the entity recognizes as an expense the costs that the grants are intended to compensate. Thus, grants related to assets are presented on the balance sheet as deferred income and amortized over the same period as the subsidized fixed asset.

The Company also benefits from research tax credits and innovation tax credits. These sums are recognized as subsidies in the result at the same rate as the amortization of development costs related to each project.

These grants are recorded as deferred income.

3.6.4.20 Rental contracts

According to IFRS 16, a lease is considered to be any contract giving the right to use an identified asset for a given period of time in exchange for a periodic payment.

Lessee

For the lessee, IFRS 16 no longer makes a distinction between finance leases and operating leases. Leases are now recognized as assets through the recognition of a right of use and as liabilities through a debt corresponding to the discounted value of future payments. Each payment under the contracts is allocated between the finance charge and the amortization of the debt balance so as to obtain a constant periodic interest rate on the outstanding balance. The discount rate used corresponds to the financing rate that the banks would grant for each of the contracts. The rates vary between 0.15% and 0.75% depending on the maturity of the contracts and the amounts to be financed.

The rights to use intangible & tangible assets are amortized over the term of the lease.

Property, plant and equipment acquired under a finance lease are depreciated over the useful life of the asset.

Entry costs and amortization periods are explained in points 6.4.8 and 6.4.9.

As authorized by the texts, as a simplification measure, the Group has chosen not to restate contracts with a duration of less than 12 months, as well as those with a value of less than $5,000.

Lessor

Assets held under a finance lease are presented as receivables for an amount equal to the net investment in the lease.

Financial income is recognized on the basis of a constant periodic rate of return on the lessor's net investment in progress in the finance lease.

3.6.4.21 Net financial debt

Long-term financial debt includes, on the one hand, loans contracted with credit institutions and, on the other hand, loans recognized in return for the recognition in assets of a right of use under lease contracts. These long-term debts are classified as non-current liabilities for their part at more than one year and are valued at amortized cost at closing using the effective interest rate method, with an amortization of issue costs, when these costs are significant. All these debts are at a fixed rate on the closing date.

Short-term financial debts include the short-term portion of long-term borrowings as well as bank overdrafts and other short-term bank debts.

Net financial debt is made up of borrowings defined above less cash and cash equivalents.

The cost of net financial debt includes interest on borrowings and other financial debt offset by income from term accounts.

3.6.4.22 Conversion of currency transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("Functional currency"). The consolidated financial statements are presented in euros, which is the presentation currency of COGELEC.

According to IAS 21, the monetary elements of consolidated entities in foreign currencies are converted using the closing rate. Non-monetary items are valued at historical cost using the exchange rate in effect on the date the transaction was initially recognised. Income and expenses are converted at the average exchange rate for the year ended. Translation differences resulting from this treatment are recognized in profit or loss except for those relating to non-monetary items, which are recognized in other comprehensive income.

3.6.4.23 Segment information

The chief operating decision maker only monitors performance at the level of the whole group; the application of IFRS 8 has led the Company to present only one operating segment.

3.6.4.24 Equity

Equity is made up of the share capital of the parent company, an issue premium, reserves and the result. Consolidated reserves and income correspond to the Company's share of accumulated consolidated income net of dividend distributions.

Treasury shares held are deducted from consolidated shareholders' equity; no expense or income resulting from the cancellation affects the income statement.

Minority interests are defined as the part of the result or net assets of a subsidiary which is not held either directly by COGELEC or indirectly through another subsidiary controlled by COGELEC.

3.6.4.25 Presentation of the income statement

The Group presents its income statement by type.

Purchasing and subcontracting costs

The cost of purchases and subcontracting mainly consists of:

- purchases of components and other products necessary for the production of the goods sold;
- provision of third party services for the manufacture, assembly and testing of goods sold;
- customs duties, transport costs and other taxes directly attributable to these purchases;

Gross margin

The gross margin is an indicator defined by COGELEC as the turnover plus the other products of the activity, minus the purchases consumed, and corrected for the stored production.

The indicator is presented in note 6.10.5.

EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortisation) is an indicator defined by COGELEC as operating profit before depreciation and amortization charges net of reversals.

The indicator is presented in note 6.10.5.

Operating income

Operating income includes all income and costs directly related to the Group's activities, whether these income and expenses are recurring (current operating income) or result from one-off decisions or transactions (non-current operating income).

The indicator is presented in note 2.

Cost of net financial debt

All expenses and income resulting from net financial debt for the period (see Note 6.8.7) represent the company's overall financing cost, excluding the cost of equity.

3.6.4.26 Methods for calculating net earnings per share

Net earnings per share are calculated by dividing the net earnings attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing net earnings attributable to shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the impact of the conversion of dilutive instruments into ordinary shares. The Company does not have any dilutive instruments.

During the 2021 financial year, the weighted average number of ordinary shares is:

	Number of common shares	Own shares	Number of common shares excluding treasury shares
Au 31/12/2021	8 898 048	-406 637	8 491 411

3.6.5 SCOPE OF CONSOLIDATION

Unless expressly stated, the percentages of voting rights are identical to the share held in the capital.

2021 scope

Entities	Methods of consolidation	% interest	% control	The head office	Country
COGELEC	GI	100,00 %	100,00 %	MORAGNE SUR SEVRE	France
INTRATONE GMBH	GI	100,00 %	100,00 %	DUSSELDORF	Germany
INTRATONE UK	GI	100,00 %	100,00 %	LONDON	UK
INTRATONE BV	GI	100,00 %	100,00 %	AMSTERDAM	Netherlands

2020 scope

Entities	Methods of consolidation	% interest	% control	The head office	Country
COGELEC	GI	100,00 %	100,00 %	MORAGNE SUR SEVRE	France
INTRATONE GMBH	GI	100,00 %	100,00 %	DUSSELDORF	Germany
INTRATONE UK	GI	100,00 %	100,00 %	LONDON	UK
INTRATONE BV	GI	100,00 %	100,00 %	AMSTERDAM	Netherlands

3.6.6 IMPAIRMENT OF ASSETS

3.6.6.1 Impairment of non-financial assets

Impairment tests are carried out for tangible and intangible fixed assets with a definite useful life when an indication of impairment appears. These tests consist of reconciling the net book value of the assets with their recoverable value corresponding to the highest amount between their market value less disposal costs and their value in use estimated according to the DCF method (discounted cash flows). .

The discounting of flows is carried out over a period limited to 5 years and the discount rate used corresponds to the weighted average cost of capital of the entity concerned.

The weighted average cost of capital retained for 2021 is 14%.

Intangible assets that are not yet ready for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

For intangible assets for which the useful life is indefinite, impairment tests are carried out at least once a year on a fixed date and between two dates if there is an indication of impairment.

The impairment tests, carried out according to the methodology described above, showed the need to depreciate €156,000 of intangible assets and €21,000 of tangible assets, of which €47,000 impacted the result for the year.

3.6.6.2 Impairment of financial assets

The Group assesses at each closing whether there is an objective indicator of impairment of a financial asset or a group of financial assets.

3.6.7 BALANCE SHEET

3.6.7.1 Intangible assets

Change in gross intangible assets (in K€)

Raw values	Costs development	Others fixed assets incorporeal	fixed assets intangible in Classes	TOTAL
Au December 31, 2019	**14 102**	**1 408**	**2 247**	**17 757**
Acquisitions	625	332	1 082	2 040
Disposals		-13	-618	-631
Station-to-station transfer	1 178	54	-1 232	
Change in scope				
Au December 31, 2020	**15 905**	**1 780**	**1 479**	**19 165**
Acquisitions	447	206	1 421	2 074
Disposals	-1 687	-20	-24	-1 731
Station-to-station transfer	382	-48	-334	
Change in scope				
Au December 31, 2021	**15 046**	**1 919**	**2 542**	**19 507**

Change in amortization of intangible assets (in K€)

Depreciations	Costs development	Others fixed assets incorporeal	fixed assets intangible in Classes	TOTAL
Au December 31, 2019	**8 758**	**794**		**9 552**
Endowments	1 636	212		1 847
Covers		-13		-13
Depreciations	130			130
Station-to-station transfer				
Change in scope				
Au December 31, 2020	**10 523**	**992**		**11 516**
Endowments	1 571	290		1 861
Covers	(732)	-20		-752
Depreciations	26			26
Station-to-station transfer	37	(37)		
Change in scope				
Au December 31, 2021	**11 425**	**1 225**		**12 650**

Change in net intangible assets (in K€)

Net worth	Costs development	Others fixed assets incorporeal	fixed assets intangible in Classes	TOTAL
Au December 31, 2019	5 344	614	2 247	**8 205**
Au December 31, 2020	5 382	788	1 479	**7 649**
Au December 31, 2021	3 622	694	2 542	**6 857**

The useful lives used to amortize identifiable intangible assets are as follows:

- Software 1 to 3 years
- Research and development costs 5 years

Following the technical difficulties encountered during the year on the integrated electronic gun project, the group scrapped €955,000 in development costs.

As of December 31, 2021, intangible assets in progress relate to various projects scheduled to be commissioned within the next two years. These include the Intracode Surface Version based on a button panel, Doorbell + Chime and Kit Villa Lite projects, which are scheduled to be commissioned in 2022. In addition, intangible assets in progress include the Kihome website .

As of December 31, 2021, Management carried out impairment tests in accordance with IAS 36, which led it to identify impairment losses on its intangible assets resulting from development for an amount of €156,000, of which €26,000 impairments affect the result for the year. Thus, the exit button project for Persons with Reduced Mobility is fully depreciated as of December 31, 2021.

Flows on intangible assets recognized in accordance with IFRS 16 are as follows:

Raw values	Costs development	Other fixed assets incorporeal	TOTAL
Au December 31, 2019		**33**	**33**
Acquisitions		199	199
Disposals		-13	-13
Station-to-station transfer			
Change in scope			
Au December 31, 2020		**219**	**219**
Acquisitions		70	70
Disposals		-20	-20
Station-to-station transfer			
Change in scope			
Au December 31, 2021		**269**	**269**

Depreciations	Costs development	Other fixed assets incorporeal	TOTAL
Au December 31, 2019		**19**	**19**
Endowments		29	29
Covers		-13	-13
Station-to-station transfer			
Change in scope			
Au December 31, 2020		**35**	**35**
Endowments		82	82
Covers		-20	-20
Station-to-station transfer			
Change in scope			
Au December 31, 2021		**97**	**97**

Net worth	Costs development	Other fixed assets incorporeal	TOTAL
Au December 31, 2019		**14**	**14**
Au December 31, 2020		**184**	**184**
Au December 31, 2021		**172**	**172**

3.6.7.2 Tangible fixed assets

Change in gross tangible fixed assets (in K€)

Raw values	Lands	Buildings	Facilities techniques, materials and tools	Others fixed assets bodily	fixed assets bodily in Classes	TOTAL
Au December 31, 2019	**213**	**4 574**	**4 988**	**3 208**	**257**	**13 240**
Acquisitions		523	712	694	1 652	3 580
Disposals				-215	-39	-254
Station-to-station transfer			340		-296	44
Change in scope						
Au December 31, 2020	**213**	**5 097**	**6 040**	**3 687**	**1 574**	**16 610**
Acquisitions		1 179	407	579	2 999	5 163
Disposals			-1 243	-350	-5	-1 598
Station-to-station transfer			850	29	-923	(44)
Change in scope						
Au December 31, 2021	**213**	**6 276**	**6 054**	**3 944**	**3 645**	**20 132**

Change in depreciation of property, plant and equipment (in K€)

Depreciations	Lands	Buildings	Facilities techniques, materials and tools	Others fixed assets bodily	fixed assets bodily in Classes	TOTAL
Au December 31, 2019		**1 055**	**2 746**	**1 281**		**5 082**
Endowments		475	833	800		2 108
Covers				-193		-193
Station-to-station transfer			44			44
Change in scope						
Au December 31, 2020		**1 530**	**3 624**	**1 887**		**7 041**
Endowments		527	941	828		2 297
Covers			-685	-292		-978
Depreciations			21			21
Station-to-station transfer				-44		-44
Change in scope						
Au December 31, 2021		**2 057**	**3 901**	**2 379**		**8 337**

Change in net tangible fixed assets (in K€)

Net worth	Lands	Buildings	Facilities techniques, materials and tools	Others fixed assets bodily	fixed assets bodily in Classes	TOTAL
Au December 31, 2019	213	3519	2241	1928	257	**8157**
Au December 31, 2020	213	3567	2416	1800	1574	**9569**
Au December 31, 2021	213	4218	2153	1565	3645	**11794**

During the 2021 financial year, the Company signed a new commercial lease in Paris in order to create a showroom, which explains the change in the constructions item. In addition, the work undertaken as part of the extension of the factory based in Mortagne-sur-Sèvre was financed by a leasing organization for €3.2 million, of which €1 million had been committed on the previous year by Cogelec SA. As the commissioning of the plant is scheduled for the first half of 2022, the work appears in fixed assets in progress as of December 31, 2021
In addition, as of December 31, 2021, the Company scrapped Kibolt equipment for an amount of €0.5 million.

Finally, in connection with the value tests carried out by Management in accordance with IAS 36, the tangible fixed assets relating to the Exit button project for Persons with Reduced Mobility were depreciated for €21,000.

Cash flows on property, plant and equipment recognized in accordance with IFRS 16 are as follows:

Raw values	Lands	Buildings	Facilities techniques, materials and tools	Others fixed assets bodily	fixed assets bodily in Classes	TOTAL
Au December 31, 2019	**213**	**4 574**	**25**	**1 453**		**6 265**
Acquisitions		523		382		904
Disposals				-214		-214
Station-to-station transfer						
Change in scope						
Au December 31, 2020	**213**	**5 097**	**25**	**1 621**		**6 956**
Acquisitions		1 179		425	1 008	2 611
Disposals				-347		-347
Station-to-station transfer					2 225	2 225
Change in scope						
Au December 31, 2021	**213**	**6 276**	**25**	**1 698**	**3 233**	**11 444**

Depreciations	Lands	Buildings	Facilities techniques, materials and tools	Others fixed assets bodily	fixed assets bodily in Classes	TOTAL
Au December 31, 2019		**1 055**	**24**	**424**		**1 503**
Endowments		475	1	488		964
Covers				-192		-192
Station-to-station transfer						
Change in scope						
Au December 31, 2020		**1 530**	**25**	**720**		**2 275**
Endowments		527		533		1 060
Covers				-292		-292
Station-to-station transfer						
Change in scope						
Au December 31, 2021		**2 057**	**25**	**961**		**3 044**

Net worth	Lands	Buildings	Facilities techniques, materials and tools	Others fixed assets bodily	fixed assets bodily in Classes	TOTAL
As of December 31, 2019	213	3 519	1	1 030		**4 762**
As of December 31, 2020	213	3 567		901		**4 681**
As of December 31, 2021	213	4 218		737	3 233	**8 400**

3.6.7.3 Other financial assets

In thousands of €	31/12/2021	31/12/2020
Other fixed securities (1)	200	200
Loans (2)	38	40
Loan impairment (2)	-38	-38
Deposits and guarantees (3)	350	252
TOTAL	**550**	**454**

(1) Bank shares
(2) DIAMO loan for €38,000
(3) Deposits and guarantees correspond to sums paid on BPI loans and rent guarantees.

