ANNUAL FINANCIAL REPORT
COGELEC GROUP

2024

CONTENTS

THE EXECUTIVE COMMITTEE

The COGELEC Management Committee is composed of 5 members:

Roger LECLERC,
Chairman and Chief Executive Officer

Victor d'ALLANCE,
Director of International Development

Anne FONTENEAU,
Human Resources Director

Véronique POCHET,
Financial Director

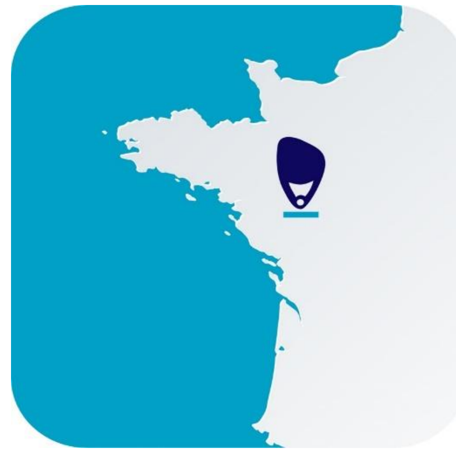
Eric NICOLE ,
Technical Director

THE COMPANY AND ITS ACTIVITIES

Founded in 2000 in Mortagne-sur-Sèvre (85), COGELEC is a Group revolutionizing access control.

Founded on the values of innovation and quality of service, the company continues to achieve its initial objective: to put technology at the service of its customers and users to make their daily lives easier and safer.

COGELEC designs and manufactures all its ranges in France, on its own premises, divided between its headquarters in Vendée, its R&D office in Nantes, its showroom in Paris, 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

HIS BRANDS

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

Hexact INTRATONE kibolt ROZOH

PRODUCTS AND SERVICES to meet all our customers' needs

KEY MANAGEMENT
Remote key management solutions

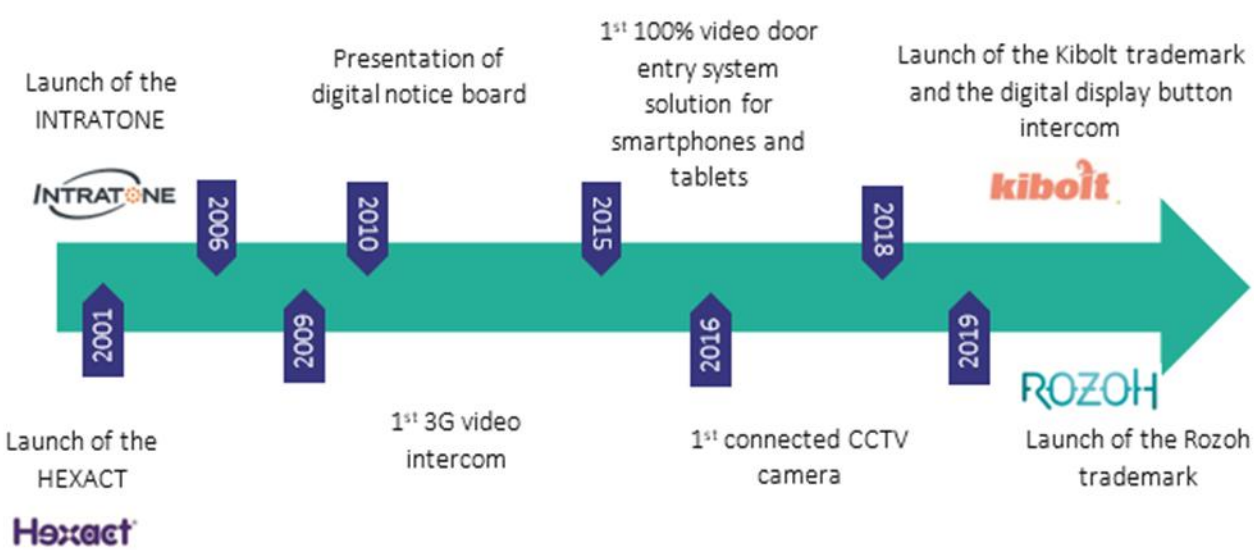
INTERCOMS and ACCESS CONTROL
A complete range of products to secure exteriors of residences

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 STORY



SOCIAL POLICY AND QUALITY OF LIFE AT WORK

COGELEC puts employees at the heart of the company's success

Freedom for everyone to express their talents

A pleasant, friendly environment

A leading Group with dynamic growth

And offers a fulfilling working environment:

- *Relaxation and dining areas*
- *On-site sports lessons during lunch break or at the end of the day*
- *Individual schedules*
- *Wellness breaks (monthly "seated massage" appointments, reflexology, etc.)*
- *Quarterly Committee QVCT*
- *Annual team building and cohesion events by division*
- *Modern, pleasant working environment*
- *Sponsoring employee sports projects*
- *Corporate concierge services*
- *Telework Charter*

AN ENVIRONMENTAL APPROACH

By developing new uses

COGELEC develops and designs products that enable the development of new uses and behaviors in line with its social and environmental commitment.

The GSM solution applied to intercom systems supports this environmental approach, and requires no handsets or wiring in the home for installation.

Every year, 700,000 wired intercom handsets are installed in France, so wireless solutions could save tons of potential copper and plastic waste.

Similarly, when in use, the GSM solution offers remote information display and update functions, reducing on-site travel and the associated CO^2 emissions.

Across the entire 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:

In December 2024, COGELEC received an Ethifinance rating of 64/100 for 2023 data. With an overall rating of **64/100**, COGELEC has made real progress compared to previous years (with 43/100 in 2022 - rating corrected to the isoCOGELEC's rating is based on the "Ethifinance ESG Rating 2024" benchmark, demonstrating a real commitment to ESG. This result highlights the Company's efforts to integrate responsible practices at the heart of its strategy.

This progress has been driven by improvements in Governance (notably with the creation of a CSR Committee), progress in the social field (development of internal skills, initiatives for the working environment...) and progress in the environmental field (launch of the Greenhouse Gas Emissions Assessment, biodiversity impact analysis...).) and progress on the environmental front (launch of the Greenhouse Gas Emissions Assessment, biodiversity impact analysis, etc.), as well as progress in relations with external stakeholders (implementation of a responsible purchasing policy, supplier audits, etc.). ....)

This rating corresponds to a higher level of ESG maturity than the comparable companies used in the benchmark.

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

- **Governance**: Founded by 6 employee shareholders, COGELEC's governance has been structured with the establishment in 2018 of a Board of Directors involving independent directors to support the Group's growth in France and internationally.

- Social: With a view to building loyalty and 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, and managing and reducing waste, with the constant aim of reducing the environmental footprint of its products.

- External stakeholders: The Group gives priority to local sourcing and has developed close relationships and partnerships with its suppliers and subcontractors. It focuses its development on high-quality, secure products, while taking into account the changing needs and requirements of its customers.

Rapidly achievable areas for improvement have been identified for the coming years, including the creation of a dedicated body to oversee the various criteria of non-financial performance within the Group.

This measure, accompanied by the formalization of initiatives in the various fields, will help to build a coherent framework between the many initiatives already underway within the Group. within the Group and to deploy a strategic extra-financial vision, also supported by the Company's Board of Directors, which has set up a CSR Committee.since September 26, 2023, a CSR Committee whose mission is to reflect on the sharing of value and, in particular, on the balance between the level of remuneration of all employees, the level of compensation of employees and the level of compensation of employees.the balance between the level of remuneration for all employees, remuneration for the shareholder's risk-taking and the investments needed to ensure the company's long-term viability.

In addition to its Ethifinance rating, COGELEC pays close attention to its rating by RAISE, a key investor in the Group. The ESG questionnaire enables RAISE to analyze the Group's maturity in terms of governance, environmental and social footprint, and supply chain. This rating is also used to measure the Group's progress towards the objectives set out in the RAISE roadmap.

Since the European CSRD regulation came into force on January [1], 2024, the Group has been anticipating the complexity of the new reporting format.The Group has anticipated the complexity of the new reporting format and engaged its teams, management and Board of Directors in a process of raising awareness of CSR issues on the one hand, and analyzing double materiality on the other, with the support of a specialized firm. This approach has enabled the Group to capitalize on what already exists and define its key ESG priorities, while taking into account the interests of its stakeholders. Having defined its double materiality matrix, its business model, its value chain and the mapping of its stakeholders, in 2025 the Group will continue to roll out its CSR policy, implement action plans and draw up its first sustainability report.

COGELEC will also finalize its carbon footprint (BGES) in 2025, based on 2024 data. The Group also benefits from the support of a specialist consultancy in this area.

1. Management report

1.1 KEY EVENTS

Setting up bonus share plans

Using the authorization granted by the 9th resolution of the Company's Annual General Meeting of June 22, 2023, the Board of Directors decided at its meeting of March 26, 2024 to renew the share buyback program implemented on November 16, 2022, under the same terms.the same terms the share buyback program implemented on November 16, 2022 to cover future bonus share plans, for a period of 18 months from the date of the aforementioned General Meeting, i.e. until December 22, 2024.

At its meeting on March 26, 2024, the Board of Directors also made use of the authorization granted by the 16th resolution of the Company's General Shareholders' Meeting dated June 22, 2023 to set up several free share plans for the benefit of certain employees of the Company and, more generally, of the Group, including :

(i) Members of the Group Management Committee (with the exception of Roger Leclerc), up to a maximum of 120,000 shares, representing 1.35% of the Company's share capital at the grant date (the "**Plan n°2024-01**");

(ii) The local *managers* of the Group's subsidiaries, up to a maximum of 60,000 shares, representing 0.67% of the Company's share capital at the grant date, divided into 20.000 shares each between the *manager* of the Group's UK division (the "**Plan n°2024-02-01**"), the *manager* of the Group's German division (the "**Plan n°2024-02-02**") and the *manager* of the Group's French division (the "**Plan n°2024-02-01**").Plan n° 2024-02-02") and the manager of the Group's Dutch division (the "Plan n° 2024-02-03");

(iii) Certain high-potential employees and key contributors to the Group, up to a maximum of 250,000 shares, representing 2.81% of the Company's share capital at the grant date (the "**Plan no. 2024-03**").

All these plans are subject to a 40-month vesting period (without a holding period), i.e. July 26, 2027, and to presence and performance conditions, with the aim of growing the Company and creating value for its shareholders.

The purpose of these plans is to strengthen the existing links between the Company and the Group's employees concerned, by giving them the opportunity to be more closely involved in the future development and performance of the Company and, more generally, of the Group.

In addition, these plans represent a reduced cost for the Company in terms of incentive instruments, and a controlled dilutive effect for shareholders.

Shares issued at the end of the vesting period may be either new ordinary shares or existing shares acquired under the Company's share buyback program, as described in section 1.4.3 of the Management Report.

At its meeting on December 12, 2024, the Board of Directors also made use of the authorization granted by the 17th resolution of the Company's General Meeting of Shareholders on June 24, 2024 to set up a new free share allocation plan for the benefit of certain high-potential employees and key contributors to the Group (the "**Plan n°2024-03 Bis**"), for a maximum of 55,000 shares.

At the same meeting, the Board of Directors also set up a plan for the free allotment of ordinary shares to certain high-potential employees and key contributors in the Group's UK subsidiary (the "**Plan no.2024-02-01 Bis**") of up to 10,000 shares, and to certain high-potential employees and key contributors of the Group's German subsidiary (the "**Plan n°2024-02-02 Bis")** of up to 5,000 shares.

The vesting period of these new plans will also expire on July 26, 2027 (without a holding period), as they are subject to presence and performance conditions, with the aim of growing the Company and creating value for its shareholders.

As with Plan no. 2024-03, the aim of these new plans is to recognize the operational performance of certain high-potential employees and key contributors to the Group, and to strengthen their ties with the Company by giving them the opportunity to be more closely associated with the development and future performance of the Company and the Group as a whole.s of the Group, and to strengthen their ties with the Company by offering them the possibility of being more closely associated with the future development and performance of the Company and, more generally, of the Group. In addition, these plans represent a reduced cost for the Company in terms of incentive instruments, and a controlled dilutive effect for shareholders.

In accordance with IFRS 2, employee compensation settled in equity instruments is recognized under "Employee benefits expense" in the income statement, with a corresponding entry under shareholders' equity. The total expense is measured at the grant date, taking into account all specific conditions likely to have an impact on fair value, and spread on a straight-line basis over the vesting period.

Taking into account employee departures since the introduction of Plan no. 2024-01, Plan no. 2024-02-01, Plan no. 2024-02-02, Plan no. 2024-02-03 and Plan no. 2024-03, these would result, at the date of this report, in the allocation of 385,000 shares. For this purpose, it was assumed that 100% of the employees still working at December 31, 2024 would be present at the acquisition date. Based on these assumptions, the cost of these plans amounts to €812k, including the employer's contribution. The portion relating to employees of foreign subsidiaries was re-invoiced to Intratone LTD and Intratone BV for a total of €59k.
On the other hand, as the last plans were approved at the end of December 2024, no provision for outflow of resources was booked for the 2024 financial year, as the amount calculated was not material.

Taxation

On December 9, 2022, COGELEC received a notice of an accounting audit covering the 2020 and 2021 financial years. This review began in January 2023. On December 8, 2023, the Company received a proposed rectification to interrupt the statute of limitations, covering only the year ended December 31, 2020 in terms of VAT and corporate income tax, and excluding the 2020 CIR filed in 2021. The amounts reassessed were accepted by the Company in the amounts of €10,335 for VAT and €13,973 for corporate income tax.

On October 22, 2024, the Company also accepted the CIR regularization procedure (2020 and 2021) for the sum of €134,167 and VAT (2021) for the sum of €21,443. All these amounts were normally paid to the tax authorities in November 2024.

Start-up Kibolt

The first sales of the Kibolt Smart key began in September 2024. The Company has therefore begun to amortize all R&D costs capitalized in the balance sheet in the amount of €2,126,208.

Debt write-offs

To finance the commercial development of its subsidiaries, the Company has granted various advances in recent years, reduced by the write-off of receivables.ances of €3.85 million granted in 2023 and 2024 (with a financial recovery clause), for a cumulative amount of €22.5 million at December 31, 2024. These advances have been written down by €20.4 million in the parent company financial statements, and relate to receivables from the UK and German subsidiaries.

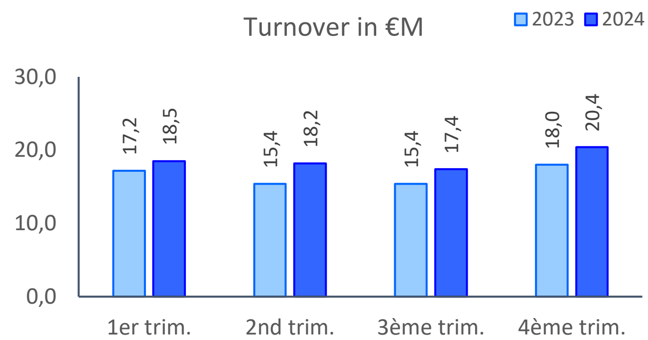
In addition, as part of its transfer pricing policy, the Company has assumed a contribution to the distribution costs of its subsidiaries amounting to €4.1 million for 2024.

1.2 GROUP INFORMATION

1.2.1 ACTIVITY REPORT 2024

Sales

In 2024, the Group maintained its sales momentum in France and Europe, with a 12.9% increase in annual sales. Sales break down as follows:



In €M	2024	2023	% change
1st quarter	18,5	17,2	+7,7 %
2nd quarter	18,2	15,4	+ 17,7 %
3rd quarter	17,4	15,4	+ 13,1 %
4th quarter	20,4	18,0	+ 13,6 %
TOTAL	**74,5**	**66,0**	**+ 12,9 %**

In Q4, COGELEC's sales volume reached €20.4 million, up 13.6%. This performance reflects the growth in recurring revenues that underpin the COGELEC model, and the growth in Intratone's market share with landlords, developers and property managers.

In 2024, in addition to growth in its GSM market, the Group's sales benefited from tariff increases applied during the year.

Human resources

In 2024, the Group will have an average workforce of 346, including 52 employees in the 3 international subsidiaries. As a result, the Group's workforce has grown by 11. In France, this resulted in the addition of 20 people to the sales, customer, information system and design divisions, directly linked to the strong growth in business. In Germany, following the reorganization of its sales division in November 2023, the workforce has been reduced by 11.

1.2.2 CONSOLIDATED SALES

Sales for the year came to €74.5m, up +12.9% on 2023. In a generally tense market context, COGELEC continues to benefit from the advantages of its subscription model, which generates ever-increasing recurring sales.

In France, sales rose by 10.8% to €63.6 million. In Europe, sales rose by 26.9% to €10.9 million.