The new deposits correspond to the security deposit paid for the showroom in Paris.

3.6.7.4 Other non-current assets

In thousands of €	31/12/2021	31/12/2020
Customers > 1 year	3 459	3 284
Impairment of customers	-92	-380
Prepaid expenses > 1 year	2 437	1 759
TOTAL	**5 804**	**4 663**

Breakdown of trade receivables net of impairment

	31/12/2021	31/12/2020
Doubtful debts	**110**	456
Impairment of bad debts	-92	-380
Trade receivables on rental contracts	3 349	2 828
TOTAL	**3 367**	**2 904**

Bad debts are depreciated at 100%.

The decrease in the item is explained by the balance of doubtful customers in irrecoverable debts on the basis of certificates of irrecoverability received during the year.

Prepaid expenses

Prepaid expenses correspond to SIM cards purchased under global supply contracts (note 6.4.18). These purchases are spread over the duration of the commitment, corresponding to the subscription packages.

3.6.7.5 Deferred taxes

	31/12/2021		31/12/2020	
	Base	**Tax**	**Base**	**Tax**
Temporary shifts				
Activation deficits	793	170	362	85
C3S	62	16	44	11
Employee participation			147	38
Tax depreciation	-84	-16	-77	-15
Provision for dismantling	-29	-6	-28	-5
Pensions	5	1	3	—
Restatements				
Exchange difference on reciprocity on the balance sheet			106	20
Intercom adjustment	-2	-1		
Advanced exchanges not returned	14	3	18	4
IFRS 16 finance leases	-673	-174	-544	-141
Operating leases IFRS 16	73	17	6	1
Lease contracts	-2 506	-615	-1 866	-471
Internal disposals real estate CG-IT	3	1	17	4
Inventory internal margins CG-IT UK	9	2	263	68
Internal SIM card margins	23	7	13	3
Internal transfer of demo material to subsidiaries	51	12	15	3
Customer guarantee provision	109	28	61	16
Depreciation method alignment	21	3	8	1
Business provider commissions	113	29	129	33
Impairment of treasury shares				
Retirement commitments	690	178	794	205
TOTAL	**-1 327**	**-343**	**-532**	**-137**

The proof of tax is given in point 3.6.10.1.

The non-activated deficits, since the origin of the subsidiaries, are as follows:

Company	31/12/2021
IT B.V.	3 779
IT GMBH	11 850
IT UK	6 384
Total	**22 013**

According to IAS 12, the tax planning as of December 31, 2021 shows the expiry date of the deferred tax liabilities:

In thousands of €	Share less 1 year old	Share to more 1 year and less of	Share to more 2 years old and less than	Share to more 3 years old and less than	Share to more 4 years old and less than	Share to more 5 years old	TOTAL
Deficits	150	36	21	13	0	572	793
C3S	62						62
Employee participation							
Tax depreciation	-84						-84
Provision for dismantling	-29						-29
Pensions	5						5
Intercom adjustment	-2						-2
Advanced Exchanges Not Returned	14						14
Leases	123	131	144	161	183	-1 416	-673
Simple rentals	14	17	13	10	11	9	73
Lease contracts	-798	-683	-536	-363	-126		-2 506
Internal transfers CG-IT	1	1	1	0	0		3
Inventory internal margins CG-IT UK	9						9
Internal SIM card margins	3	3	3	3	3	10	23
Internal real estate disposals	15	15	10	7	4		51
Customer guarantee provision	15	13	15	14	12	40	109
Depreciation method alignment	-13	4	17	11	3		21
Business provider commissions	29	30	24	18	10	3	113
Retirement commitments						690	690
TOTAL	**-487**	**-434**	**-288**	**-126**	**99**	**-91**	**-1 327**

3.6.7.6 Inventories and work in progress

Change in net inventories and work-in-progress

In thousands of €	31/12/2021	31/12/2020
Raw materials and other supplies	8 369	7 164
In production	4 290	4 417
Intermediate and finished products	3 083	2 363
Impairment provision	-450	-726
TOTAL	**15 293**	**13 218**

Changes in provisions for impairment	31/12/2021	31/12/2020
Opening value	726	660
Increase	140	267
Decrease	-415	-201
Closing value	**450**	**726**

Raw materials and other supplies consist of components.

Work in progress consists of sub-assemblies (electronic boards, etc.) intended to be incorporated into equipment sold or incorporated into contracts.

Finished products include equipment (plates, remote controls, modules, etc.) which are sold separately or which are incorporated into a global contract offer (equipment and services).

The increase in stocks of raw materials is explained on the one hand by the increase in components to deal with a possible shortage linked to Covid-19 and on the other hand by the anticipation of a price increase. .

The increase in the stock of finished products is justified by the desire to satisfy customer requests more quickly.

3.6.7.7 Trade receivables and other current receivables

Receivables

In thousands of €	31/12/2021	31/12/2020
Gross trade receivables	11 916	11 310
Impairment provision	-13	
TOTAL	**11 904**	**11 310**

Breakdown of trade receivables net of impairment:

	31/12/2021	31/12/2020
Ordinary trade receivables	10 283	9 881
Impairment of ordinary trade receivables	(13)	
Trade receivables on rental contracts	1 634	1 428
TOTAL	**11 904**	**11 310**

Other current assets

In thousands of €	31/12/2021	31/12/2020
Loans	2	3
Deposits and guarantees	5	1
Advances and installments paid	92	24
Social claims	66	44
Tax receivables	1 533	1 413
Other operating receivables	510	534
Prepaid expenses	895	836
TOTAL	**3 104**	**2 855**

Trade receivables and other receivables are valued at their nominal value after deduction of provisions calculated according to the effective possibilities of recovery.

The increase in tax receivables is linked to the deductible VAT on purchases.

The maturity of receivables is shown in Table 3.6.11.2.

Loans are detailed as follows:

Loans	31/12/2021	31/12/2020
Staff loans	2	3
TOTAL	**2**	**3**

Other receivables are detailed as follows:

Other receivables	31/12/2021	31/12/2020
Receivables related to CIR and CII	379	493
Debtor Suppliers and AAR	132	41
Various debtors		
TOTAL	**510**	**534**

Current assets include the amounts obtained each year under the CIR and CII. The amount for 2020 was reimbursed by the State; that of 2021 remains to be collected in 2022.

Schedule of trade receivables

The breakdown of trade receivables by maturity is as follows:

			Due		
A C T I F (in K€)	Balance sheet value	Not due	< 90d	>90d <6 months	> 6 months
Trade receivables (non-current assets)	**3 367**	3 349			18
Trade receivables (current assets)	**11 904**	8 965	2 799	43	96
TOTAL	**15 270**	**12 314**	**2 799**	**43**	**114**

3.6.7.8 Cash and cash equivalents

In thousands of €	31/12/2021	31/12/2020
Term accounts	6 950	5 500
Availability	11 829	6 556
Total closing cash	**18 779**	**12 056**
Bank overdrafts	-15	0
Total closing net cash	**18 763**	**12 056**

Cash includes cash and term accounts. These are classified as cash equivalents when they meet the definition of cash given by IAS 7. As a result, term accounts for which the risk is negligible and the maturity of the liquidity is low, which are taken out by the company COGELEC, are classified as cash equivalents. Term accounts can be terminated at any time.

3.6.7.9 Equity

Change in capital

As of December 31, 2021, COGELEC's share capital consisted of 8,898,048 shares, the change in which during the year was as follows:

	01/01/2021	Increase	Reduction	31/12/2021
Number of actions	8 898 048			8 898 048
of which ordinary shares	3 550 963			3 550 963
of which shares with double voting rights	5 347 085			5 347 085
nominal in €	0,45			0,45
Capital in euros	**4 004 122**			**4 004 122**

Capital Information

Shareholding of COGELEC

Holders	Number of actions	Holding percentages
SAS H.R.C.	20	0,00%
SAS S.R.C.	5 347 065	60,09%
Floating	3 550 963	39,91%
Total	**8 898 048**	**100,00%**

Capital management and dividend distribution

No distribution of dividends took place in the 2021 financial year.

Own shares

In accordance with the approval at the General Meeting of April 23, 2018 of the share buyback program, COGELEC bought back 406,637 own shares, for an amount of €2,433,000. Treasury shares acquired are deducted from consolidated shareholders' equity. No profit or loss resulting from the purchase, sale or cancellation of shares affects the income statement.

- Number of treasury shares held as of 12/31/2021: 406,637 shares
- Value of treasury shares held as of 12/31/2021: €2,432,555
- Number of treasury shares acquired in 2021: 54,607 shares
- Value of treasury shares acquired in 2021: €438,598
- Number of treasury shares sold in 2021: 44,764 shares
- Value of treasury shares sold in 2021: €375,040

3.6.7.10 Financial liabilities

Non-current/current borrowings and financial debts

In thousands of €	31/12/2021	31/12/2020
Bank loans	14 200	7 501
Debts on finance leases	4 571	1 833
Debts on operating leases	1 836	1 308
Non-current borrowings and financial debts	**20 607**	**10 642**
Bank loans	2 301	2 804
OSEO loans	3	
Accrued interest not due	15	4
Debts on finance leases	495	302
Debts on operating leases	1 020	832
Current borrowings and financial debts	**3 834**	**3 942**
TOTAL	**24 441**	**14 584**

During the 2021 financial year, the Company subscribed to a PGE for a total amount of €9 million, spread over 3 banks. It has chosen to benefit from an additional year of deferral by amendments signed in February 2022, which is why the debt is fully recorded as non-current.

In addition, the work undertaken as part of the extension of the factory based in Mortagne-sur-Sèvre was refinanced by a leasing organization. As the commissioning of the plant is scheduled for the second quarter of 2022, the debt, which amounts to €3,233 thousand at December 31, 2021, is allocated on the basis of this assumption.

Finally, the Company has leased premises in Paris to turn it into a showroom. The new associated debt is €1,125,000.

Flow of non-current/current borrowings and financial debts

Raw values	Loans banking	Loans Oseo	Interests accrued Nope expired	Discoveries banking	Debts on finance leases	Debts on operating leases	Debts financial various	TOTAL
Au December 31, 2019	**7 720**	**30**	**0**	**0**	**2 442**	**1 884**	**0**	**12 076**
New	4 995		4		0	1 103		6 102
Refunds	-2 411	-30			-306	-831		-3 578
Exercise variation								0
Exchange difference					0	-15		-15
Au December 31, 2020	**10 305**	**0**	**4**	**0**	**2 136**	**2 140**	**0**	**14 584**
New	9 000		3		3 233	1 674		13 909
Refunds	-2 804		-4		-302	-987		-4 098
Exercise variation				15				15
Exchange difference					0	29		29
Au December 31, 2021	**16 501**	**0**	**3**	**15**	**5 066**	**2 856**	**0**	**24 441**

Duration of borrowings remaining to run as of December 31, 2021

In thousands of €	share at less than 1 year	Share to more 1 year and less of	Share to more 2 years and less of	Share to more 3 years old and	Share to more 4 years old and	Share more than 5 years	TOTAL
Au December 31, 2021							
Bank loans	2 301	3 604	4 120	3 209	2 508	759	16 501
Accrued interest not due	3						3
Bank overdrafts	15						15
Leasing debts	495	569	583	597	612	2 211	5 066
Debts on operating leases	1 020	780	437	260	209	149	2 856
Borrowings and financial debts	**3 834**	**4 953**	**5 140**	**4 066**	**3 328**	**3 120**	**24 441**
Payables	5 412						5 412
Social and tax debts	3 468						3 468
Other debts	1 964						1 964
Deferred revenue	3 296	3 257	2 965	2 796	2 669	14 319	29 303
Other liabilities	**14 139**	**3 257**	**2 965**	**2 796**	**2 669**	**14 319**	**40 146**
TOTAL	**17 973**	**8 210**	**8 105**	**6 862**	**5 997**	**17 439**	**64 587**

3.6.7.11 Analysis of net financial debt

Change in net financial debt

In thousands of €	31/12/2021	31/12/2020
Long-term portion of financial debts	20 607	10 642
Current portion of financial debt	3 818	3 942
Borrowings at less than one year and creditor	15	
Total gross debts	**24 441**	**14 584**
Cash and cash equivalents	**18 779**	**12 056**
TOTAL NET DEBT	**5 662**	**2 528**

Details of gross debts are presented in point 3.6.7.10.

WCR financing

	31/12/2021		31/12/2020	
	Jobs	Resources	Jobs	Resources
Inventory	15 293		13 218	
Net trade receivables	15 270		14 214	
Net supplier debts		5 412		4 287
Social & tax receivables and payables		2 064		3 115
Other receivables & payables		27 332		23 019
WCR		**4 245**		**2 990**
WCR financing	**4 245**		**2 990**	
Working capital	-14 519		-9 067	
Treasury	18 779		12 056	
Bank overdrafts	-15		0	

In 2020 and 2021, the company generates working capital resources of around €3.0 million and €4.2 million respectively, which are mainly due to the weight of prepaid.

In 2021, with a working capital of 14.5 M€, the cash position amounts to 18.8 M€.

3.6.7.12 Provision for pension commitment

Change in commitment

In thousands of €	Commitments of retirement
Au December 31, 2019	**606**
Endowments	145
Covers	
Change in scope	
Actuarial losses and gains	44
Au December 31, 2020	**794**
Impact of change in IAS 19 method	-28
Au December 31, 2020 after method change	**766**
Endowments	8
Covers	
Change in scope	
Actuarial losses and gains	-84
Au December 31, 2021	**690**

The new position adopted by the IFRIC in June 2021 constitutes a change in method. The IFRIC considers that, from the moment when, on the one hand, no rights are acquired in the event of departure before retirement age and, on the other hand, the rights are capped after a certain number of years of seniority, it would be the last years of the employee's career in the company that confer rights upon departure. As this is a retrospective application, COGELEC has recalculated its commitments as of December 31, 2020, which amount to €766,000 compared to €794,000 in the consolidated financial statements published as of December 31, 2020.

3.6.7.13 Other provisions

In thousands of €	Provision after-sales	Allowance for taxes	Provisions for disputes	TOTAL
Au December 31, 2019	**676**	**52**	**315**	**1 043**
Endowments	6	0	20	26
Covers	-93	-39	0	-132
Change in scope	0	0	0	0
Au December 31, 2020	**589**	**13**	**335**	**937**
Endowments	48	0	1 059	1 107
Covers	-21	-13	-180	-214
Change in scope	0	0	0	0
Au December 31, 2021	**616**	**0**	**1 214**	**1 830**

Following a tax audit, a provision for taxes had been made to cover the amount of the adjustment for the 2014 and 2015 financial years. The provision had been readjusted at December 31, 2020 based on the payments made for €39,000. Being time-barred, the balance of €13,000 never called by taxes has been cleared.

Provisions for disputes relate to industrial tribunal and commercial disputes.

Provision for litigation: At the end of December 2021, COGELEC had to terminate the contract awarded to a general contractor for the construction of the extension of its premises, Cogelec having noted the cessation of the intervention of its subcontractors on its site. Indeed, this work stoppage followed the non-payment by the general contractor for the work carried out by the subcontractors on the Cogelec site and which had not been completed by the end of 2021. Given the complex legal context and the he uncertain outcome of this case, the Group established a provision for risks of €1,059k at the end of 2021

3.6.7.14 Contingent assets and liabilities

No contingent asset or liability has been recognized by the Company.

3.6.7.15 Trade payables and other payables

Breakdown by type of trade payables and other payables

Payables

In thousands of €	31/12/2021	31/12/2020
Payables	5 232	3 873
Capital debts	180	414
TOTAL	**5 412**	**4 287**

Other non-current liabilities

In thousands of €	31/12/2021	31/12/2020
Social security and tax debts		
Advances and installments received		
Other debts		
Deferred income (1)	26 007	22 143
TOTAL	**26 007**	**22 143**
(1) of which		
Prepaid contract liabilities	24 972	20 936
Subscription contract liabilities	23	
CIR and CII	987	1 171
Investment grants	25	36
	26 007	**22 143**

For the settlement of PCAs, see note 3.6.11.2.

Other current liabilities

In thousands of €	31/12/2021	31/12/2020
Social security and tax debts	3 468	4 500
Advances and installments received		
Other debts	1 964	1 194
Deferred revenue	3 296	2 835
TOTAL	**8 727**	**8 530**
of which prepaid contract liabilities	**2 753**	**2 278**
of which reversal of prepaid contract	2 850	2 272
of which new prepaid contract liabilities	7 360	5 567

The drop in social security and tax liabilities is linked on the one hand to the drop in exceptional compensation items at the end of the year (contractual terminations and bonuses in particular at December 31, 2020) and on the other hand to the drop in VAT.

The increase in other debts is justified by the increase in BFA.

3.6.8 INCOME STATEMENT

3.6.8.1 Revenue

Revenue includes the sale of products and services. It is valued at the fair value of the expected consideration, net of any discounts, rebates and rebates and excluding VAT and other taxes.

In thousands of €	31/12/2021	31/12/2020
Equipment sales	37 830	28 995
Sales of services	13 719	11 436
TOTAL	**51 549**	**40 431**

Sales of services include €9,191,000 in revenue from so-called “no-commitment or with-commitment-expired” subscriptions in 2021 compared to €6,967,000 in 2020.

Over the full year, revenue amounted to €51.5 million, up +27.5% compared to 2020, still driven by the continued development of Intratone sales in France and by strong commercial momentum in Europe. In France, activity recorded an increase of +25.5% to reach €45.2 million. In Europe, this increase in activity amounts to +43.6% for €6.3 million. Equipment grew by +30.5%, with the Hexact brand having returned to its pre-health crisis level.

Subscriptions continue to grow at €13.7 million (+20.0%) and represent 27% of revenue for the whole of 2021. The termination rate remains very low.

In thousands of €	31/12/2021	31/12/2020
France	45 206	36 013
export	6 342	4 417
TOTAL	**51 549**	**40 431**

Equipment sales include both sales to distributors (equipment only) and the "sales" components of equipment (platinums, etc.) of Classic and Premium type package contracts.

These sales correspond to service obligations recognized at a specific time corresponding to the delivery date of the equipment in question.

The provision of services includes maintenance and access security management services, which include the provision of a SIM card, in order to provide access to access control management services (access to web applications developed internally and made available to managers, training of these managers, telephone assistance, maintenance of these applications, etc.).

These services constitute multi-year service obligations recognized over time, according to the costs incurred in accordance with IFRS 15. Given the structure and rate of commitment of the expenses incurred to provide the services (stable year to year), the progress method used corresponds to the amount of the transaction price prorated over the duration of the contract (revenues recognized on a straight-line basis over the duration of the contract). Furthermore, since the transaction price is not subject to any variability, the degree of uncertainty on the amount of total revenue and therefore on the progress at the closing date, is nil.

3.6.8.2 Consumed purchases

In thousands of €	31/12/2021	31/12/2020
Purchases of raw materials	-19 359	-14 560
Change in raw material inventories	2 852	1 631
SIM card purchases	-2 411	-2 020
Purchases not stocked	-782	-619
Transport on purchases	-110	-59
Immobilised production	526	453
Charge transfers	7	0
TOTAL	**-19 278**	**-15 173**

Non-stocked purchases mainly include prototypes and small tools for the design office, as well as fuel.

3.6.8.3 Personnel costs and headcount

In thousands of €	31/12/2021	31/12/2020
Wages	-11 928	-11 875
Change in provision for paid leave	-112	-114
Premiums	-1 964	-399
Allowances & miscellaneous benefits	-423	-370
Social charges	-5 044	-4 330
Employee participation		-147
Subsidies and transfers of personnel costs	336	255
Immobilised production	1 075	949
TOTAL	**-18 060**	**-16 030**

Group workforce

	31/12/2021	31/12/2020
Frames	81	76
Employees (1)	183	165
Workers	36	31
Apprentices	6	4
TOTAL	**306**	**275**

The workforce presented is an average workforce calculated according to the Social Security Code and does not include, where applicable, temporary workers.

(1) IT GmbH, IT UK and IT BV employ 30, 16 and 15 employees respectively as of December 31, 2021 (i.e. an average workforce in 2021 of 32, 18 and 15 employees respectively). In these countries, there are no professional categories as presented above. The employees were therefore integrated into the employees for a total number of 66.

3.6.8.4 External loads

In thousands of €	31/12/2021	31/12/2020
Remuneration of intermediaries and fees	-2 564	-2 553
Advertisement	-2 285	-2 558
Travel, missions and receptions	-666	-346
Rentals	-325	-243
Transport on sales	-640	-404
Temporary staff	-818	-578
Other positions	-1 680	-1 489
TOTAL	**-8 977**	**-8 170**

Fees mainly consist of HRC technical management and marketing services, accounting, legal and consultancy fees (particularly for studying patents and calculating the CIR) and fees related to financial markets. H.R.C. amounted to €736 thousand as of December 31, 2021 compared to €763 thousand as of December 31, 2020 (see note 6.10.2). Part of these fees is offset by capitalized production for €214k as of December 31, 2021 and €287k as of December 31, 2020.

Advertising costs are made up of expenses for fairs & exhibitions, insertions in the press and communication/marketing. This year, the Group generated nearly €400,000 in fairs & exhibitions expenses, the shows had been canceled last year due to the health crisis. On the other hand, the Group had devoted €600,000 to exceptional marketing operations in the 4th quarter of 2020 (posters on buses, animated screens at points of sale, etc.).

The costs of temporary workers have increased this year in connection with the confinement of the months of March and April 2020.

The increase in travel, mission and reception costs is directly linked to the strict confinement that the country faced in the 2020 financial year and the health restrictions that followed.

Finally, transport items on sales and maintenance & repairs increased in line with the increase in activity.

3.6.8.5 Breakdown of other current operating income and expenses

In thousands of €	31/12/2021	31/12/2020
Share of investment grant included in income (1)	579	717
Others products	13	20
Other expenses (2)	-356	-44
TOTAL	**236**	**692**
(1) of which		
Resumption of CIR and CII subsidy	568	706
Resumption of subsidy on real estate leasing	11	11
	579	**717**

(2) In 2021, €292,000 in bad debts offset by reversals of impairment for the same amount.

3.6.8.6 Breakdown of other operating income and expenses

In thousands of €	31/12/2021	31/12/2020
Selling price of fixed assets sold	69	32
NAV of assets sold (1)	-1 595	-679
Reversals of exceptional provisions (2)	140	39
Exceptional provisions (3)	-1 059	
Other non-current products		20
Other non-current charges (4)	-2 459	-6
TOTAL	**-4 904**	**-594**

(1) In 2021, including scrapping of the Kibolt project and related equipment for €1,497 thousand.
In 2020, discontinuation of the Platinum projects with Anti-Vandal labels and Kit Villa IP 2 wires.

(2) In 2021, reversal of EOZ litigation provision.
In 2020, reversal of provision for tax corresponding to the payment for the financial year.

(3) In 2021, allocation to litigation provision concerning the extension of the plant.

(4) In 2021, including compensation paid in the context of the EOZ litigation for €240K, lost VAT/DDP UK for €94K and Kibolt impact for €2,121K.

3.6.8.7 Cost of net debt

Cost of net financial debt

In thousands of €	31/12/2021	31/12/2020
Income from term accounts	22	20
Income from cash and cash equivalents	**22**	**20**
Loan interest	-90	-99
Interest on leases	-124	-71
Interest on operating leases	-10	-6
Interest on oseo innovation reimbursable aid	0	0
Bank interests	-1	0
Interest on other debts	0	0
Cost of gross financial debt	**-224**	**-175**
Cost of net financial debt	**-203**	**-155**

The cost of net financial debt includes, on the one hand, interest on borrowings and other financial debts, and on the other hand, investment income.

Other financial income and expenses

In thousands of €	31/12/2021	31/12/2020
Exchange gains	459	30
Income from trade receivables	23	39
Income on other loans	0	0
Other financial products	1	2
Other finance products	**484**	**72**
Exchange losses	-68	-269
Impairment loans		0
Other financial charges	**-68**	**-269**
TOTAL	**416**	**-196**

Income from trade receivables corresponds to the financing part of the rents collected on rental contracts.

3.6.9 STATEMENT OF CASH FLOW

The following options were selected:

- Interest and dividends paid are classified as financing cash flows because they are the cost of obtaining financial resources or returns on investments;
- The effects of percentage interest increases and disposals are classified as cash flow from investing activities.

The change in cash flow reflects the change in the Group's business.

The working capital requirement linked to the activity shows a decommitment over the 2020 and 2021 financial years, in particular due to advance billings on prepaid, which are recognized as contract liabilities when the billing is not acquired. The change in prepaid contract liabilities is shown in the items:

- "other non-current liabilities" for €4,036 thousand in 2021 and €2,969 thousand in 2020
- and "other current liabilities" for €3,324 thousand in 2021 and €2,598 thousand in 2020.

The notes below detail certain elements of the statement of cash flows.

3.6.9.1			
Sale price	3.6.8.6	-69	-32
Corrected selling price		**-69**	**-32**
Net book value	3.6.8.6	1 599	679
VNC on fixed assets in progress cleared as external expenses			
Adjusted net book value		**1 599**	**679**
Gains and losses on disposals		**1 531**	**646**

3.6.9.2			
Current tax expense		566	784
Deferred tax charge		177	15
IS reclassification on treasury shares in equity		5	
Tax expense (including deferred taxes)		**747**	**799**

3.6.9.3			
Tax receivable/debt due at opening	**3.6.10.1**	66	-1 485
Current tax expense		-566	-784
Tax receivable/debt due at closing	**3.6.10.1**	-147	-66
Cancellation of corporate tax savings generated by IPO costs charged to equity			
Taxes paid		**-647**	**-2 335**

3.6.9.4			
Inventory change	**3.6.7.6**	-2 075	-2 706
Impact of exchange differences		26	9
Inventory change in WCR		**-2 049**	**-2 697**

3.6.9.5			
Change in trade receivables	**3.6.7.7**	-594	-1 499
Impact of exchange differences		20	-13
Change in trade receivables in WCR		**-573**	**-1 512**

3.6.9.6			
Change in other current assets (excluding loans and guarantees)	**3.6.7.7**	-246	-693
Impact of exchange differences		12	-8
Change in other current assets in WCR		**-234**	**-701**

3.6.9.7			
Change in other non-current liabilities	**3.6.7.15**	3 864	2 724
Impact of exchange differences			9
Change in other non-current liabilities in WCR		**3 864**	**2 733**

3.6.9.8			
Change in trade payables	**3.6.7.15**	1 359	1 229
Impact of exchange differences		-20	98
- Impact of exchange differences on reciprocity		11	-88
Change in supplier debts in WCR		**1 350**	**1 239**

3.6.9.9			
Grant takeovers	**3.6.8.5**	579	717
Share of prepaid income included in income	**3.6.7.15**	2 850	2 272
Change in other current liabilities	**3.6.7.15**	198	1 325
Impact of exchange differences		-38	6
Other current liabilities		**3 588**	**4 320**

3.6.9.10			
Capital acquisitions	**3.6.7.1 and**	-7 237	-5 619
- New leasing	**3.6.7.10**	2 682	1 103
Change in fixed assets debts	**3.6.7.15**	-234	255
Capital acquisitions		**-4 789**	**-4 261**

3.6.9.11			
Sale price	**3.6.8.6**	69	32
- Early repayments		-56	
Disposals of fixed assets		**12**	**32**

6.9.12			
Other opening financial assets		454	264
Other financial assets at closing	**3.6.7.3**	-550	-454
Change in non-current assets		**-96**	**-190**
Neutralization of impairments			
VNC on security deposits and sureties			
Change in loans and advances granted on non-current assets		**-96**	**-190**
Other current assets at opening (financial fixed assets)		4	38
Other current assets at closing (financial fixed assets)	**3.6.7.7**	-7	-4
Change in current assets		**-3**	**34**
Neutralization of impairments			
Change in loans and advances granted on current assets		**-3**	**34**
Change in loans and advances granted		**-99**	**-156**

6.9.13			
New borrowings	**3.6.7.10**	13 909	6 102
- New leasing	**3.6.7.10**	-2 682	-1 103
New borrowings		**11 228**	**4 999**

6.9.14			
Loan repayments	**3.6.7.10**	-4 098	-3 578
- Early repayments		56	
Loan repayments		**-4 041**	**-3 578**

3.6.10 OTHER INFORMATION

3.6.10.1 Taxes

Balance Sheet Assets (in K€)

	31/12/2020	31/12/2020
NON-CURRENT ASSETS		
Deferred tax		
Current tax receivable		
CURRENT ASSETS		
Current tax receivable 1	147	66
TOTAL ASSETS	**147**	**66**

[1] Tax receivable from corporate financial statements excluding CIR and CII

Balance sheet liabilities (in K€)

	31/12/2021	31/12/2020
NON-CURRENT LIABILITIES		
Deferred tax	343	137
Current tax debt		
CURRENT LIABILITIES		
Current tax debt 1		
TOTAL LIABILITIES	**343**	**137**

[1] Tax liability from corporate financial statements excluding CIR and CII

Net tax liability (in K€)

	Fluent		Not current	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Net current tax receivable	147	66	—	—
Net current tax liability	—	—	—	—

Analysis of the tax charge (in K€)

	31/12/2021	31/12/2020
Accounting result before tax	**-2 356**	**-2 917**
Theoretical tax charge	-608	-753
Impact of definitively non-deductible expenses net of definitively non-taxable income	69	66
Impact of tax credits	-147	-185
Impact of deficits for the year not capitalized	1 455	1 684
Impact of tax rate differences	14	70
Impact of the CVAE	131	226
Impact of exchange differences	9	-5
Effective tax expense	**923**	**1 104**

The group's tax expense in 2021 is €923,000 compared to €1,104,000 in 2020. IAS 12 recommends using the last tax rate voted for the calculation of deferred taxes. In France, the tax rate will change over time until 2022. The Group has retained the rate of 25% plus the contribution of 3.3%.