In thousands of €	31/12/2024	31/12/2023
Equipment sales	51 074	45 999
Sales of services	23 440	20 001
TOTAL	**74 514**	**66 000**

In thousands of €	31/12/2024	31/12/2023
France	63 644	57 436
Export	10 870	8 564
TOTAL	**74 514**	**66 000**

Buoyed by its unique subscription model, COGELEC recorded a new performance, with sales from subscription services up 17.2% to €23.4 million (€20.0 million in 2023). By the end of 2024, this activity represented 31.5% of total sales. The Intratone brand has thus gained 325,000 additional subscriber homes by 2024. A total of 2.5 million homes in France and Europe benefit from COGELEC's GSM intercom service.

In Europe, our teams are continuing their sales drive to deploy Intratone solutions in the multi-family housing market. In Q4 2024, sales came to €3.0 million, up 31.7%. Over 2024, sales generated in Europe totaled €10.9 million, compared with €8.6 million a year earlier (26.9% growth). European markets now account for 15% of Group sales, compared with 13% a year earlier.

1.2.3 KEY INDICATORS

Gross margin

The consolidated gross margin rate strengthened in 2024 to over 66%, confirming the resilience of the business model. This increase was due to tight control over purchasing, reinforced by a favorable Euro/USD exchange rate, combined with a product mix favorable to services, and an additional margin contribution from subsidiaries.

In thousands of €	31/12/2024	31/12/2023
Sales figures	**74 514**	**66 000**
Other operating income	28	24
Purchases consumed	-29 057	-22 627
Change in inventories of work in progress and finished goods	3 856	-11
GROSS MARGIN	**49 341**	**43 386**
As a percentage of sales	*66,2%*	*65,7%*

EBITDA

In a troubled economic climate, the Group posted a very substantial EBITDA increase, while continuing to invest in its subsidiaries.

In thousands of €	31/12/2024	31/12/2023
Operating income	**7 039**	**4 784**
Depreciation and amortization	4 746	4 861
Impairment of assets, net of reversals	-185	526
IFRS 2 expenses	841	
EBITDA	**12 441**	**10 171**
As a percentage of sales	*16,7%*	*15,4%*

1.2.4 CONSOLIDATED INCOME STATEMENT

At December 31, 2024, Group operating income recurring came to €7,353k, compared with €5,083k the previous year. This marked improvement in operating income was mainly due to a higher gross margin, driven by business volumes, and tight control of recurring operating expenses.

In thousands of euros	31/12/2024	31/12/2023
Sales figures	**74 514**	**66 000**
% change in sales	+12,9%	+10,5%
Current operating income	7 353	5 083
Operating income	7 039	4 784
Income tax	-2 103	-595
Consolidated net income	**5 664**	**4 511**

1.2.5 FINANCIAL STRUCTURE

Total assets amounted to €98 million at December 31, 2024, compared with €88.9 million at December 31, 2023.

Simplified balance sheet at December 31, 2024

ASSETS in thousands of euros	31/12/2024	31/12/2023
Intangible assets	8 711	7 177
Property, plant and equipment	13 216	13 374
Investments in associates	330	400
Other financial assets	536	506
Other non-current assets	8 561	7 119
Total non-current assets	**31 354**	**28 575**
Inventories and work-in-progress	20 846	16 028
Accounts receivable	16 493	16 445
Other current assets	4 599	4 035
Current tax assets	80	1 336
Cash and cash equivalents	24 627	22 489
Total current assets	**66 645**	**60 332**
TOTAL ASSETS	**97 999**	**88 909**

LIABILITIES in thousands of euros	31/12/2024	31/12/2023
Total shareholders' equity	**10 217**	**7 909**
Borrowings and financial liabilities	12 319	17 402
Provisions for pension commitments	549	408
Other long-term provisions	1 678	1 673
Other non-current liabilities	40 847	34 712
Non-current tax liabilities	303	615
Total non-current liabilities	**55 696**	**54 810**
Borrowings and financial liabilities	6 664	7 030
Trade payables	7 534	6 136
Other current liabilities	16 221	12 921
Current tax liabilities	1 667	103
Total current liabilities	**32 086**	**26 191**
TOTAL LIABILITIES	**97 999**	**88 909**

Fixed assets and investments

The Group invested €6.2 million in 2024.

Intangible investments accounted for 52.8% of total capital expenditure, or €3.3 million. They correspond mainly to development costs for new products or technologies, and investments in IT solutions. In addition, investments in property, plant and equipment for 2024 include additional fixtures and fittings for the Mortagne-sur-Sèvre site, as well as tooling for new products.

Main investments in €K	31/12/2024	31/12/2023
Intangible fixed assets	**3 297**	**2 404**
Of which development costs	0	4
Of which intangible assets in progress	2 556	1 885
Of which other intangible assets	741	515
Property, plant and equipment	**2 944**	**3 443**
Of which real estate	655	68
Of which assets under construction	623	589
Of which technical installations, plant and equipment	663	558
Of which other property, plant and equipment	1 003	2 229
Total capital expenditure	**6 241**	**5 847**

Shareholders' equity

At December 31, 2024, Group shareholders' equity stood at €10.217 million, compared with €7.909 million at December 31, 2023, an increase of €2.3 million.

1.2.6 NET FINANCIAL DEBT

At December 31, 2024, *gearing* (the ratio of net debt to shareholders' equity) stood at -55.2%, compared with 24.6% at December 31, 2023. COGELEC's cash position therefore exceeded its indebtedness at year-end.

In thousands of €	31/12/2024	31/12/2023
Long-term portion of borrowings	12 319	17 402
Current portion of borrowings	6 663	7 029
Borrowings due in less than one year and creditor banks	1	1
Total gross debt	**18 983**	**24 432**
Cash and cash equivalents	24 627	22 489
TOTAL NET DEBT	**-5 644**	**1 943**

1.2.7 CASH FLOWS

Cash and cash equivalents increased by €2.13 million. In fact, the Group's business continued to generate a substantial operating cash flow surplus, including the repayment of the 2023 corporate income tax overpayment, which enabled it to finance loan maturities that were higher than in 2023.

In thousands of €	2024	2023
Opening cash position	22 488	23 438
Closing cash position	24 626	22 488
Translation adjustments	-13	-5
Change in cash and cash equivalents	2 125	-955

1.3 COMPANY INFORMATION

1.3.1 COGELEC SALES

The Company's sales rose by 11.4% to €69.927 million at December 31, 2024 from €62.785 million at December 31, 2023.

1.3.2 RESULTS

At December 31, 2024, operating income stood at €6.266 million, up sharply (+€6.821 million) on the previous year. This increase was mainly due to a €3.35 million reduction in waivers of receivables granted to two of its subsidiaries, and a €1.945 million reduction in the contribution to subsidiaries' distribution costs. Net income for the year ended December 31, 2024 showed a profit of €5.658 million (up €3.4 million), with net financial income of €2.76 million, made up of €1.123 million in write-backs of receivables on investments in subsidiaries and €993 million in interest on subsidiaries' current accounts.

1.3.3 RESEARCH AND DEVELOPMENT ACTIVITIES

Research and development information

In line with its strategy, the Company continues to invest in innovation, product improvement and new product development. Development teams are divided between two design offices, and represent 17.4% of the Group's workforce. R&D focuses on technical innovation, the development of new products, services and concepts, and the evolution of existing ranges.

New products

In May 2024, we launched our hands-free reader Vigik+, a major technological development to improve security and access management in building lobbies. This new connected solution offers automatic updates, real-time management of access rights, and reduced operating costs.

In September 2024, we launched our Sirocco offer, which includes the Intratone Only-One video intercom. Specially designed for small condominiums of 1 to 10 units, this intercom incorporates a GSM communication module for simplified installation.

In the last quarter of 2024, we began marketing the 2nd generation of the Kibolt Smart electronic key and cylinder. This innovative locksmithing solution enables flexible management of access rights via our free web platforms. This solution is ideal for securing communal doors in residential, commercial and public buildings, offering simplified management and enhanced security.

As every year, COGELEC, via its Intratone brand, was also present at all the major national events in the multi-family housing sector: HEXPO, the condominium trade show, but also other trade shows for the Kibolt and Rozoh brands, such as the salon des séniors, the salon silver éco and the salon des Maires.

Information on patents and licenses

The Company holds a number of patents protecting the innovations implemented by its various design offices.

At the end of fiscal 2024, the Company held 67 valid patent families, 36 trademarks and 35 designs. In fiscal year 2024, the Company filed 12 patents.

1.3.4 EXPENSES NOT DEDUCTIBLE FOR TAX PURPOSES

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

- Non-deductible vehicle leases of €251.8k, and the corresponding tax of €62.95k;
- Corporate vehicle tax of 48.2 k€ and the corresponding tax of €12.1k.