3.6.10.2 Related parties

The related parties identified as of December 31, 2021 and December 31, 2020 are as follows:

- SAS H.R.C., whose chairman is Roger LECLERC, Chairman and CEO of SA COGELEC.
- S.R.C., whose president is H.R.C. represented by Roger LECLERC.

H.R.C. re-invoices COGELEC for services in the following areas: general policy, investments, commercial, marketing and financial policy, project management and creation of offers.

COGELEC has not distributed anything to S.R.C. for the 2020 and 2021 financial years.

The impact of relations with related parties on the various balance sheet and income statement items is as follows:

PASSIVE	31/12/2021	31/12/2020
Other non-current liabilities		
Total non-current liabilities		
Borrowings and financial debts		
Trade payables and related accounts	60	60
Total current liabilities	**60**	**60**
TOTAL LIABILITIES	**60**	**60**

	31/12/2021	31/12/2020
External charges	-736	-763
Dues and taxes		
OPERATING INCOME	**-736**	**-763**
Cost of gross financial debt		
CONSOLIDATED NET INCOME	**-736**	**-763**

3.6.10.3 Remuneration of the main executives

The Group has defined and limited the definition of main managers to executive corporate officers, namely the main manager, Roger LECLERC, Chairman and Chief Executive Officer of SA COGELEC.

Compensation paid to the main executives breaks down as follows (in K€):

In thousands of €	31/12/2021	31/12/2020
Wages	300	300
EXECUTIVE COMPENSATION	**300**	**300**

The leader does not perceive:

- short term benefits
- post-employment benefit
- other long-term benefits
- termination benefits
- share-based payments

3.6.10.4 Statutory Auditors' fees

	BOW			
	31/12/2021		**31/12/2020**	
	Statutory auditors (BOW)	Network	Statutory auditors (BOW)	Network
Certification and half-year limited review of individual and consolidated financial statements				
• Transmitter	68		71	
• Fully consolidated subsidiaries				
Subtotal	68		71	
Services other than account certification				
• Transmitter	6			
• Fully consolidated subsidiaries				
Subtotal	**6**		**—**	
TOTAL Statutory Auditors' fees	**74**		**71**	

	DELOITTE			
	31/12/2021		**31/12/2020**	
	Statutory Auditors (Deloitte & Associates)	Network	Statutory Auditors (Deloitte & Associates)	Network
Certification and half-year limited review of individual and consolidated financial statements				
• Transmitter	68		71	
• Fully consolidated subsidiaries				
Subtotal	68		71	
Services other than account certification				
• Transmitter	5		22	
• Fully consolidated subsidiaries				
Subtotal	**5**		**22**	
TOTAL Statutory Auditors' fees	**74**		**93**	

	ALDER SHINE LLP			
	31/12/2021		**31/12/2020**	
	Statutory Auditors (Adler Shine LLP)	Network	Statutory Auditors (Adler Shine LLP)	Network
Certification and half-year limited review of individual and consolidated financial statements				
• Transmitter				
• Fully consolidated subsidiaries	12		11	
Subtotal	12		11	
Services other than account certification				
• Transmitter				
• Fully consolidated subsidiaries			2	
Subtotal	—		2	
TOTAL Statutory Auditors' fees	12		13	

	MAZARS			
	31/12/2021		31/12/2020	
	Statutory Auditors (MAZAR)	Network	Statutory Auditors (MAZAR)	Network
Certification and half-year limited review of individual and consolidated financial statements • Transmitter • Fully consolidated subsidiaries	5			
Subtotal	5			
Services other than account certification • Transmitter • Fully consolidated subsidiaries	1			
Subtotal	1			
TOTAL Statutory Auditors' fees	6			

Regarding foreign subsidiaries, only INTRATONE UK has appointed an auditor: ADLER SHINE LLP.

3.6.10.5 Operational performance indicators

Gross margin

	31/12/2021	31/12/2020
Turnover	**51 549**	**40 431**
Other products of the activity	5	5
Consumed purchases	-19 278	-15 173
Change in inventories of products in progress and finished	1 327	1 142
GROSS MARGIN	**33 604**	**26 404**
As a percentage of turnover	***65,2 %***	***65.3%***

Purchases consumed are detailed in point 3.6.8.2.

EBITDA

	31/12/2021	31/12/2020
Operating income	**-2 569**	**-2 566**
Depreciation and amortization	4 157	3 955
Impairment of assets net of reversals	-232	262
EBITDA 1	**1 356**	**1 651**
As a percentage of turnover	***2.6%***	***4.1%***

1 EBITDA: EBITDA is defined by COGELEC as operating profit before depreciation and amortization of assets net of reversals.

3.6.11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

3.6.11.1 Covenant analysis

The Company was not subject to any covenant in connection with its financing for the 2021 and 2020 financial years.

3.6.11.2 Maturity of financial assets and liabilities

2021

A C T I F (in K€)	Balance sheet value	- 1 year	at 2 years old	at 3 years old	at 4 years old	at 5	+ 5 years
Other financial assets	**550**						
Fixed securities (BPA shares)	200						200
Guaranteed deductions BPI	125		50	75			
Security deposit on real estate rental	122						122
Local IT UK security deposit	55			55			
Local security deposit IT GMBH	22		22				
Security deposit IT BV	26					26	
Other non-current assets	**5 804**						
Receivables	18						18
Trade receivables on rental contracts	3 349		1 362	1 045	702	238	0
Prepaid expenses	2 437		463	440	418	416	700
Non-current financial assets	**6 354**	**0**	**1 897**	**1 616**	**1 120**	**681**	**1 040**
Inventories and work in progress	**15 293**	15 293					
Customer receivables and accounts piecing	**11 904**						
Receivables	10 270	10 270					
Trade receivables on rental contracts	1 634	1 634					
Other current assets	**3 104**						
Staff loans	2	2					
Local security deposit IT BV	5	5					
UK IT Security Deposits	0	0					
Advances and installments paid	92	92					
Social claims	66	66					
Tax receivables	1 533	1 533					
Other operating receivables	510	510					
Prepaid expenses	895	895					
Cash and cash equivalents	**18 779**	18 779					
Current financial assets	**49 079**	**49 079**					
TOTAL FINANCIAL ASSETS	**55 433**	**49 079**	**1 897**	**1 616**	**1 120**	**681**	**1 040**

2020

A C T I F (in K€)	Balance sheet value	- 1 year	at 2 years old	at 3 years old	at 4 years old	at 5	+ 5 years
Other financial assets	**454**						
Fixed securities (BPA shares)	200						200
Guaranteed deductions BPI	125			50	75		
Security deposit on real estate rental	22						22
Local IT UK security deposit	55				55		
Local security deposit IT GMBH	22				22		
Local security deposit IT BV	28		5				23
Staff loans	2		2				
Other non-current assets	**4 663**						
Receivables	76						76
Trade receivables on rental contracts	2 828		1 154	881	565	222	6
Prepaid expenses	1 759		317	312	303	286	542
Non-current financial assets	**5 116**	**0**	**1 477**	**1 243**	**1 019**	**508**	**869**
Inventories and work in progress	**13 218**	13 218					
Customer receivables and accounts piecing	**11 310**						
Receivables	9 881	9 881					
Trade receivables on rental contracts	1 428	1 428					
Other current assets	**2 855**						
Staff loans	3	3					
UK IT Security Deposits	1	1					
Advances and installments paid	24	24					
Social claims	44	44					
Tax receivables	1 413	1 413					
Other operating receivables	534	534					
Prepaid expenses	836	836					
Cash and cash equivalents	12 056	12 056					
Current financial assets	**39 439**	**39 439**	**0**	**0**	**0**	**0**	**0**
TOTAL FINANCIAL ASSETS	**44 556**	**39 439**	**1 477**	**1 243**	**1 019**	**508**	**869**

2021

LIABILITIES (in K€)	Balance sheet value	- 1 year	at 2 years old	at 3 years old	at 4 years old	at 5	+ 5 years
Borrowings and financial debts	**20 607**						
Bank loans	14 200		3 604	4 120	3 209	2 508	759
Leasing debts	4 571		569	583	597	612	2 211
Debts on operating leases	1 836		780	437	260	209	149
Other non-current liabilities	**26 007**						
PCA on prepaid contracts	24 995		2 758	2 715	2 670	2 593	14 258
CIR and CII	987		488	245	123	73	59
BPI - subsidy on advance at zero rate							
OSEO - investment grants	25		11	6	3	3	2
Non-current financial liabilities	**46 614**	**0**	**8 210**	**8 105**	**6 862**	**5 997**	**17 439**
Borrowings and financial debts	**3 834**						
Bank loans	2 301	2 301					
Accrued interest not due	3	3					
Bank overdrafts	15	15					
Debts on finance leases	495	495					
Debts on operating leases	1 020	1 020					
Payables	**5 412**	5 412					
Other current liabilities	**8 727**						
Social security and tax debts	3 468	3 468					
Other debts	1 964	1 964					
Deferred revenue	3 296	3 296					
Current financial liabilities	**17 973**	**17 973**					
TOTAL FINANCIAL LIABILITIES	**64 587**	**17 973**	**8 210**	**8 105**	**6 862**	**5 997**	**17 439**

2020

LIABILITIES (in K€)	Balance sheet value	- 1 year	at 2 years old	at 3 years old	at 4 years old	at 5	+ 5 years
Borrowings and financial debts	**10 642**						
Bank loans	7 501		2 301	2 120	1 882	956	241
Leasing debts	1 833		312	321	331	340	530
Debts on operating leases	1 308		671	416	160	53	9
Other non-current liabilities	**22 143**						
PCA on prepaid contracts	20 936		2 255	2 216	2 180	2 138	12 147
CIR and CII	1 171		446	436	191	76	22
BPI - subsidy on advance at zero rate	36		11	11	6	3	6
OSEO - investment grants							
Non-current financial liabilities	**32 785**	**0**	**5 995**	**5 520**	**4 750**	**3 566**	**12 955**
Borrowings and financial debts	**3 942**						
Bank loans	2 804	2 804					
Accrued interest not due	4	4					
Debts on finance leases	302	302					
Miscellaneous financial debts	832	832					
Payables	**4 287**	4 287					
Other current liabilities	**8 530**						
Social security and tax debts	4 500	4 500					
Other debts	1 194	1 194					
Deferred revenue	2 835	2 835					
Current financial liabilities	**16 759**	**16 759**	**0**	**0**	**0**	**0**	**0**
TOTAL FINANCIAL LIABILITIES	**49 544**	**16 759**	**5 995**	**5 520**	**4 750**	**3 566**	**12 955**

3.6.11.3 Fair value of financial assets and liabilities

The Group's assets and liabilities are valued as follows for each year according to the measurement categories defined by IFRS 9:

in K€	31/12/2021	Value - statement of financial position according to IFRS 9		
Balance Sheet Items	**Value Statement of financial position**	**Fair value through profit or loss**	**Fair value through equity**	**Amortized cost**
Non-current financial assets	550		550	
Customers and related accounts	15 270			15 270
Other receivables	5 541			5 541
Cash and cash equivalents	18 779	18 779		
Total headings under an asset item	**40 140**	**18 779**	**550**	**20 812**
Current financial debts	3 834			3 834
Non-current financial debts	20 607			20 607
Trade payables and related accounts	5 412			5 412
Other debts	34 735			34 735
Total headings under a liability item	**64 587**	**—**	**—**	**64 587**

in K€	31/12/2020	Value - statement of financial position according to IFRS 9		
Balance Sheet Items	**Value Statement of financial position**	**Fair value through profit or loss**	**Fair value through equity**	**Amortized cost**
Non-current financial assets	454		454	
Customers and related accounts	14 214			14 214
Other receivables	4 614			4 614
Cash and cash equivalents	12 056	12 056		
Total headings under an asset item	**31 338**	**12 056**	**454**	**18 828**
Current financial debts	3 942			3 942
Non-current financial debts	10 642			10 642
Trade payables and related accounts	4 287			4 287
Other debts	30 673			30 673
Total headings under a liability item	**49 544**			**49 544**

3.6.11.4 Off-balance sheet commitments by maturity

Financial commitments as of December 31, 2021

In thousands of €	TOTAL	2022	2023	2024	2025	2026	Beyond
Commitments given							
Collateral	35	35	0				
Fixed assets orders	204	204					
Works related to the extension	517	517					
Supply commitment (1)	2 955	943	713	555	438	274	33
Loan interest	491	87	145	107	77	57	19
Interest on finance leases	521	93	94	80	66	51	137
Interest on operating leases	39	16	10	6	4	2	1
Total commitments given	**4 763**	**1 896**	**962**	**748**	**584**	**384**	**189**
Commitments received							
Authorized overdraft ceiling	1 250	1 250					
Abandonment of debt with return to better fortune clause Diamo	50						50
Fixed assets orders	1 354	1 354					
Works related to the extension	3 750	3 750					
Purchase commitment (1)	2 955	943	713	555	438	274	33
Loan interest	491	87	145	107	77	57	19
Interest on finance leases	521	93	94	80	66	51	137
Interest on operating leases	39	16	10	6	4	2	1
Total commitments received	**10 411**	**7 494**	**873**	**748**	**584**	**384**	**239**

The decrease in purchase and supply commitments is explained by:

- As the contracts with commitment come to an end, they are renewed into contracts without commitment (the termination rate is very low) and are therefore no longer included in off-balance sheet commitments.

- Similarly, new contracts entered into no longer have a firm commitment period and are therefore not included in off-balance sheet commitments.

Regarding these contracts without commitment in progress as of December 31, 2021, the Group forecasts revenue of €11,090 thousand for the year 2022.

Financial commitments as of December 31, 2020

In thousands of €	TOTAL	2020	2021	2022	2023	2024	Beyond
Commitments given							
Collateral	312	277	35				
Fixed assets orders	446	446					
Works related to the extension	2 500	2 500					
Supply commitment (1)	3 810	1 397	794	585	444	337	254
Loan interest	209	87	64	39	16	3	0
Interest on finance leases	232	62	53	43	34	24	17
Interest on operating leases	15	8	4	2	1	0	0
Total commitments given	**7 524**	**4 775**	**949**	**669**	**494**	**364**	**272**
Commitments received							
Authorized overdraft ceiling	1 450	1 450					
Abandonment of debt with return to better fortune clause Diamo	50						50
Fixed assets orders	1 353	1 353					
Works related to the extension	3 500	3 500					
Purchase commitment (1)	3 810	1 397	794	585	444	337	254
Loan interest	209	87	64	39	16	3	0
Interest on finance leases	232	62	53	43	34	24	17
Interest on operating leases	15	8	4	2	1	0	0
Total commitments received	**10 619**	**7 856**	**914**	**669**	**494**	**364**	**322**

(1) Commitments on leases

The loans granted by OSEO BDPME for an overall envelope of €2.5 million benefit from cash pledges of €125,000 as of December 31, 2021 and December 31, 2020.

3.6.11.5 Operating segments

The breakdown of turnover between the sales of equipment and provision of services activity and the breakdown of turnover between France and Export is presented in point 6.8.1.

Assets located abroad are not significant.

In the 2020 and 2021 financial years, no customer represents more than 10% of turnover.

4. ANNUAL ACCOUNTS OF THE COMPANY AT 31 DECEMBER 2021

In all the financial statements and annexes, the amounts are indicated in thousands of Euros (K€), unless otherwise indicated, and the differences of ± 1 K€ are due to rounding.

4.1 INCOME STATEMENT

In thousands of euros	31/12/2021	31/12/2020
Exploitation product		
Sale of goods		
Production sold (goods)	33 359	27 038
Production sold (services)	15 918	13 506
Net sales	49 277	40 544
Of which for export and intra-Community delivery	4 583	4 695
Stocked production	1 074	805
Immobilised production	2 707	2 320
Operating grants	64	3
Reversals of provisions (&amort), all charges	1 460	720
Others products	11	8
Total operating income (I)	54 593	44 399
Operating expenses (2)		
Purchases of goods		
Stock variation		
Purchasing of raw materials and other supplies	19 359	14 560
Stock variations	-1 206	-1 631
Other purchases and external charges (a)	11 513	9 937
Taxes other and payments	663	912
Salaries and treatments	10 888	9 425
Social charges	4 347	3 660
Depreciation and amortization allowances		
– On fixed assets: depreciation allowances	3 553	3 609
– On fixed assets: allowances for depreciation	176	130
– On current assets: allowances for depreciation	148	269
– For risks and charges: allocations to provisions		20
Other expenses	385	23
Total operating expenses (II)	49 827	40 915
OPERATING INCOME (I-II)	**4 765**	**3 483**
Shares of profit on operations		
Attributed profit or transferred loss (III)		
Loss incurred or benefit transferred (IV)		
Financial products		
Participation (3)	60	42
Other securities and receivables fixed assets		
Other interest and similar income (3)	22	24
Reversals of provisions and impairment and tsf char		57
Positive exchange differences	48	1
Net proceeds on sale of securities mob.de p		
Total financial products (V)	131	123
Financial expenses		
Depreciation and amortization allowances.	7 859	
Interest and similar charges (4)	90	99
Negative exchange differences		44
Net expenses on disposals of securities		
Total financial charges (VI	7 949	143
FINANCIAL RESULT (V-IV)	**-7 817**	**-20**
Profit before tax	**-3 052**	**3 463**

In thousands of euros	**31/12/2021**	**31/12/2020**
Exceptional products		
On management transactions		
On capital transactions	2 327	64
Reversals of provisions and depreciation and tsf charges	140	39
Total exceptional income (VII)	2 467	103
Extraordinary charges		
On management transactions	334	2
On capital transactions	3 807	731
Depreciation, amortization and provisions	1 059	
Total exceptional charges (VIII)	5 200	733
EXCEPTIONAL RESULT (VII-VIII)	**-2 732**	**-630**
Employee profit sharing (IX)		147
Income taxes (X)	187	409
Total products (I+III+V+VII)	57 191	44 625
Total charges (II+IV+VI+VIII+IX+X)	63 163	42 348
GAIN OR LOSS	**-5 971**	**2 277**
(a) Including:		
– Furniture leasing royalties		
– Real estate leasing royalties	425	364
(1) Of which income relating to previous years		
(2) Of which expenses relating to previous years		
(3) Of which income concerning related entities	60	42
(4) Of which interest relating to related entities		

4.2 BALANCE SHEET AS OF DECEMBER 31, 2021

4.2.1 ASSETS

In thousands of euros	December 31, 2021			December 31, 2020
	Raw values	Amortization Depreciation	Net worth	Net worth
FIXED ASSETS				
Intangible assets				
Administration fees				
Research and development costs	15 046	11 269	3 777	5 512
Concessions, patents, licenses, software, rights & similar values	781	672	109	156
Goodwill (1)	1 927		1 927	1 927
Other intangible assets	2 536	156	2 380	1 341
Advances and payments on intangible assets				
Fixed assets				
Lands				
Buildings				
Technical installations, industrial equipment and tools	13 303	9 235	4 068	4 438
Other property, plant and equipment	1 774	1 057	718	728
investments in progress	272		272	1 265
Advances and deposits	138		138	309
Financial fixed assets (2)				
Participations (equity method)				
Other participations	35		35	35
Receivables related to investments	22 607	7 859	14 748	17 072
Other fixed securities	200		200	200
Loans	40	38	2	5
Other financial assets	2 679		2 679	2 480
TOTAL FIXED ASSETS	61 339	30 286	31 053	35 467
CURRENT ASSETS				
Inventories and work in progress				
Raw materials and other supplies	8 369	193	8 176	6 932
Work in progress (goods and services)	4 290	68	4 223	4 130
Intermediate and finished products	2 997	189	2 807	1 589
Merchandise				
Advances and installments paid on orders Receivables (3)	92		92	24
Customers and related accounts	10 200	92	10 108	10 029
Other receivables	1 616		1 616	1 138
Capital subscribed and called, not paid				
Various				
Marketable securities	6 950		6 950	5 500
Availability	11 219		11 219	6 050
Prepaid expenses (3)	3 403		3 403	2 833
TOTAL CURRENT ASSETS	49 137	542	48 595	38 225
Loan issue costs to be spread				
Bond redemption premiums				
Translation differences active				
GRAND TOTAL	110 476	30 828	79 648	73 692
(1) Of which right to lease				
(2) Of which at less than one year (gross)			2 435	2 336
(3) Of which more than one year (gross)			2 584	2 465

4.2.2 LIABILITIES

In thousands of euros	December 31, 2021	December 31, 2020
EQUITY		
Capital	4 004	4 004
Issue premiums, merger, contribution, ...	18 654	18 654
Revaluation		
Legal reserve	400	328
Statutory or contractual reserves		
Regulated reserves	6	6
Other reserves	3 084	3 084
carry forward	5 720	3 515
YEAR PROFIT (profit or loss)	-5 971	2 277
Investment grants	36	46
Regulated provisions		
TOTAL OWNER'S EQUITY	**25 933**	**31 915**
OTHER EQUITY		
Proceeds from issues of participating securities		
Conditional advances		
TOTAL OTHER OWN FUNDS		
PROVISIONS FOR RISKS AND CHARGES		
Risk provisions	1 721	863
Provisions for expenses	111	139
TOTAL PROVISIONS FOR RISKS AND CHARGES	1 832	1 002
DEBTS (1)		
Convertible bond issues		
Other bond issues		
Loans and debts with credit institutions (2)	16 519	10 309
Miscellaneous borrowings and financial debts (3)		
Advances and down payments received on orders in progress		
Trade payables and related accounts	5 069	3 583
Social and tax debts	2 450	3 323
Debts on fixed assets and accounts piecing	79	320
Other debts	1 759	970
Deferred income (1)	26 006	22 252
TOTAL DEBTS	51 883	40 758
Liabilities Translation differences		17
GRAND TOTAL	79 648	73 692
(1) Of which more than one year (a)	37 517	27 497
(1) Of which at less than one year (a)	14 366	13 261
(2) Including bank overdrafts and bank credit balances	15	
(3) Including equity loans		
(a) With the exception of advances and down payments received on orders in progress		

4.3 APPENDICES TO THE CORPORATE ACCOUNTS

4.3.1 SIGNIFICANT EVENTS OF FISCAL YEAR 2021

It is recalled that in 2020, the performance of the Cogelec Group was impacted by the global crisis and by the national lockdown decreed over the period from March to May 2020. This crisis had the effect of slowing down growth in 2020. Cogelec had measured the impacts on the main aggregates of Cogelec's social accounts by comparing equipment sales over the period from March to May 2020 with the same period in 2019.

It showed that Cogelec SA's 2020 revenue had been impacted by approximately -€2.9 million and the associated direct margin by -€1.6 million.

Due to the health crisis linked to the spread of Covid-19, which was still very critical at the start of 2021, in April 2021 the Company entered into a state-guaranteed loan agreement (PGE) for nine million euros. euros in order to maintain its level of cash. Furthermore, the Group had not requested a postponement of its social, tax and credit deadlines.

It should be noted that certain European countries, in particular Germany and the United Kingdom, were more widely impacted by the various confinements at the start of the 2021 financial year.

In its press release of July 22, 2021, the Group announced the effective completion of the entry of RAISE Investissement into the capital of S.R.C, Cogelec's control structure, as a minority financial partner.

RAISE Investissement now holds 35% of the capital and voting rights of Cogelec Développement, which holds the entire capital of S.R.C.

The entry of RAISE Investissement into the capital of the Cogelec Group is part of a dynamic partnership with the leaders of the Cogelec Group to actively support its development prospects in France and abroad over the long term.

Following the launch of Kibolt in the second quarter of fiscal year 2021, initial customer experiences demonstrated the product's full potential, as well as the need to adjust certain features. Managed via an app, the Kibolt universal smart key allows secure access to all equipped doors. To ensure new product developments, preserve the customer base and capitalize on the broad market potential, the Group decided in September 2021 to suspend the marketing of the current Kibolt generation. The next generation of Kibolt is expected to be available in September 2022.

As of December 31, 2021, the group recorded in its corporate and consolidated financial statements a net loss of €3.542 million linked to the discontinuation of version 1 of the Kibolt key, which is explained by:

- the scrapping of inventories in the amount of €2.07 million,
- by the removal of intangible assets corresponding to the development costs of version 1 for 0.955 M€ minus a reversal of amortization of 0.169 M€ and
- by the scrapping of machines and molds dedicated to version 1 for €0.542 million. Most of these costs were recognized in “Other non-current operating income and expenses”.

In order to finance the commercial development of its subsidiaries, Cogelec granted an advance of €5.5 million for 2021, i.e. a cumulative amount of €22.6 million as of December 31, 2021.

4.3.2 ACCOUNTING PRINCIPLES AND METHODS

4.3.2.1 Tangible and intangible fixed assets

Tangible and intangible fixed assets are valued at their acquisition cost for assets acquired for consideration, at their production cost for assets produced by the company, at their market value for assets acquired free of charge and by way of 'exchange.

The cost of a fixed asset consists of its purchase price, including non-recoverable customs duties and taxes, after deduction of discounts, trade rebates and payment discounts for all directly attributable costs incurred to put the asset into operation. in place and in working order for the intended use. Transfer duties, fees or commissions and transaction costs related to the acquisition are attached to this acquisition cost.

All costs which are not part of the acquisition price of the fixed asset and which cannot be linked directly to the costs made necessary to put the asset in place and in working order in accordance with the intended use, are accounted for in charges. The cost of a fixed asset produced by the company for itself is determined using the same principles as for an acquired fixed asset. This cost of production includes the purchase price of the materials consumed and the costs attributable to preparation for the intended use after deducting rebates, rebates and cash discounts. Interest on loans specific to the production of fixed assets is not included in the production cost of these fixed assets.

Development costs are essentially costs incurred to develop products that give rise to one or more patents.

Development costs are thus capitalized insofar as the six defined criteria are met:

- Technical feasibility for commissioning or sale,
- Intention to complete it and use it or sell it,
- Ability to use or sell it,
- Likely economic benefits,
- Availability of resources to complete development and use or sell,
- Ability to reliably estimate expenses related to different projects.

Activated development costs are costs that can be directly assigned to a project, as they result from the monitoring of costs by project.

The company regularly analyzes compliance with the activation criteria. These costs are maintained as assets, as long as the company retains most of the benefits and risks related to the projects, and in particular when the company retains the intellectual property and has granted a temporary right of use and/or exploitation. results of the development phases.

Ongoing development projects are subject to impairment tests. Activated costs are amortized on a straight-line basis over the period of use expected by the company, over a period of five years, from the launch of their marketing. Project improvements are amortized over the original amortization period - the term already amortized

(minimum 1 year). Equipment made available to customers under contracts is capitalized and amortized over the term of the contract. Equipment is valued at cost price.

4.3.2.2 Impairment of non-financial assets

Impairment tests are carried out for tangible and intangible fixed assets with a definite useful life as soon as an indication of impairment appears. These tests consist of reconciling the net book value of the assets with their recoverable value corresponding to the highest amount between their market value less disposal costs and their value in use estimated according to the DCF method (discounted cash flows). .

The discounting of cash flows is carried out over a period limited to 5 years and the discount rate used corresponds to the weighted average cost of capital of the entity concerned. The weighted average cost of capital used for 2021 is 13.10%.

Intangible assets that are not yet ready for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

For intangible assets for which the useful life is indefinite, impairment tests are carried out at least once a year on a fixed date and between two dates if there is an indication of impairment.

The impairment tests, carried out according to the methodology described above, showed that an impairment was necessary. The sensitivity analysis on the key assumptions (growth rate, EBITDA rate, discount rate) involved in determining the value in use shows an impact on the conclusions of the impairment tests carried out. In this respect, a depreciation was recorded on the Kibolt and Bouton PMR projects for €176,000.

4.3.2.3 Depreciation

Amortizations for depreciation are calculated according to the linear method according to the useful life

planned.

* Concessions, software and patents: 1 to 5 years
* Technical installations: 1 to 10 years
* Industrial equipment and tools: 1 to 10 years (including GSM plates and blocks from 5 to 10 years)
* General installations, fixtures and fittings: 2 to 10 years
* Transport equipment: 2 to 5 years
* Computer hardware: 2 to 5 years
* Furniture: 3 to 10 years

The depreciation period used for simplification is the period of use for goods that cannot be decomposed at the outset.

The company assessed on the closing date, considering the internal and external information at its disposal, the existence of indices showing that the assets may have lost significant value.