1.3.5 INFORMATION ON SUPPLIER AND CUSTOMER PAYMENT TERMS

Invoices received and issued but not paid at December 31, 2024 break down as follows :

	Invoices received in arrears at December 31, 2024						Outstanding invoices at December 31, 2024 with past due dates					
In days	0	1 à 30	31 à 60	61 à 90	91 and more	Total (1and more)	0	1 à 30	31 à 60	61 à 90	91 and more	Total (1 and more)
Late payment brackets												
Number of invoices concerned	14	81	4	4	41	**130**	932	1 506	774	308	756	**3 344**
Amount of invoices concerned (incl. VAT in K€) (1)	3	253	-35	-22	-10	**186**	2 521	755	460	24	142	**1 381**
% of total purchases for the year (incl. VAT)	0,00%	0,39%	-0,05%	-0,03%	-0,01%	**0,30%**						
% of sales for the year (incl. VAT)							2,40%	0,72%	0,44%	0,02%	0,14%	**1,32%**
Excluded invoices relating to disputed or unrecorded payables and receivables												
Number of invoices excluded	14						35					
Total amount of invoices excluded (including VAT in K€)	314						48					
Reference payment terms used (contractual or legal - article L441-14 or article L443-1 of the French Commercial Code)												
Payment periods used to calculate late payments	Contractual lead time: 30 days end of month Legal lead time: 60 days from invoice date						Contractual lead times: Receipt of invoices and 45 days FDM Legal lead times: 30 days from date of performance					

(1) Negative amounts are associated with advance payments for which invoices will be received in early 2025.

1.4 STOCK 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 Euronext Paris regulated market, compartment C.
The number of shares outstanding was 8,898,048 at December 31, 2024.

1.4.2 SHARE PRICE PERFORMANCE IN 2024

The share price at December 31, 2024 was €15.70.

Month	Highest price	Lowest price	Last Course
January 2024	8,20	8,05	8,20
February 2024	8,15	8,15	8,15
March 2024	8,15	8,05	8,15
April 2024	9,50	9,30	9,50
May 2024	9,80	9,60	9,80
June 2024	10,80	10,50	10,70
July 2024	11,60	11,20	11,40
August 2024	11,00	10,80	10,80
September 2024	12,30	11,90	12,20
October 2024	15,00	14,90	14,90
November 2024	16,00	15,70	15,70
December 2024	15,80	15,40	15,70

1.4.3 SHARE BUYBACKS

Summary of share purchases and sales in fiscal 2024

During fiscal 2024, the Company purchased and resold COGELEC shares under a liquidity agreement signed on June 25, 2018 with Louis Capital Markets UK LLP and a share buyback agreement dated October 30, 2018 also signed with Louis Capital Markets UK LLP.also entered into with Louis Capital Markets UK LLP, on the basis of which the Board of Directors, meeting on November 16, 2022, implemented a new share buyback program to cover future bonus share plans, with the buybacks being carried out by TP ICAP MidCap, appointed for this purpose. Details of these purchases and sales are given below.

This share buyback program, renewed for the first time on March 26, 2024, expired on December 21, 2024, and was renewed under the same terms by the Board of Directors on December 12, 2024, in accordance with the authorization granted by the tenth resolution approved by the Annual General Meeting of Shareholders on June 24, 2024.terms by the Board of Directors on December 12, 2024, in accordance with the authorization granted by the 10th resolution approved by the Annual General Meeting of June 24, 2024. As a reminder, the maximum number of shares that may be bought back by the Company may not exceed 10% of the share capital at the date of such purchases. The maximum purchase price per share may not exceed €23.50, and the total amount allocated to this program may not exceed €5,000,000.

	Number of shares	Share value
Shares held at 12/31/2024	603 716	3 994 761 €
Shares acquired in fiscal 2024	107 690	1 030 287 €
Shares sold in fiscal 2024	52 377	585 128 €

The share buyback programs launched in 2018 and 2022 (renewed in 2024) to cover bonus share plans resulted in the repurchase of 380,160 and 208,547 shares respectively at December 31, 2024.

During the 2024 financial year, the Company allocated free COGELEC shares to Group employees (under the conditions described in section 1.1 of the Management Report). At the end of the respective vesting periods of the free share plans, the shares allotted may be definitively acquired in the form of existing shares purchased by the Company as part of its share buyback program, or in the form of new shares to be issued as part of one or more capital increases.by the Company as part of its share buyback program, or in the form of new shares to be issued in connection with one or more capital increases.

During fiscal year 2024, the Company did not cancel or reallocate any shares.

Dividend per share

In accordance with the provisions of Article 243 bis of the French General Tax Code, dividends distributed in respect of the previous three years were as follows:

Exercise	Number of shares	Net dividends per share
2021	8 898 048	0
2022	8 898 048	0
2023	8 898 048	0,29*

** Corresponding to an exceptional dividend deducted from "Additional paid-in capital".*

1.5 SUBSIDIARIES AND AFFILIATES

The Company holds 100% of the capital and voting rights of INTRATONE GMBH, a Düsseldorf-based company founded on December 4, 2017. In 2024, INTRATONE GMBH continued to grow despite a reduction in its sales force following a reorganization implemented in November 2023. This subsidiary holds no interest in the Company or any other company. At December 31, 2024, the share capital of INTRATONE GMBH was €25,000.

A second subsidiary, INTRATONE Ltd, 76% owned by the Company and 24% by its Sales and Marketing Director (sale completed on December 31, 2023), was set up in London in February 2018. In 2024, the company continued to grow, and its workforce remained stable. This subsidiary holds no interest in the Company or any other company. At December 31, 2024, the share capital of INTRATONE Ltd was £100.

A third subsidiary, INTRATONE BV, whose capital is fully owned by the Company, was set up in Amsterdam in October 2018. In 2024, the company continued to expand, and its workforce grew slightly. This subsidiary holds no interest in the Company or any other company. At December 31, 2024, the share capital of INTRATONE BV was €10,000.

At the end of 2023, the Group acquired a 35% minority stake in PORTACONNECT, a company developing a connected solution for remotely monitoring the operation of automatic doors and gates. COGELEC has exclusive marketing rights for this solution, and benefits from a new diversification in its product range.

The parent company financial statements of the subsidiaries and the equity investment for the period are summarized below:

Companies	Consolidation method	Sales excluding VAT	Net income for the year
INTRATONE GMBH	IG	1 475 K€	(252) K€
INTRATONE LTD	IG	3 606 K£	116 K£
INTRATONE BV	IG	3 660 k€	(18) K€
PORTACONNECT	MEE	31 k€	(200) 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 SUBSEQUENT EVENTS

There were no post-balance sheet events.

1.7.2 OUTLOOK

With an installed base of over 2.5 million homes and a solid base of recurring revenues, combined with a highly innovative service offering, the Group expects sales growth in 2025 to be higher than in 2024, with a further improvement in the EBITDA ratio.

1.8 RISK MANAGEMENT

1.8.1 DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FACING THE GROUP

Executive Management has reviewed the risks that could have a material adverse effect on its business, financial position or results (or on its ability to achieve its objectives), and considers that no other significant risks have been identified as of the date of this annual financial report.

In accordance with the provisions of Article L. 232-1 of the French Commercial Code, in addition to the main risks presented below, you will find a presentation of interest rate, currency and liquidity risks in section "3. CONSOLIDATED STATEMENTS NOTE 3.6.2 "Assessment of risk factors" in this annual financial report.

In accordance with the provisions of Regulation (EU) n°2017/1129 (the so-called "Prospectus 3" Regulation) and Delegated Regulation (EU) n°2019/980, this chapter only presents the risks specific to the Company and the Group, and which are important for making an informed investment decision.only those risks which are specific to the Company and the Group, and which are important for making an informed investment decision. Within 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 gross risk, as it exists in the context of the Company's business ;
- Presentation of the measures implemented by the Company to manage this risk.

Applying these measures to gross risk enables the Company to analyze net risk. The Company has assessed the degree of criticality of the net risk, based on a joint analysis of two criteria: (i) the probability of the risk occurring, and (ii) the estimated magnitude of its negative impact. The criticality of each risk is described below.

Summary table :

Type of risk	Degree of criticality of net risk
Emerging risks – Risks associated with the global rise in prices due to the war in Ukraine and the macroeconomic environment	Low
Risks relating to the Company's business and markets	
– Dependence on telephone operators	Moderate
– Technological failures	Moderate
– Dependence on subcontractors	Moderate
– Dependence on suppliers	Moderate
– Dependence on key people	Moderate
– Competition	Moderate
– Technological breakthrough	Moderate
– Company reputation	Moderate
– International development	Moderate
Legal risks – Intellectual property	Moderate
Financial risks – Financing requirements	Moderate

RISKS ASSOCIATED WITH THE GLOBAL RISE IN PRICES DUE TO THE WAR IN UKRAINE AND THE MACROECONOMIC ENVIRONMENT

The Group does not operate in the countries affected by the war in Ukraine, which began in February 2022, and is not directly impacted at present, although it is not possible to put a precise figure on the potential impact due to the unpredictability of developments in this crisis.