When there is an indication of loss of value, an impairment test is performed: the net book value of the fixed asset is compared to its current value.

If the present value of a fixed asset falls below its net book value, the latter, if the asset continues to be used, is reduced to the present value by means of a depreciation.

However, when the current value is not judged to be significantly, ie significantly, lower than the net book value, the latter is maintained on the balance sheet.

The recognition of an impairment changes the depreciable basis of the impaired asset prospectively.

4.3.2.4 Goodwill

In the context of the application of ANC regulation n°2015-06, the company considers that the use of its goodwill is not limited in time. An impairment test is performed by comparing the net book value of goodwill with its market value or value in use. The market value is determined according to criteria of economic profitability, practices in the profession. A provision for depreciation is recognized where applicable.

4.3.2.5 Equity investments and current account advances

Equity investments are valued at their acquisition cost excluding incidental costs.

The inventory value of securities corresponds to the value in use for the company. It is determined according to the net assets of the subsidiary, its profitability and its future prospects. When the inventory value is lower than the acquisition cost, a depreciation is made up of the amount of the difference.

Impairment tests on subsidiaries are carried out using the DCF method. These tests consist of reconciling the net book value of equity securities and receivables related to these equity interests to the value in use estimated using the DCF method (discounted cash flows). limited to 6 years and the discount rate used corresponds to the weighted average cost of capital of the entity concerned. The weighted average cost of capital used for 2021 is 13.10%.

The impairment tests, carried out according to the methodology described above, showed that an impairment was necessary. The sensitivity analysis on the key assumptions (growth rate, EBITDA rate, discount rate) involved in determining the value in use shows that there is an impact on the conclusions of the loss of led value. In this respect, a depreciation on receivables attached to subsidiaries is recorded for €7,859,000.

4.3.2.6 Inventory

Inventory acquisition costs include the purchase price, customs duties and other taxes, excluding taxes subsequently recoverable by the entity from the tax authorities, as well as transport, handling and other costs. costs directly attributable to the cost price of raw materials, goods, work in progress and finished products. Trade discounts, rebates, cash discounts and other similar items are deducted in determining acquisition costs.

Manufactured products are valued at production cost including consumption, direct and indirect production costs, depreciation of goods contributing to production. The cost of the sub-activity is excluded from the inventory value. Interest is excluded for inventory valuation. Inventories are valued using the first in, first out method. Depreciation of stocks equal to the difference between the gross value determined according to the methods indicated above and the market price or the realizable value after deducting proportional selling costs, is taken into account when this gross value is greater than the other term stated.

4.3.2.7 Receivables

Receivables are valued at their nominal value. Depreciation is applied when the inventory value is lower than the book value.

4.3.2.8 Provisions

Any current obligation resulting from a past event of the company with regard to a third party, likely to be estimated with sufficient reliability, and covering identified risks, is subject to recognition as a provision. .

4.3.2.9 Loan issue costs

Loan issue costs are immediately taken into account in expenses for the financial year.

4.3.2.10 Investment grants

Investment grants are spread over several fiscal years.

4.3.2.11 Exceptional income and expenses

Exceptional income and expenses take into account elements that are not related to the normal activity of the company.

4.3.2.12 Foreign currency transactions

When assets are acquired in foreign currency, the conversion rate used is the exchange rate on the date of entry or, where applicable, that of the hedge if it was taken before the transaction. Costs incurred to set up hedges are also included in the acquisition cost. Debts, receivables and cash available in foreign currencies appear on 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 difference. Uncompensated unrealized exchange losses are subject to a provision for risks, entirely in accordance with regulatory procedures.

4.3.2.13 Retirement commitment

The company's commitments in terms of retirement benefits are calculated using the projected unit credit method with end-of-career salaries taking into account the provisions of the Collective Agreement, the probabilities of life and presence in the business, and a financial update.

The actuarial assumptions used are as follows:

- Discount rate: 0.87%

- Wage growth rate: 4% decreasing
- Turnover rate: medium
- Retirement age: 65 years old
- Mortality rate table: INSEE 2014-2016
- Calculation method used: ANC 2021 method

4.3.2.14 Consequences of the Covid-19 event

The Covid-19 event had no significant impact on the company's assets, financial situation and results. Nevertheless, being still in progress on the date of establishment of the annual accounts, the company is unable to assess the precise consequences on the years to come.

4.3.3 NOTES TO THE BALANCE SHEET

4.3.3.1 Fixed assets

TABLE OF FIXED ASSETS

In thousands of euros	At the start of the year	Increase	Decrease	At the end of the financial
– Establishment and development costs	15 905	828	1 687	15 046
- Commercial funds	1 927			1 927
– Other items of intangible fixed assets	2 271	1 469	424	3 317
Intangible assets	**20 104**	**2 298**	**2 111**	**20 290**
– Grounds				
– Constructions on clean ground				
– Constructions on other people's land				
– General installations, fixtures and fittings constr				
– Technical installations, industrial equipment and tools	12 723	1 941	1 361	13 303
– General installations, fittings and various fittings	557	42		599
- Transportation equipment	24			24
– Office and IT equipment, furniture	989	166	3	1 151
– Recoverable and miscellaneous packaging				
- Investments in progress	1 265	1 794	2 786	272
- Advances and deposits	309	237	409	138
Fixed assets	**15 867**	**4 180**	**4 559**	**15 487**
– Investments valued using the equity method				
- Other participations	17 108	5 534		22 642
– Other fixed securities	200			200
– Loans and other financial fixed assets	2 522	539	342	2 719
Financial fixed assets	**19 830**	**6 073**	**342**	**25 561**
FIXED ASSETS	**55 801**	**12 550**	**7 012**	**61 339**

As part of the first application of Regulation No. 2015-06 of November 23, 2015, amending Regulation No. 2014-03 of the accounting standards authority relating to the General Chart of Accounts, the technical merger loss recorded in the balance sheet under opening to the goodwill item, has been allocated to the underlying assets on which there are reliable and significant unrealized gains, according to the information available at the opening date of the financial year.

The technical loss relating exclusively to the subscription contracts concluded by the company INTRATONE TELECOM, it is therefore registered in full in the assets of the company COGELEC in a sub-account of the goodwill.

The flows are analyzed as follows:

In thousands of euros	Intangible assets	Fixed assets	Financial fixed assets	TOTAL
Breakdown of increases				
Station-to-station transfers	400	923		1 323
Transfers of current assets				
Acquisitions	1 898	3 256	6 073	11 227
Contributions				
Creations				
Revaluations				
Exercise increases	**2 298**	**4 180**	**6 073**	**125 500**
Breakdown of decreases				
Station-to-station transfers	400	923		1 323
Transfers to current assets				
Disposals		2 651	342	2 993
Splits				
Decommissioning	1 711	985		2 696
Decreases in exercise	**2 111**	**4 559**	**342**	**7 012**

INTANGIBLE ASSETS

Research and development costs

Intangible fixed assets whose NAV stands at €8,194k take into account R&D projects in progress for €2,536k at 12/31/2021.

The increases for the financial year of €2,298 thousand, concerning intangible fixed assets correspond to:

- recognition as projects in progress for €1,388 k
- the commissioning of a development project for 423 k€
- the commissioning of the management site for 405 k€
- the commissioning of software for 82 k€

In thousands of euros	Gross
Activate projects	15 046
Research costs	**15 046**

TANGIBLE ASSETS

The increases for the financial year, concerning tangible fixed assets, amount to €4,180 k, and correspond mainly to:

- Equipment and tools for €1,940 k including capitalized production of equipment in connection with the contracts Classic and Premium for €1,079 k
- Construction in progress (extension) + 1,296 k€
- Tangible fixed assets in progress (equipment) + €498 k
- Advances and installments on equipment + €237k
- IT equipment and furniture + €164 k
- Fittings, fittings and installations + €42k

The expansion in progress as of 12/31/2021 is financed by real estate leasing. Project amount = €3.6 million, of which €3.2 million committed as of 12/31/2021.

FINANCIAL ASSETS

The amount of financial acquisitions amounted to €6,072,000, mainly of which:

- Cash advances to subsidiaries for €5,534k
- Acquisition of own shares 439 k€
- Local deposit Paris 100 k€

AMORTIZATION OF FIXED ASSETS

In thousands of euros	At the start of the	Increase	Decrease	At the end of the
Establishment and development costs	10 393	1 608	732	11 269
Commercial funds				
Other intangible fixed asset items	645	65	37	672
Intangible assets	**11 038**	**1 673**	**770**	**11 941**
Lands				
Constructions on clean ground				
Buildings on third party land				
General installations, fixtures and fittings				
Technical installations, equipment and industrial tools	8 285	1 703	773	9 215
General installations, fixtures and fittings	166	58		224
Transportation equipment	11	5		16
Office and computer equipment, furniture	665	153	1	817
Recoverable and miscellaneous packaging				
Fixed assets	**9 128**	**1 918**	**774**	**10 272**
FIXED ASSETS	**20 166**	**3 591**	**1 544**	**22 213**

4.3.3.2 Current assets

STATEMENTS OF RECEIVABLES

Total receivables at the end of the financial year amounted to €40,546,000 and the detailed classification by maturity is as follows:

In thousands of euros	Gross	Maturities at - 1	Maturities at + 1 year
Fixed asset receivables			
Receivables related to equity investments	22 607		22 607
Loans	40	2	38
Others	2 679	2 432	247
Receivables from current assets			
Customer receivables and accounts piecing	10 200	10 090	110
Others	1 616	1 616	
Subscribed capital - called, not paid			
Prepaid expenses	3 403	930	2 473
TOTAL	**40 546**	**15 071**	**25 475**
Loans granted during the year			
Loans recovered during the year	3		

Receivables over more than one year for a total amount of €25,474,000 break down as follows:

- Advances made to subsidiaries + €22,606k
- CCA for €2,474k (including CCA on PREMIUM commissions for €335k and SIM cards for €2,112k)
- Deposits and sureties for 247 k€
- Doubtful customers for 110 k€
- Diamo loan for 38 k€

PRODUCTS TO RECEIVE

In thousands of euros	Rising
Supplier & advances receivable	5
Social orgs prod. to receive	33
Status of products to be received	1
Accrued interest receivable	35
Total	**74**

IMPAIRMENT OF ASSETS

The flows are analyzed as follows:

in thousands of euros	Impairment beginning of year	Exercise allocation	Resumption of exercise	Year-end impairment
Intangible assets	130	156	130	156
Fixed assets		21		21
Financial fixed assets	38	7 859		7 897
Inventory	726	140	415	450
Receivables and securities	380	8	296	92
Total	**1 273**	**8 183**	**842**	**8 615**
Breakdown of endowments and reversals:				
Operation		325	842	
Financial		7 859		
Exceptional				

Depreciation of fixed assets:

The impairment of intangible assets concerns the Bouton PMR project, a project depreciated at 100% of the VNC at 31/12/2021, i.e. for €156k.

The reversal of the depreciation on intangible assets of €130k concerns the See-See-Box V1 project, as it was fully amortized at 31/12/2021.

The depreciation of financial fixed assets for a total amount of €7,859,000 relates to the depreciation of receivables attached to investments, including:

- GMBH subsidiary: €7,384k
- UK subsidiary: 475 k€

4.3.3.3 Equity

COMPOSITION OF SHARE CAPITAL

Share capital of €4,004,121.60 broken down into 8,898,048 shares with a par value of €0.45.

The 8,898,048 shares break down into:

- 3,550,963 bearer shares with simple voting rights, including 406,637 own shares held.
- 5,347,085 registered shares, including 20 with simple voting rights and 5,347,065 shares with a double voting right.

Details concerning the own shares bought back by COGELEC:

- Number of treasury shares held as of 12/31/2021: 406,637 shares
- Value of treasury shares held as of 12/31/2021: €2,432,556
- Number of treasury shares acquired in 2021: 54,607 shares
- Value of treasury shares acquired in 2021: €438,598
- Number of treasury shares sold in 2021: 44,764 shares
- Value of treasury shares sold in 2021: €375,040

All of these actions are recorded in account 277.

Due to the increase in the value of the treasury shares, an unrealized capital gain was recorded for tax purposes for €434,257 (historical value compared to the average value over the month preceding the closing), against an amount of unrealized capital gain at 31 /12/2020 of €488,500.

ALLOCATION OF INCOME

Decision of the general meeting of 24/06/2021.

In thousands of euros	Rising
Carry forward from the previous year	3 515
Earnings for the previous year	2 277
Withdrawals from reserves	
Total origins	**5 792**
Allocations to reserves	72
Distributions	
Other distributions	
Carried forward	5 720
Total assignments	**5 792**

CHANGES IN EQUITY

in thousands of euros	Solde au 01/01/2021	Allocation of results	Increases	Decreases	Solde au 31/12/2021
Capital	4 004				4 004
Issuance premiums	18 654				18 654
Legal reserve	328	72	72		400
General reservations	3 084				3 084
Regulated reserves	6				6
Carried forward	3 515	5 720	5 720	3 515	5 720
The result of the exercise	2 277	-2 277	-5 971	2 277	-5 971
Investment grant	46			11	36
Total owner's equity	**31 915**	**3 515**	**-179**	**5 803**	**25 933**

4.3.3.4 Provisions

In thousands of euros	Provisions at the beginning of the year	Allocations for the financial year	Resumptions used during the exercise	Unused reversals of the year	Provisions at the end of the year
Disputes	335	1 059	180		1 214
Guarantees given to customers	528		21		507
Losses on futures markets					
Fines and Penalties					
Exchange losses					
Pensions and similar obligations					
For taxes	13		13		
Capital renewal					
Major maintenance and major overhauls					
Social and tax charges					
On leave to pay					
Other provisions for risks and charges	126		15		111
TOTAL	**1 002**	**1 059**	**229**		**1 832**
Breakdown of allocations and reversals for the year:					
Operation			89		
Financial		1 059	140		
Exceptional					

Provision for litigation: At the end of December 2021, COGELEC had to terminate the contract awarded to a general contractor for the construction of the extension of its premises, Cogelec having noted the cessation of the intervention of its subcontractors on its site. Indeed, this work stoppage followed the non-payment by the general contractor for the work carried out by the subcontractors on the Cogelec site and which had not been completed by the end of 2021. Given the complex legal context and the he uncertain outcome of this case, the Group established a provision for risks of €1,059k at the end of 2021.

Recovery of two disputes for a total of €180,000, including:

- EOZ: reversal of €140k following the signing of a transactional agreement and following the payment of an indemnity €240,000

Guaranteed provision on equipment from the Intratone range for a total amount of €507,000.

After-sales service costs have been provisioned on the basis of the product warranty period, i.e. 3 years. The rates used for the calculation were determined on the basis of the costs observed over the last 5 years and were related to the turnover for the year of sale of the products concerned by the after-sales service expenses incurred.

The provision of equipment in exchange for after-sales service items resulted in the recognition of a provision for charges linked to the neutralization of the margin on advanced products awaiting return for the year in the amount of €111,000.

Following the tax audit carried out in 2017, and the payment of the reminder of VAT and IS on the waivers of receivables considered on a financial and non-commercial basis, recovery of the provision for tax for 13 k€ at 31/12/2021, because prescription.

4.3.3.5 Debts

STATEMENT OF DEBTS

Total debts at the end of the financial year amounted to €51,883,000 and the detailed classification by maturity is as follows:

In thousands of euros	Gross	Maturities within one year	Maturities over one year	1 to 5 years
Convertible bond issues (*)				
Other bond issues (*)				
Borrowings (*) and debts with credit institutions including:				
– 1 year maximum at origin	15	15		
– more than 1 year originally	16 503	2 304	13 441	759
Miscellaneous borrowings and financial debts (*) (**)				
Trade payables and related accounts	5 069	5 069		
Social and tax debts	2 450	2 450		
Debts on fixed assets and accounts piecing	79	79		
Other debts (**)	1 759	1 759		
Deferred revenue	26 007	2 690	10 046	13 271
Total	**51 883**	**14 366**	**23 487**	**14 030**
(*) Borrowings taken out during the year	9 000			
(*) Loans repaid during the year	2 804			
(**) Of which to partners				

FEES TO PAY

in thousands of euros	Rising
Suppliers invoices to be received	1 711
Accrued int. s/borrowings	3
Accrued interest payable	15
Debts provis.pr cong... to pay	918
Staff accrued expenses	154
Social charges without leave... to pay	372
Social organizations ch. to pay	100
Tax Learning	23
Continuing Education	24
Building Effort	50
Statement of accrued charges	106
rrr customers & advances to accor.	1 398
Total	**4 874**

4.3.3.6 Adjustment accounts

Prepaid expenses

In thousands of euros	Exploitation charges	Financial expenses	Extraordinary charges
Prepaid expenses	3 403		
TOTAL	**3 403**		

Prepaid expenses of €3,403 thousand mainly relate to:

- SIM cards for 2,511 k€
- PREMIUM commissions for 451 k€
- Software rentals for 92 k€
- Receptions for 73 k€
- Insurance 2022 for 68 k€
- Real estate finance lease for 60 k€

Deferred revenue

In thousands of euros	Exploitation product	Financial products	Exceptional products
Deferred revenue	26 007		
TOTAL	**26 007**		

Deferred income: advance billing of prepaid.

Deferred revenue is established using the following method:

- Spreading of billing over the warranty period of the contract or over 15 years for prepaid contracts

- These PCAs are reduced by the amount of the commercial costs estimated by COGELEC on the prepaid (i.e. impact of €1,746,000 as of 12/31/2021), in order to cover these expenses.

Future expenses, directly associated with contracts billed in advance, are estimated at 23% of PCA, or €6 million (SIM cards + module amortization).

4.3.4 NOTES TO THE INCOME STATEMENT

4.3.4.1 Revenue

BREAKDOWN BY SECTOR OF ACTIVITY

In thousands of euros	31/12/2021
Turnover Intratone range	29 036
Intratone subscription sales	14 760
Turnover Hexact range	4 075
Services	1 153
Turnover Rozoh range	155
Turnover Kibolt range	87
Residual products	6
Ports	5
TOTAL	**49 277**

Equipment sales are recognized in profit or loss on the date of delivery.

Subscription contracts and contracts in global offers (including part sale of equipment and part provision of services) are accounted for in advance on a straight-line basis over the duration of the contracts.

Immobilised production

- Of which capitalized production on projects: €1,628k
- Of which capitalized production on equipment linked to subscription contracts: €1,079k

Operating and financial expenses and income

<u>Remuneration of the statutory auditors</u>

Statutory Auditor Holder

Account certification fee: €137,000

These fees break down as follows:

- ACCIOR: €68,500
- DELOITTE: €68,500

4.3.4.2 Financial result

In thousands of euros	31/12/2021	31/12/2020
Participation financial products	60	42
Income from other securities and receivables from fixed assets		
other interests and similar products	22	24
Reversals of provisions and charge transfers		57
Positive exchange differences	48	1
Net proceeds on sale of marketable securities		
Total financial income	**131**	**123**
Financial allowances for depreciation and provisions	7 859	
Interest and similar charges	90	99
Negative exchange differences		44
Net expenses on disposals of marketable securities		
Total financial charges	**7 949**	**144**
bottom line	**-7 817**	**-20**

The allocations of €7,859,000 relate to the depreciation of receivables attached to subsidiaries.

Related parties

List of significant transactions:

Transactions carried out with related parties which are not concluded under normal market conditions.

- Technical services and marketing services with Sté HRC for an amount of 736 k€

4.3.4.4 Exceptional expenses and income

in thousands of euros	Expenses	Products
Penalties, fiscal and criminal fines		
Other exceptional charges on management transactions	334	
Book values of assets sold	3 794	
Other expenses	13	
Provisions for risks and charges	1 059	
Other exceptional income on management transactions		
Proceeds from asset disposals		2 268
Investment grants transferred to profit or loss		11
Others products		49
Provisions for risks and charges		140
TOTAL	**5 200**	**2 467**

Exceptional expenses of €5,200k mainly include:

- VNC of the work related to the expansion and sold to the financial lessor for €2,225 k
- VNC kibolt project 955 k€
- VNC hardware kibolt 542 k€
- Prov litigation related to the extension 1059 K€
- EOZ indemnity payment for 240 k€
- VAT lost on DDP/UK 94 K€

Exceptional income of €2,467 k takes into account:

- Disposal of work related to the expansion to Batiroc for €2,225 k
- Reversal of the provision on EOZ litigation for 140 K€

4.3.4.5 Results and income tax

INCOME AND TAXES ON PROFITS

In thousands of euros	Rising
Tax calculation basis	
Normal Rate - 33 1/3%	
Normal Rate – 26.5%	2 135
Reduced Rate – 15%	
Capital gains at LT – 15%	
Licensing – 10%	
Rental contribution - 2.5%	
Tax credit	
Competitiveness Employment	
Research credit	379
Executive training loan	
Apprenticeship credit	
Family credit	
Investment in Corsica	
Credit for sponsorship	
Other allocations	

INCIDENCE OF DEROGATORY TAX ASSESSMENTS

In thousands of euros	Rising
Profit for the year after tax	**(5 971)**
+ Income taxes	187
+ Tax supplement linked to distributions	
- Income tax receivables	
result before taxes	**(5 784)**
Change in regulated provisions	
Provision for investments	
Provision for price escalation	
Accelerated depreciation	
Tax provisions	
Other regulated provisions	
Income excluding overriding tax assessments (before tax)	**(5 784)**

TAX BREAKDOWN

In thousands of euros	Result before taxes	Corresponding tax (*)	Result after Tax
+ Current result	**-3 052**	**886**	**-3 938**
+ Exceptional result	**-2 732**	**-699**	**-2 033**
- Employee profit sharing			
Accounting income	**-5 784**	**187**	**-5 971**

(*) includes tax credits (amount taken from the "Corresponding tax" column)

The tax of €187,116 corresponds to:

The IS charge calculated at 31/12/2021 for €565,704

- Research tax credit: - €378,588

Increases and reductions in future tax debt

The latent tax position, taking into account a corporate tax rate valued at 25%, shows a future receivable of €15,624. This amount does not take into account any payment of the social contribution on profits.

Amounts in thousands of euros	Rising
Accruals to future tax liability	
Linked to derogatory depreciation	
Related to provisions for price escalation	
Related to capital gains to be reintegrated	
Related to other elements	
A. Total bases contributing to increase future debt	
Relief from future tax debt	
Related to provisions for paid leave	
Related to non-deductible provisions and accrued charges for the year	62
Related to other element	
B. Total bases contributing to reduce future debt	62
C. Deficit carryforwards	
D. Long-term losses	
Estimation of the amount of the future claim	15
Basis = (A-B-C-D)	
Tax valued at the rate of 25%	

Provisions for non-deductible charges to be paid of €68,000 correspond solely to the organic provision.

4.3.4.6 Workforce

Average number of staff: 240 people including 6 apprentices and 3 disabled.

Paid staff	31/12/2021
Frames	83
Supervisors and technicians	54
Employees	67
Workers	36
TOTAL	**240**

4.3.4.7 Other information

SUMMARY AND OUTLOOK

The strategy is confirmed by the acceleration of growth compared to the previous financial year, even though international activities represent only a small part of turnover. France drives the Group's annual performance thanks, in part, to the marketing of new innovative products such as the push-button panel. The continued conquest of the territories of the Group's subsidiaries and the reinforced presence of the Company in its home market offer the Group strong development potential over the coming financial year.

The deployment of GSM solutions, more suited to a market in search of performance of an economic and above all ecological nature, confirms the Company on the strategic choice of the company and on the GSM global offer solutions proposed by COGELEC for the 'coming.

In accordance with the values that have made it possible to develop the COGELEC group, the Group will continue to develop and create innovations that will accompany the world of access control while taking care to preserve, each day more, people and the environment, which are a priority.

For the 2022 financial year, COGELEC aims to grow its turnover by more than 10%. The launch of the second generation of the Kibolt key scheduled for the start of the 2022 school year should support this growth. COGELEC also forecasts an improvement in consolidated EBITDA over the full year.

Regarding the war in Ukraine, COGELEC is not directly affected (no subsidiary and no activity in Ukraine). However, the COGELEC Group could be impacted by the indirect consequences of this war, particularly in the event of general price inflation.

LIST OF SIGNIFICANT TRANSACTIONS

None

INFORMATION ON LEADERS

Remuneration allocated to members of the management bodies

This information is not mentioned because it would lead indirectly to giving an individual remuneration.

An envelope of €20,000 for attendance fees is allocated to members of the Board of Directors.

IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE COMPANY'S ACCOUNTS

Company name: COGELEC DEVELOPPEMENT
Form: SAS
SIREN: 90148027700010
With capital of: €34,568,223
Registered Address :
370 RUE DE MAUNIT - ZI DE MAUNIT
85290 MORAGNE SUR SEVRE

Place where copies of the financial statements may be obtained: COGELEC DEVELOPPEMENT.

COGELEC DEVELOPPEMENT is the consolidating parent company of the group, made up of SAS SRC, SA COGELEC and its 3 subsidiaries:

- INTRATONE GMBH
- INTRATONE UK
- INTRATONE BV

FINANCIAL COMMITMENTS

Commitments given

Amounts in thousands of euros	31 décembre 2021
Discounted bills not due	
Endorsements and sureties	
Pension commitments	
Equipment leasing commitments	
Real estate leasing commitments	1 994
Loan interest	131
Holdback	125
Pledge of the goodwill as security for the loan taken out with from SG for €400k, of which the total amount still due as of 12/31/2021	35
Revenues on contracts still to be invoiced	3 359
Fixed assets orders	204
Works related to the extension	517
Other commitments given	4 372
Total	6 366
Of which relating to Commitments with security interests	35

The guarantee deductions of €125,000 correspond to cash pledges, in connection with the loans granted by OSEO BDPME for an overall budget of €2.5 million.

COGELEC provides support to its foreign subsidiaries, for as long as they are part of the group, in order to allow them to honor their debts when due and to continue their normal activity without any interruption.

Commitments received

Amounts in thousands of euros	31 décembre 2021
Authorized overdraft ceilings	1 250
Endorsements and sureties	
Abandonment of debt with return to better fortune clause Diamo	50
Loan interest	131
Holdback	125
Equipment and real estate leasing commitment	1 994
Revenues on contracts still to be invoiced	3 359
Fixed assets order	1 354
Works related to the extension	3 750
Other commitments received	10 764
Total	**12 014**

LEASING

Amounts in thousands of euros	Lands	Buildings	Tooling material	Others	Total
Original value		3 661			3 661
Cumulative previous years		931			931
Allocations for the financial year		174			174
Depreciations		1 105			1 105
Cumulative previous years		2 042			2 042
Practice		363			363
Royalties paid		2 405			2 405
At most one year		363			363
At more than one year and at most		1 450			1 450
More than five years old		181			181
Fees still to be paid		1 994			1 994
At most one year					
At more than one year and at most					
More than five years old					
Residual value					
Amount covered in the year		363			363

Financing of the building by real estate finance lease for a period of 12 years.

Following the amendment signed in October 2016, the property leasing table takes into account the final data, namely:

- Land acquisition cost: 216 k€
- Structural work: €1,335k, amortized over 35 years
- Cladding: €586,000, amortized over 20 years
- General installations: €1,386 k, amortized over 15 years
- Fixtures: €139k, amortized over 10 years

i.e. a total investment of €3,662,000

As the financial lease financing the expansion has not started, Cogelec incurred pre-rents of €63,000 during 2021.

RETIREMENT COMMITMENTS

Amount of commitments made in terms of pensions, pension supplements and similar allowances: €690,000

TABLE OF SUBSIDIARIES AND HOLDINGS

name	Country of registration	Capital	Equity other than capital	Share of capital held	Gross book value of securities held	Net book value of securities held	Loans and advances granted by the company	Results	Turnover excluding tax
INTRATONE GMBH	GERMANY	25 000€	-€12,105,560	100 %	25 000€	25 000€	€11,915,116	-€3,573,338	1 029 460€
INTRATONE UK LTD	UK	£100	-£5 601 899	100 %	113€	113€	6 704 389€	-£1 279 883	£1 409 208
INTRATONE BV	NETHERLANDS	10 000€	-4 068 383€	100 %	10 000€	10 000€	3 987 064€	-1 481 778€	2 462 984€

4.4 TABLE OF RESULTS FOR THE LAST 5 YEARS

In thousands of euros	2017	2018	2019	2020	2021
1. Financial position at the end of the financial year					
a) Share Capital	534	4 004	4 004	4 004	4 004
b) Number of shares	355 922	8,898,048	8,898,048	8 898 048	8 898 048
c) Number of bonds convertible into shares	—	—	—	—	—
2. Overall result of actual operations					
a) Turnover excluding tax	30 290	33 741	40 101	40 544	49 277
b) Earnings before tax, depreciation and provisions and participations	6 433	5 369	8 421	6 411	5 940
c) Income taxes	757	306	968	409	187
d) Employee participation	390	0	368	147	0
e) Profit after tax, depreciation and provisions and participations	2 495	1 802	3 700	2 277	-5 971
f) Amount of benefits distributed	1 500	2 000	0	0	0
3. Result of operations reduced to a single action					
a) Profit after tax and participation, but before depreciation and provisions	14,85€	0,57€	0.80€	0,66€	0,65€
b) Profit after tax, depreciation and provisions and participations	7,01€	0,20€	0,42€	0,26€	-0,67€
c) Dividend paid per share	4,214€	5,619€	0€	0€	0€
4. Staff					
a) Number of employees (average)	130	155	180	208	236
b) Amount of payroll	6 049	7 288	8 633	9 425	10 888
c) Amount of sums paid for social benefits (social security, social works, etc.)	2 382	2 882	3 427	3 660	4 347

5. STATUTORY AUDITORS' REPORTS

5.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders' Meeting of COGELEC,

OPINION

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of COGELEC for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

BASIS OF OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the « Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2021 to the date of our report.