Nevertheless, the Company remains vigilant about preserving margins and maintaining business, given the potential impact of inflation, supply chain disruptions and rising interest rates in a geopolitical and economic context that remains uncertain.

In view of these factors, the Company considers the net criticality of this risk to be low.

Risks relating to the Company's business and markets

RISKS RELATED TO DEPENDENCE ON TELEPHONE OPERATORS

Because of the nature of its business, the Company is dependent on its relationship with telephone operators and the contracts it signs with them (contracts are currently in force with Orange, SFR and Bouygues Télécom).

As a result of its dependence on the above-mentioned telephone operators, the Company has identified the following risks, which could have a material adverse effect on the Company, its business, financial condition, results of operations, development and prospects:

- The loss of a telecommunications operator's license by one or more operators;
- Loss of one or more frequencies by one or more operators;
- Unavailability of one or more networks simultaneously;
- The deterioration of existing networks and/or the quality of services linked to these networks;
- Termination of a contract concluded with the Company, by one operator or simultaneously by several operators;
- Significant upward variation in pricing conditions negotiated with one or more operators.

To limit the impact of these risks, the Company has chosen to sign agreements with several operators rather than just one. Thus, the Company can replace one operator by another according to the specific needs of its projects.

In addition, the risk of any upward variation in the tariff conditions negotiated with one or more operators is mitigated by the Company's ability to pass on such 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 high;
- Although dependence on telephone operators is mitigated by spreading the risks associated with this dependence across a number of operators, several operators could be confronted at the same time with the risks described above (e.g. unavailability of several networks at the same time, loss of frequencies by several operators, degradation of existing networks managed by several different operators).

RISKS RELATED TO TECHNOLOGICAL FAILURES

The disruptions likely to affect the Group's activities have a variety of origins, many of which are beyond the Group's control, including: loss of power and failure of telecommunication systems; software and hardware errors, failures, defects or crashes; computer viruses and similar disruptive problems; fires, floods and other natural disasters; network attacks or damage to business intelligence tools, software and systems introduced by hackers or cybercriminals; and the performance of third-party suppliers. In addition, the growth in the number of end customers and the connected services provided can lead to disruptions due to the volume of data traffic.

The Company has put in place measures (security systems, data backup procedures, access protection and contingency plans) to ensure the reliability and security of its IT systems.systems, both for internal IT resources (design office, sales, marketing, production and accounting) and for external IT resources, to ensure business continuity in the event of any of the aforementioned risks.

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

- The Company has put in place security measures to deal with any malfunctions that may occur. However, preventing such technological malfunctions depends on the know-how of third-party organizations whose core business is this activity;
- The Company has embarked on a project to upgrade its infrastructure to meet new service requirements;
- If, in the future, the Company is unable to cope with any of the risks associated with IT systems management, its business, results, financial situation, development and prospects could be adversely affected.

RISKS RELATED TO DEPENDENCE ON SUBCONTRACTORS

As part of its cost control policy, the Company subcontracts the manufacture of the electronic boards used in its products. All electronic board production is subcontracted to four companies located as close as possible to the Company, notably in the Pays de la Loire and Brittany regions, in order to promote responsiveness and fluidity of exchanges.

The Company ensures that its subcontractors have sufficient material and human resources to keep pace with its developments, and/or diversify its sources of supply. Despite these measures, the Company could face delivery times that are longer than originally planned. Such a delay could in turn delay sales of the products concerned.

The Company has not set up any specific contractual arrangements with its subcontractors (such as volume commitments).

The Company is currently planning to double the number of its subcontractors, in order to limit the risks inherent in production and to have additional production capacity at its disposal, 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 guarantee that its subcontractors will continue to do business with it over the long term or maintain an operational level in line with its needs. In the event of subcontractor failure, the Company may not be able to replace them quickly;
- The events described in this section could have a significant negative impact on the business of all the Company's subcontractors at the same time, despite the large number of subcontractors used by the Company.

RISKS RELATED TO DEPENDENCE ON SUPPLIERS

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

While the Company attaches great importance to the quality of its suppliers, reliance on suppliers entails a number of risks, notably of supply disruption, insufficient quality of components, product origin or non-compliance with applicable regulations and third-party intellectual property rights. The use of suppliers can therefore entail financial and reputational risks for the Company, particularly in the event that these suppliers do not themselves comply with applicable regulations, especially those concerning product safety.

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

- The Company cannot guarantee that its suppliers will continue to do business with it over the long term or that they will maintain an operational level in line with its needs. In the event of supplier failure, the Company may not be able to replace them quickly;
- The events described in this section could have a significant negative impact on the business of all the Company's suppliers.

RISKS RELATED TO DEPENDENCE ON KEY PEOPLE

The Group relies on the support of key members of management and other staff. In this sense, any departure of such members of management or staff could be detrimental to the Group's business.

The Group also faces the challenge of attracting, training and retaining qualified staff while keeping labor costs under control. The Group's ability to support its strategy may be limited by its capacity 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 material 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 (failure to achieve the Company's objectives, disorganization, impact on sales and profitability).

COMPETITIVE RISKS

COGELEC faces active competition, mainly on price, but also on its ability to offer GSM services. Competitors' innovations could affect the Company's future growth. Generally speaking, it is highly likely that the vast majority of market players will soon be launching devices similar to those developed by the Company.

In response, COGELEC is investing heavily in innovation.

Faced with this competition, COGELEC may have to reposition its strategy in order to maintain its market share and margins.

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 cope with the heightened competitive environment in which it operates may be impaired (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 events described in this section could have a significant negative impact on the Company (impact on sales and profitability).

RISKS OF TECHNOLOGICAL DISRUPTION

Innovative technologies under development, potentially more effective, safer and/or less costly, or others not yet known, could be brought to market in the not-too-distant future.

To anticipate these possible developments, the Company has a team in charge of technology watch, which keeps abreast of recent research and the latest advances in our fields of activity.

However, the Company may fail to properly assess the technological, IT and commercial opportunities that these new technologies could offer and potentially fall behind the competition.

The Company considers the degree of criticality of this net risk to be moderate, given the Company's innovative market positioning and ongoing investments in new technologies.

REPUTATIONAL RISK

The Company's reputation is essential to the presentation of its products and services, as well as to its strategy of building customer loyalty and winning new markets. The Company's success over the next few years will therefore be largely dependent on its reputation and reliability in terms of the quality of the products and services it offers. This reputation has already enabled the company to consolidate its market share and has contributed significantly to its development.

The Company could be weakened if a bad experience by 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 concerning 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 events described in this section could have a negative impact on the Company (deterioration in the Company's reputation, loss of attractiveness of the Group's products, impact on the Company's sales and profitability).

INTERNATIONAL DEVELOPMENT RISKS

International development is an important part of the Company's growth strategy. To extend its leadership in Europe, the company, which offers its solutions in 10 European countries, has set up its first foreign subsidiaries in Germany (Düsseldorf), the UK (London area) and the Netherlands (Amsterdam). The international scope of the Company's activities adds to the complexity and risk inherent in its business. Various risks are associated with this international expansion, including :

- Subjection to different legal and regulatory requirements, taxation or commercial laws;
- The possible occurrence of unexpected changes in the legal, political or economic framework of the countries in which the Company supplies or sells its products;
- The difficulty of identifying, recruiting and retaining talented and skilled employees in foreign countries;
- The need to adapt product offerings to the local market and to local practices and cultural standards, and the need to compete with other competitors who may have a better knowledge of the local market;
- Differences in social regulations from one country to another ;
- Limitations on the Company's ability to reinvest profits from its operations in one country to finance the capital requirements of its operations in other countries;
- Fluctuations in exchange rates against the euro for the Company's operations outside the euro zone;
- Increased costs related to the Company's international presence;
- Changing regulations from one country or region to another regarding data security and unauthorized access to and use of commercial and personal information;
- Limited or unfavorable intellectual property protection in some countries.

Furthermore, although the Company is no longer feeling the effects of the Covid 19 health crisis, as business has now returned to normal, the Group could once again be exposed to the risk of a pandemic such as Covid 19.be exposed again to the risk of a pandemic like Covid 19 in 2020 and 2021, particularly in view of its growing international presence.

The Company considers the degree of criticality of this net risk to be moderate, given that the events described in this section could have a negative impact on the Company (damage to the Company's reputation, loss of attractiveness of the Group's products, impact on the Company's sales and profitability levels, as well as on its development and prospects.

Legal risks

INTELLECTUAL PROPERTY RISKS

The company currently holds 67 patent families, 36 trademarks and 35 designs. It has also obtained several VIGIK brand licenses for products it designs, manufactures and markets. The Company's success depends, among other things, on its ability to obtain, maintain and protect its patents, trademarks, designs and other intellectual property rights (such as trade secrets and know-how).

The Company is very active in protecting its intellectual property rights, and relies on the advice of two specialist law firms, one dealing with patents, the other with trademarks, models and logos.

Moreover, in the context of its development projects, the Company cannot be certain that the confidentiality of its unpatented technologies or industrial secrets will be effectively guaranteed by the safeguards in place, and that in the event of infringement, satisfactory remedies will be available. In such cases, the Company requires confidentiality agreements to be signed (notably in the context of partnership agreements). In fact, the Company's own unpatented and/or unpatentable technologies, processes, know-how and data are considered to be trade secrets, which the Company endeavors in part to protect through such confidentiality agreements, where appropriate.

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.

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 that could be relevant to the project, notably to ensure that, if it succeeds in removing the technological barriers identified, the Company will have the freedom to exploit its innovation. Then, after obtaining approval for the patents filed, 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 business sector is very large, with high levels of technical complexity on closely related technologies, which increases the likelihood of facing claims for unauthorized use of third-party patents;
- The events described in this section could have a significant negative impact on the Company (loss of competitive advantages, impact on sales and profitability, risk of litigation).

Financial risks

RISK ON FINANCING REQUIREMENTS

To date, the Company's annual cash requirements have been met by means of capital increases, public funding for innovation (BPI repayable advance), the Research Tax Credit, the Innovation Tax Credit and bank loans. (BPI repayable advance), Research Tax Credit, Innovation Tax Credit and bank loans.

The Company will continue 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 new sources of financing, in particular through bank financing enabling a leverage effect, through the issue of financial instruments classified as financial liabilities, or through the issue of new shares.

The Company's ability to raise additional funds will depend on financial, economic and market conditions, as well as other factors over which it has little or no control. Furthermore, the Company cannot guarantee that additional funds will be made available when required, or that such funds will be available on acceptable terms.

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

Furthermore, to the extent that the Company raises capital by issuing new shares or other financial instruments that may eventually 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 is taking steps to obtain the financing needed to develop its business;
- The events described in this section could have a significant negative impact on the Company (hindering the development of the Company's business, impacting sales and profitability).

1.8.2 INSURANCE AND RISK COVERAGE

The Company has put in place a policy of covering the main insurable risks with guarantee amounts that it considers compatible with the nature of its business.

Expenses incurred by the Company in respect of all insurance policies amounted to €212k for the year ended December 31, 2023 and €221k for the year ended December 31, 2024.

The Company's main insurance policies are as follows:

Type of insurance	Main warranties
Freight transport	Purchasing supplies Sales Own account
Buildings	Material damage to insured property Loss of rent and/or loss of use/financial losses Costs and losses (including insured expert's fees, costs of excavation and security) Responsibilities
Car fleet	Company fleet Occasional assignments with use of personal vehicle
Multi-risk	Fire and related risks Flight Ice breakage Machinery breakdown Operating losses
Professional liability	Damage before, during and after delivery Defense Recourse
Global secure	Employee travel assistance
Key men	Accident/Sickness death and disability (AD&D) benefit Permanent Total Disability
Civil liability	Corporate officers Directors
Data theft/hacking and cyber-attacks	Violation of personal data Damage to confidential data Operating loss Cyber-responsibilities Virus

A detailed summary of the policies taken out is given 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 INTERNAL CONTROL OBJECTIVES

The internal control system implemented by Group companies is designed to ensure :

- Compliance with laws and regulations,
- Application of instructions and guidelines set by General Management,
- The smooth operation of processes, particularly those designed to safeguard assets,
- The reliability of financial information, and
- Overall, the system contributes to the control of activities, the effectiveness of operations and the efficient use of resources.

As with any control system, it cannot provide an absolute guarantee that all risks are under control. Its primary aim is to reduce the probability of occurrence and the potential impact of such events, by taking appropriate action.

1.9.2 PREPARATION OF FINANCIAL INFORMATION

Planning, management and reporting processes

The budget preparation and monthly monitoring procedures are as follows:

- At the end of the year, a detailed budget is drawn up for the following year by General Management. This budget is then presented to the Board of Directors.
- A monthly meeting of the Executive Committee is held to monitor and measure variances against the budget, and to determine the corrective actions to be implemented.

Financial statement closing procedures

The Group prepares a monthly report on certain key indicators and a half-yearly closing of its complete consolidated financial statements. These transactions are carried out by the accounting firm that has supported the Company since its creation.

A chartered accountant prepares tax returns, consolidated financial statements and IFRS consolidation returns. The accounts are then audited by the statutory auditors and approved by the Board of Directors.

Applicable standards

Generally speaking, all the Company's accounting options are defined by management and then discussed with the statutory auditors. The Group's consolidated financial statements have been prepared in accordance with IFRS. The Company's financial statements are prepared in accordance with French generally accepted accounting principles.

1.10 ELEMENTS OF THE MANAGEMENT REPORT PRESENTED ELSEWHERE IN THE ANNUAL FINANCIAL REPORT

The elements of the management report are set out in full in various sections of this document:

- Interest rate and currency hedging policy and risk factors - section 3.6.2 of the chapter on the consolidated financial statements ;
- Information on corporate governance - section 2.1 of the corporate governance report ;
- 5-year financial summary - section 4.4 of the Company financial statements ;
- Information on share capital, shareholders and transactions involving treasury shares - section 2.4 of the chapter on corporate governance ;
- Statement of employee shareholding as at the last day of the financial year - section 2.4.10 of the chapter 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, the purpose of this report by the Board of Directors on corporate governance is to report to shareholders:

- The composition, operation and powers of the Board ;
- Preparation and organization of the Board's work;
- Remuneration of corporate officers ;
- Agreements between an executive or a significant shareholder and a subsidiary ;
- Terms and conditions governing shareholder participation in the Annual General Meeting.

Since June 2018, the Company has referred to the Middlenext Corporate Governance Code, updated in September 2021. The Code can be consulted on the www.middlenext.com website.

In addition, in accordance with recommendation R22 of the Middlenext Code, the Board of Directors has taken note of the elements presented in the "points to watch" section, which are essential provisions of the Code, and declares that it has reviewed them in preparing this report.

All the Code's recommendations have been studied, and the Company complies with them or provides detailed explanations.

For the year ended December 31, 2024, in addition to the information contained in this report, the status of application of the recommendations of the Reference Code is as follows:

Recommendations of the MiddleNext Code	Compliant	Plans to conform	Consider no appropriate
R1: Board member ethics	X		
R2: Conflicts of interest	X (1)		
R3: Composition of the Board - Presence of independent members on the Board	X (2)		
R4 : Information for Board members	X		
R5: Training of Board members	X (3)		
R6: Organization of Board and Committee meetings	X		
R7: Setting up committees	X		
R8: Set up a specialized committee on corporate social responsibility (CSR)	X (4)		
R9: Establishment of Board rules of procedure	X		
R10 : Choice of each administrator	X		
R11: Terms of office of Board members	X		
R12: Director's compensation	X		
R13: Implementation of an assessment of the Board's work	X		
R14: Shareholder relations	X (5)		
R15: Diversity and equity policy within the company	X (6)		
R16: Definition and transparency of executive compensation	X		
R17: Preparing 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 share grants	X (7)		
R22: Review of vigilance points	X		

(1) In accordance with recommendation R2 of the Middlenext Code, and the procedure set out in article 9.4 of the Board of Directors' internal rules, the secretary responsible for drawing up the minutes of the Board of Directors applies the procedure for disclosing and monitoring conflicts of interest, which consists, at the start of each Board of Directors' meeting convened to approve the annual financial statements, in openly asking all directors whether or not they are in a situation of conflict of interest. At the start of each Board meeting convened to approve the annual financial statements, all directors are asked openly whether or not they are in a conflict of interest situation, and reminded of their duty to abstain from taking part in any deliberations or voting. If there is any doubt as to whether or not a conflict of interest exists, the directors not concerned may deliberate and vote by a show of hands on whether to remove the director in question from the meeting room. In the event of a tie, the independent director has the casting vote. In addition to reinforcing the disclosure of such conflicts, and in order to ensure that they are monitored, the Board of Directors deliberates annually to take stock of the existence of such conflicts of interest and, where necessary, to manage them. This procedure has been renewed, and no conflict of interest situations came to light during the year.