JUSTIFICATION OF ASSESSMENTS

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation and impairment of developed intangible assets

As of December 31, 2021, developed intangible assets, of which the accounting principles are described in Note 6.4.8 “Intangible assets” to the consolidated financial statements, represented a net amount of K€ 6,164 on the Group’s balance sheet, and were tested for impairment according to the procedures described in Notes 6.4.10 “Monitoring of the value of non-current assets (excluding financial assets)” and 6.6.1 “Impairment of non-financial assets” to the consolidated financial statements.

We reviewed the procedures set up to implement these impairment tests based on cash flow forecasts and verified the consistency of the assumptions used with the forecast data taken from the strategic plans prepared under the supervision of the Group’s management. We also verified that the notes to the consolidated financial statements provide appropriate disclosure.

Revenue recognition

Notes 6.4.18 “Recognition of revenue” and 6.8.1 “Revenue” to the consolidated financial statements describe the accounting rules and methods relating to the recognition of revenue.

As part of our assessment of the accounting policies adopted by your Group, we verified the appropriateness of the aforementioned accounting methods and the disclosures in the notes to the consolidated financial statements as well as their proper application.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law on the information concerning the Group presented in the Board of Directors’ management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is

responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Executed in La Roche-sur-Yon and St Herblain, April 27, 2022

ACCIOR – A.R.C.	DELOITTE & ASSOCIES
Sébastien CAILLAUD Statutory Auditor	Guillaume RADIGUE Statutory Auditor

5.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders’ Meeting of COGELEC,

OPINION

In compliance with the engagement entrusted to us by your Shareholders’ Meeting, we have audited the accompanying financial statements of COGELEC for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from January 1, 2021 to the date of our report.

JUSTIFICATION OF ASSESSMENTS

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation and impairment of developed intangible assets

The “Accounting policies – Intangible assets and property, plant and equipment” and “Accounting policies – Impairment of non-financial assets” notes to the financial statements set out:

- the criteria for capitalizing the development costs incurred by the Company and their method of amortization;
- the methodology used to conduct impairment tests and an analysis of their sensitivity to key assumptions.

As part of our assessment of the accounting policies adopted by your Company, we reviewed the procedures adopted to capitalize development costs and those used for their amortization. We reviewed the procedures set up to implement impairment tests based on cash flow forecasts and verified the consistency of the assumptions used with the forecast data taken from the strategic plans prepared under the supervision of the Company’s management. We also verified that the notes to the financial statements provide appropriate disclosure.

Valuation and depreciation of equity interests and related receivables

The “Accounting policies – Equity interests” note to the financial statements sets out the methodology used to conduct impairment tests and an analysis of their sensitivity to key assumptions.

We reviewed the procedures set up to implement these tests based on cash flow forecasts and verified the consistency of the assumptions used with the forecast data taken from the strategic plans prepared under the supervision of the Company’s management. We also verified that the notes to the financial statements provide appropriate disclosure.

Revenue recognition

The “Notes to the income statement – Revenue” note to the financial statements sets out the method of recognizing revenue in income.

As part of our assessment of the accounting policies adopted by your Company, we verified the appropriateness of the aforementioned accounting methods and the disclosures in the notes to the financial statements as well as their proper application.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the Board of Directors’ management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors’ management report and in the other documents provided to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms mentioned in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' management report on corporate governance contains the information required by Article L. 225-37-4 of the French Commercial Code.

Other disclosures

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to the identity of the shareholders and holders of the voting rights.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Executed in La Roche-sur-Yon and St Herblain, April 27, 2022

ACCIOR – A.R.C.	DELOITTE & ASSOCIES
Sébastien CAILLAUD Statutory Auditor	Guillaume RADIGUE Statutory Auditor

5.3 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

To the Shareholders' Meeting of COGELEC,

In our capacity as statutory auditors of your Company, we hereby report to you on the regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

Agreements authorized and concluded during the year

Pursuant to Article R.225-40 of the French Commercial Code, we have been informed that the following agreement was previously authorized by your Board of Directors.

Agreement with SAS H.R.C.

Person involved: Roger Leclerc, Chairman and CEO of your Company, and Chairman of SAS H.R.C.

Nature of the agreement: Technical and commercial service agreement

On April 23, 2018, your Company entered into an agreement, which was subsequently amended on May 11, 2018, with SAS H.R.C providing for technical and commercial services as from May 1, 2018.

This agreement was concluded for one year and can be extended by tacit renewal. Your Board of Directors authorized its renewal on April 18, 2019, April 21, 2020 and April 20, 2021.

This agreement stipulates a fixed annual compensation of €695,100, excluding tax, that breaks down into technical services for €377,340, excluding tax, and commercial services for €317,760, excluding tax, and a variable compensation related to the performance of commercial services, calculated as follows:

- 2.5% of the portion of annual EBITDA generated by your Company that is lower than or equal to €10,000,000, excluding tax;
- 1.25% of the portion of annual EBITDA generated by your Company exceeding €10,000,000, excluding tax.

The variable portion was capped at a maximum amount of €695,100, excluding tax, but is not subject to any performance conditions.

The Board of Directors justified the renewal of this agreement due to the technical and commercial expertise provided by SAS H.R.C.

Amount expensed during the year in respect of this agreement: €736.375, excluding tax.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement previously approved by the Shareholders' Meeting which continued in effect during the year.

Executed in La Roche-sur-Yon and St Herblain, April 27, 2022

ACCIOR – A.R.C.

Sébastien CAILLAUD
Statutory Auditor

DELOITTE & ASSOCIES

Guillaume RADIGUE
Statutory Auditor

6. OTHER INFORMATION

6.1 INFORMATION CONCERNING THE COMPANY

6.1.1 IDENTITY

CORPORATE NAME

COGELEC SA

COMPANY CREATION DATE

10/2000

NATIONALITY

French

LEGAL STATUS

Public limited company with board of directors

THE HEAD OFFICE

370 rue de Maunit

85290 Mortagne-sur-Sevre

Telephone: 02 51 65 05 79

Fax: 02 51 61 45 83

Email address :

investors@cogelec.fr

Website: www.cogelec.fr

REGISTER OF COMMERCE AND COMPANIES

433 034 782 RCS La Roche-sur-Yon

APE CODE

2630Z (Manufacture of communication equipment)

DURATION

The duration of the Company is 99 years from its registration in the trade and companies register, except in the event of early dissolution or extension.

SOCIAL OBJECT

The purpose of the Company in France and in all countries, directly or indirectly:

– the design and manufacture of communication and telecommunications equipment,

– the rental of telecommunications equipment and the provision of subscriptions and related services,

– the participation of the Company, by any means, in any operations that may relate to its purpose through the creation of new companies, subscriptions or purchases of securities or corporate rights, mergers or otherwise,

– the performance of all commercial, civil, financial, movable or immovable transactions that may be directly or indirectly related to the foregoing, or likely to promote the development or extension of social affairs.

SOCIAL EXERCISE

From January 1 to December 31.

CAPITAL AND CHARACTERISTICS

As of December 31, 2021:

The capital is €4,004,121.60

It is divided into 8,898,048 ordinary shares with a nominal value of €0.45 each, all of the same class, subscribed and paid up.

INITIAL PUBLIC OFFERING

June 18, 2018

EXCHANGE CODES

– ISIN: FR0013335742

– Reuters: ALLEC.PA

– Bloomberg: ALLEC:FP

– Mnemonic Code: ALLEC

EURONEXT PARIS

Listing place: Euronext Growth PARIS

STATUTORY DISTRIBUTION OF PROFITS

The distributable profit is distributed among all the shareholders in proportion to the number of shares belonging to each of them.

INFORMATION OFFICER

Mr. Christophe De LYLLE

ACTIFIN Company

Tel: 01.56.88.11.11

The documents and information relating to the Company are made available to shareholders and the public at the registered office as well as on the Group's website (investor area): www.cogelec.fr/

6.1.2 BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

Roger LECLERC

MEMBERS OF THE BOARD OF DIRECTORS

Lydie DELEBARRE, Patrick FRUNEAU, Patrice GUYET, Roger LECLERC.

6.1.3 STATUTORY AUDITORS

STATUTORY AUDITORS

ACCIOR - A.R.C., member of the regional company of auditors of the West Atlantic Court of Appeal,

53 rue Benjamin Franklin CS 80 654 85016 La Roche-sur-Yon Cedex,

Represented by Sébastien Caillaud.

Date of appointment: 24/06/2019

Term of office: 6 years

Term expires: at the general meeting of shareholders to approve the financial statements for the year ended December 31, 2024.

Deloitte & Associés, member of the regional company of Statutory Auditors of the Court of Appeal of Versailles, 185C avenue Charles de Gaulle 92200 Neuilly,

Represented by Guillaume Radigue.

Date of appointment: 16/01/2018

Term of office: 6 years

Term expires: at the general meeting of shareholders to approve the financial statements for the year ended December 31, 2023.

6.1.4 MATERIAL CONTRACTS

With the exception of the contracts described below, the Company has not entered into any significant contracts other than those entered into in the normal course of its business.

6.1.4.1 Contracts concluded with telephone operators

CONTRACT CONCLUDED WITH ORANGE FRANCE

The Company entered into a framework agreement relating to the supply of “machine to machine” business radiotelephony services with Orange France on June 24, 2010 (this contract following an initial contract in force between the parties from 2006 to 2010), subsequently amended by several amendments.

The purpose of this contract is to provide the Group with SIM cards and the services associated with them, in order to equip the products marketed by the Group, in return for the payment of a price by the Company in accordance with the pricing conditions provided for by the contract. The contract provides geographical coverage of the 28 countries of the European Union and more than 50 targeted geographical areas, in addition to France.

The initial contract was concluded for a period of 60 months. A 12-month renewal was planned, unless terminated by either party. Amendments signed subsequently modified the duration of this contract. A new framework agreement was signed on June 29, 2020; takes effect on July 1, 2020 for a period of 60 months renewable by tacit agreement for a period of 12 months.

The contract provides that either party may automatically terminate the framework agreement in the event of a breach by the other party of one of its obligations. It is also provided that the contractual relations will be terminated automatically in the event of cessation of activity by one of the parties or if one of the parties is the subject of collective proceedings in the context of which the agreement- framework would not be continued or resumed.

CONTRACT CONCLUDED WITH SFR

The Company entered into a “machine to machine” partnership and services contract with Société Française du Radiotéléphone (SFR) on October 18, 2011, subsequently amended by several amendments.

The purpose of this contract is to provide the Group with SIM cards and the services associated with them, in order to equip the products marketed by the Group, in return for the payment of a price by the Company in accordance with the pricing conditions provided for by the contract. The contract provides geographical coverage in more than 50 geographical areas, in addition to France.

The contract was concluded for an initial period expiring on December 31, 2012. It has since been renewed by tacit agreement for a period of 12 months, unless terminated by either party. The contract also provides for several cases of manual termination by SFR (e.g. misuse of SIM cards, term or withdrawal of SFR's establishment and operating permits, judicial liquidation, low rate of achievement of objectives by Cogelec, change control of Cogelec or acquisition of a stake in Cogelec by a competitor of SFR).

CONTRACT CONCLUDED WITH BOUYGUES TELECOM

The Company entered into a “communicating objects” service integrator contract with Bouygues Telecom on November 21, 2016.

The purpose of this contract is to define the conditions for the supply, by the operator Bouygues Telecom to the Company, of the "communicating objects" service in France and, where applicable, in other countries (36 countries are covered in addition to the France), which the Company may use to market its “machine to machine” applications to its end customers. The “communicating objects” service, which consists of the supply of SIM cards and the routing of data and voice, is provided in return for the payment of a price by the Company in accordance with the pricing conditions provided for in the contract.

This contract was concluded for an initial period of 24 months. It is provided that in the absence of denunciation by one of the parties at least 3 months before the expiry of the period of validity, it will be tacitly renewed for an indefinite period. Each of the parties may terminate the contract at any time, subject to compliance with a notice period of 3 months.

In the event of non-performance by one of the parties of its essential obligations, the other party will have the option of terminating the contract 15 days after unsuccessful formal notice. The contract also provides for several cases of manual termination by Bouygues Telecom, at any time and without notice (e.g.: second unsuccessful payment request, abnormal or fraudulent use of the service, modification or suspension of GSM roaming agreements entered into with foreign operators).

Any denunciation or termination would not affect the validity of orders concluded before this date.

6.1.4.2 Contracts for operating the VIGIK brand

The Company entered into several brand operating contracts with La Poste / SRTP Vigik between 2003 and 2006. Each of these contracts relates to the use of the brand for a specific product. In return, the Company declares and pays brand operating royalties, which are calculated on the basis of sales made each year and at agreed unit rates.

With the exception of a contract which was concluded for a duration of the license equivalent to that of the VIGIK conformity of the product, these contracts were concluded for an indefinitely renewable period of 2 years.

The aforementioned contracts relate to non-exclusive licenses.

6.1.4.3 Technological and commercial partnership agreement with Legrand

COGELEC has entered into a partnership with Legrand to integrate into its BTicino brand, dedicated to access control and intercom, the products of the Hexact range, with in particular the Vigik® access control solution.

COGELEC and Legrand jointly carried out the technological developments necessary for the integration of Hexact products into Legrand's BTicino range and proposed a communicating interface, allowing the real-time management of resident badges, access and names via the Hexact® platform. website. This new offer is marketed by Legrand's sales forces throughout France to distribution customers, installers and specifiers in the world of collective housing.

6.2 CERTIFICATE BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

6.2.1 RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

Mr. Roger LECLERC, Chairman and CEO, COGELEC.

6.2.2 CERTIFICATE FROM THE PERSON RESPONSIBLE

I certify, after having taken all reasonable measures to this effect, that the information contained in this Annual Financial Report is, to my knowledge, in accordance with reality and does not contain any omission likely to alter its scope.

I certify to my knowledge that the accounts have been drawn up in accordance with the applicable accounting standards and give a faithful image of the assets, the financial situation and the results of the Company and of all the companies included in the consolidation, and that the report included in this Annual Financial Report presents an accurate picture of the development of the business, results and financial situation of the Company and of all the companies included in the consolidation as well as a description of the main risks and uncertainties they face.

Mortagne-sur-Sèvre, April 27, 2022

President and CEO

Roger LECLERC