(2) The Company's Board of Directors comprises 5 directors, including 2 independent directors, Brigitte Geny and Dominique Druon. The Company therefore complies with recommendation R3 of the Middlenext Code.

(3) In accordance with recommendation R5 of the Middlenext Code, and as part of the provisions set out in article 11 of the Board of Directors' internal rules, training and awareness-raising days on new CSRD theorCSRD topics were organized with specialized consulting firms for members of the Board of Directors, the Executive Committee and a large number of the company's managers. The Board of Directors, the Chairman and Chief Executive Officer, and most of the Company's management bodies met on four occasions for a day-long plenary session. 4 times in one-day plenary sessions, in order to build together the Company's CSR strategy and integrate the new regulatory obligations. In addition, site visits were organized on a regular basis to enable the directors to gain a thorough understanding of the Company's operating challenges.

(4) In accordance with recommendation R8 of the Middlenext Code, the Board of Directors, meeting on September 26, 2023, decided to set up a CSR Committee. Article 10 of the Board of Directors' internal rules stipulates that the role of the CSR Committee is to consider the sharing of value and, in particular, the balance between the level of remuneration for all employees, the remuneration of risk-taking by the shareholder and the investments required to ensure the long-term viability of the company.between the level of remuneration for all employees, remuneration for the shareholder's risk-taking and the investments needed to ensure the company's long-term viability. In 2024, this reflection developed around the Group's CSR strategy. The CSR Committee meets as often as necessary, convened by its Chairman, who sets the agenda for each meeting, taking into account any proposals made by Committee

members. The current members of the CSR Committee are Dominique Druon, Brigitte Geny and Patrice Guyet. It is chaired by Brigitte Geny, an independent director.

(5) In accordance with recommendation R14 of the Middlenext Code, the Board of Directors meeting on April 08, 2025 paid particular attention to negative votes and analyzed the votes of minority shareholders on the resolutions of the Annual General Meeting held on June 24, 2024.

(6) In accordance with recommendation R15 of the Middlenext Code, the Board of Directors, at its meeting of April 08, 2025, reviewed the report submitted by the Company's Human Resources Department on its policy on equal opportunity and equal pay, as well as on diversity and fairness.In accordance with the Middlenext Code's recommendation R15, the Board of Directors, at its meeting on December 31, 2024, took note of the report submitted by the Company's Human Resources Department on its policy on equal opportunity and equal pay, as well as on diversity and fairness, with particular reference to the gender balance and the results achieved during the year ended December 31, 2024. It has examined the checks and means implemented within the Company to achieve gender balance and equity.

(7) At its meetings of March 26, 2024 and December 12, 2024, the Board of Directors set up a number of bonus share plans for Group employees (under the conditions described in section 1.1 of the Management Report).

. 2.1.1 THE BOARD OF DIRECTORS

Composition of the Board of Directors

Since June 22, 2023, the Board of Directors has comprised five members as follows:

First name, Last name, Function	Member Independent	First date appointment	Deadline mandate	Committee strategic	CSR Committee	Experience and expertise provided
Roger LECLERC, Chairman	No	April 23, 2018	2027 AGM to approve 2026 financial statements	Chairman		Chairman and Chief Executive Officer since inception Research & Development
Brigitte GENY	Yes	June 22, 2023	2026 AGM to approve 2025 financial statements	Member	President	Experience in auditing, finance and legal management, risk management and CSR.
Dominique DRUON	Yes	June 22, 2023	2026 AGM to approve 2025 financial statements	Member	Member	Leader of major listed groups in technological innovation, entrepreneur, governance consultant for listed and unlisted companies.
Patrick FRUNEAU	No	April 23, 2018	AGM 2025 convened to approve 2024 financial	Member		Technical expertise Research & Development
Patrice GUYET	No	April 23, 2018	2026 AGM to approve 2025 financial statements		Member	Production and finance

Table showing the composition of the Board of Directors and its Committees, in accordance with recommendation R3 of the Middlenext Code. The maximum term of office is 3 years. Certain directors have been appointed for shorter terms, in compliance with the Company's bylaws, in order to enable staggered terms of office in accordance with recommendation R11 of the Middlenext Code.

The Annual General Meeting of June 24, 2024 reappointed Roger Leclerc as a director for a further 3-year term, until the close of the Annual General Meeting to be held in Meeting called to approve the financial statements for the year ending December 31, 2026, to be held in 2027. At its meeting on June 24, 2024, the Board of Directors also reappointed Roger Leclerc as Chairman and Chief Executive Officer for the duration of his directorship.

LIST OF OFFICES AND POSITIONS HELD BY EACH MEMBER OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2024

Name	Company	Position/ Mandate
Roger LECLERC	COGELEC SA	Chairman of the Board of Directors and Chief Executive Officer
	COGELEC DEVELOPPEMENT	Chairman
	INTRATONE GMBH	Manager
	INTRATONE UK	Manager
	INTRATONE BV	Manager
	SRC	Chairman of HRC, Chairman of SRC
	HRC	Chairman
	SCI LA CRUME	Manager
	CHOISY SERVICES	Manager
	SCEA G&E	Manager
Brigitte GENY	COGELEC SA	Director
	FINANCIAL PERFORMANCE	President
	DFCG	Vice-Chairwoman of the Ile-de-France Bureau
	High Audit Authority (H2A)	Member of the Collège (as a qualified person in the field of sustainability information certification)
	EXOSENS Group	Independent director, Chairman of the Audit Committee and member of the CSR
	BIOSYNEX Group	Independent director, Chairwoman of the CSR Committee
Dominique DRUON	COGELEC SA	Director
	CONSTELLA CONSEIL	President
	ENTECH SMART ENERGIES	Lead Director, member of the Audit and Strategy Committees, Chairman of the Governance, Appointments and Compensation Committee
	LIGHTON	Independent director, member of the Audit Committee, Chairman of the Nomination/Compensation Committee
Patrick FRUNEAU	COGELEC SA	Director
Patrice GUYET	SC PRONOIA	Manager
	COGELEC SA	Director
	SAS HESTIA	Chairman
	PRONESTIA LTD	Manager of PRONOIA, Chairman

INDEPENDENCE OF DIRECTORS

Brigitte GENY and Dominique DRUON have been the Board's two independent directors since the Annual General Meeting of June 22, 2023. They meet the five criteria for independence set out in recommendation R3 of the Middlenext Code. The Company also complies with the Middlenext Code, which recommends that the Board include at least two independent directors.

The Company does not rule out the possibility of proposing the appointment of other independent directors in the future.

NO CONVICTIONS FOR FRAUD

To the best of the Company's knowledge, at the date of preparation of this report :

- No member of the Board of Directors has been convicted of fraud in the last five years;
- No official public incrimination and/or sanction has been pronounced against any member of the Company's Board of Directors by statutory or regulatory authorities (including designated professional bodies);
- No director has been disqualified by a court from acting as a member of an administrative, management or supervisory body, or from participating in the management or conduct of the affairs of an issuer.

ABSENCE OF POTENTIAL CONFLICTS OF INTEREST

To the best of the Company's knowledge, there is no potential conflict of interest between the duties to the Company of members of the Board of Directors and Executive Board and their private interests.

Board mission

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

The Board of Directors :

- Appoints and dismisses the Chairman and Chief Executive Officer, sets their remuneration, and defines the scope and duration of their powers;
- Appoints the members of the specialist committees attached to it;
- Examines and validates the orientations of the Company's activities and oversees their implementation, deals with any issue concerning the smooth running of the Company and settles, through its deliberations, matters that concern it;
- Carries out any checks and verifications it deems necessary;
- Reviews and validates the plans put in place to deal with the Company's main risks, as well as internal control plans, regularly monitors the Company's activity and performance, and ensures transparency in the communication of information;
- Implements and monitors restrictions on the powers of executive directors.

How the Board works

In accordance with recommendation R9 of the Middlenext Code, the Board of Directors has adopted a set of internal rules, the latest update of which was approved on September 26, 2023.

In accordance with recommendation R1 of the Middlenext Code, each member of the Board is made aware of his or her responsibilities and obligations, in particular at the time of appointment, by receiving a copy of the rules of procedure.which sets out the rights and duties of Board members, the Board's operating procedures and the rules of professional conduct they are required to apply.

DUTIES OF THE CHAIRMAN OF THE BOARD

The Chairman of the Board of Directors organizes and directs the work of the Board, on which he reports to the Annual General Meeting. He ensures that the Company's governing bodies operate smoothly, and in particular that the directors are able to fulfill their duties.

FREQUENCY OF MEETINGS

The Board meets as often as required by the Company's interests or by law, and at least once a quarter. It met four times during the year.

The average attendance rate for the 4 meetings held in fiscal 2024 was 100%. Board meetings are convened by the Chairman at the registered office. The Board of Directors now also meets in the form of an Audit Committee, in order to carry out a preliminary and more in-depth review of the Group's interim and annual financial statements in the presence of the statutory auditors. Lastly, and in accordance with recommendation R6 of the Middlenext Code, Board members exchange views with each other regularly and informally outside the framework of meetings.

During fiscal 2024, the Board reviewed and approved the interim and annual financial statements, authorized the tacit renewal of the service contract with HRC S. A.S., and set up bonus share plans for Group employees (under the conditions described in section 1.1 of the Management Report). The Board also renewed Mr Roger Leclerc's appointment as Chairman and Chief Executive Officer under the same terms, and proposed that shareholders renew the appointment of DELOITTE as statutory auditors.

CONVOCATION OF DIRECTORS

Directors are invited to attend by e-mail (and given advance notice by telephone). An agenda is attached to the invitation, and a working file is sent by e-mail prior to the meeting.

INFORMATION FOR DIRECTORS

In accordance with recommendation R4 of the Middlenext Code and the conditions specified in the internal regulations, Board members receive the documents they need to carry out their duties in sufficient time before meetings and are regularly sent operating reports.

MINUTES OF MEETINGS

Minutes of Board meetings are drawn up at the end of each meeting and approved at the following Board meeting.

2.1.2 BOARD OF DIRECTORS' COMMITTEES

The Board has a Strategy Committee and a CSR Committee. The purpose of the committees is to improve the Board's operating procedures and contribute effectively to the preparation of its decisions.

Strategic Committee

On December 7, 2020, COGELEC shares were transferred from the Euronext Paris regulated market to the Euronext Growth Paris market. Euronext Growth Paris, so that since that date, the Company is not required to set up an audit committee, in accordance with the provisions of articles L. 821-67 and L. 821-68 of the French Commercial Code. In addition, the "say on pay" regulations governing the remuneration of corporate officers no longer apply to the Company, due to the above-mentioned transfer, making it less necessary for the Appointments and Remuneration Committee to meet.

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

The role of the Strategy Committee is to support and accompany the company's strategy with regard to short-, medium- and long-term projects. It presents the Board of Directors with the reports, studies or other investigations it has carried out, and formulates any opinions or recommendations it deems appropriate, subject to the Board of Directors' assessment of the action it intends to take. It meets as often as necessary, convened by its Chairman.

Since September 26, 2023, the Strategy Committee has comprised four members: Patrick FRUNEAU, Dominique DRUON, Brigitte GENY and Roger LECLERC, who has been appointed Chairman of the Committee for the duration of his directorship.

The Strategy Committee meets under the terms of article 10 of the Board of Directors' internal rules, as often as necessary, at the invitation of its Chairman.

The Strategy Committee met once in fiscal 2024.

CSR Committee

At its meeting on September 26, 2023, the Board of Directors amended article 10 of the Board of Directors' internal rules to create a legal framework for the creation of a CSR committee. Until then, the Board of Directors was able to meet in CSR formation (without setting up an *ad hoc* committee, since the Board of Directors comprised only four directors).

The CSR Committee's mission is to reflect on the sharing of value and, in particular, on the balance between the level of remuneration for all employees, remuneration for the shareholder's risk-taking and the investments required to ensure the company's long-term viability. It meets as often as necessary, convened by its Chairman.

Since September 26, 2023, the Strategic Committee has comprised three members: Dominique DRUON, Brigitte GENY and Patrice GUYET. It is chaired by Brigitte GENY, an independent director.

During fiscal 2024, the CSR Committee met on numerous occasions, systematically before each Board meeting and then at each stage of validation of the work, in order to support the Company in the construction of its sustainability report: selection of consulting firms, implementation of training and awareness-raising initiatives, formalization of the Group's CSR commitment, construction of CSRD reporting (double materiality matrix, business model, value chain, stakeholder mapping, review of risks and opportunitiesDefinition of selection criteria for sustainability auditors - Regulatory watch - Review of budgetary items - ESG questionnaires and assessments (Ethifinance and RAISE)

2.1.3 GROUP GENERAL MANAGEMENT

General Management provides the Board of Directors with its expertise in developing and monitoring the strategy approved by the Board. It makes every effort to ensure that the company is properly managed and that the budget approved by the Board of Directors is achieved.

Chairman and Chief Executive Officer

At 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 on behalf of the Company in all circumstances. It exercises these powers within the limits of the corporate purpose, subject to those powers expressly granted to Shareholders' Meetings and the Board of Directors by the French Commercial Code. He represents the Company in its dealings with third parties.

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

- Acquire or dispose of all direct or indirect equity interests in existing or future companies, participate in the creation of all companies, groups and organizations, and subscribe to all issues of shares, corporate units or bonds, where the Company's financial exposure exceeds five million euros (€5,000,000) for the transaction in question.
- To make all contributions and exchanges of assets, securities or valuables (excluding current account contributions by the Company to its subsidiaries), in an amount exceeding five million euros (€5,000,000);
- In the event of litigation, enter into all agreements and transactions, accept all compromises, for an amount exceeding one million euros (€1,000,000);
- Any acquisition or sale of real estate in excess of three million euros (€3,000,000);
- To grant or contract all loans, borrowings, credits and advances by the Company, or to authorize the Company's subsidiaries to do so, for an amount exceeding five million euros (€5,000,000);
- Acquire or sell, by any means, all receivables in excess of one million euros (€1,000,000);
- Grant guarantees, sureties and endorsements in an amount exceeding one million euros (€1,000,000).

Executive 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 to optimize the company's management and growth. It provides a forum for dealing with important issues requiring management decisions, strategic communications, and the opportunity to bring structuring information up and down, as well as a meeting to analyze key figures for departments and projects.

It is composed of 5 members:

- Roger LECLERC, Chairman and Chief Executive Officer
- Victor d'ALLANCE, International Development Director
- Véronique POCHET, Financial Director
- Anne FONTENEAU, Human Resources Director
- Eric NICOLE, Technical Director

2.2 COMPENSATION INFORMATION

2.2.1 COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

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

	Compensation awarded in respect of fiscal 2023	Compensation awarded in respect of fiscal 2024
Fixed	300 K€	300 K€
Variable	260 K€	296 K€
Exceptional	None	None
Total	**560 K€**	**596 K€**

The performance targets (EBITDA of at least €10m) on which Roger Leclerc's variable compensation is based have been met, and he will therefore also receive variable compensation in 2024.

2.2.2 COMPENSATION OF OTHER CORPORATE OFFICERS

Compensation paid to members of the Board of Directors

	Compensation awarded in respect of fiscal 2023	Compensation awarded in respect of fiscal 2024
Roger Leclerc	None	None
Brigitte Geny	€12k	€20k
Dominique Druon	€12k	€20k
Patrick Fruneau	None	None
Patrice Guyet	None	None
Total	**€24k**	**€40k**

At its meeting on April 22, 2024, the Board of Directors decided to grant Brigitte Geny and Dominique Druon the sum of Dominique Druon the sum of €12k each, in accordance with the directors' remuneration policy approved by the Board of Directors on April 26, 2023.

The other members of the Board of Directors received no remuneration in their capacity as corporate officers.

At its meeting on April 22, 2024, the Board of Directors amended the directors' remuneration policy with effect from the 2024 financial year, raising the annual amount to be allocated among the directors to €40k, within the overall limit set by the shareholders.The Annual General Meeting of June 24, 2024 also set the maximum aggregate annual amount of directors' remuneration to be allocated among them for the 2024 financial year at €40k. At its meeting on April 08, 2025, the Board of Directors decided to allocate the sum of €20k each to Brigitte Geny and Dominique Druon in respect of the 2024 financial year.

The other members of the Board of Directors received no remuneration in their capacity as corporate officers.

2.3 OTHER INFORMATION IN THE CORPORATE GOVERNANCE REPORT

2.3.1 AGREEMENTS BETWEEN OFFICERS OR SIGNIFICANT SHAREHOLDERS AND THE COMPANY'S SUBSIDIARIES

No agreements were entered into during the 2024 financial year between an officer or 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

One regulated agreement was entered into in fiscal 2024. This concerns the agreement entered into between COGELEC and 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, April 20, 2021, March 30, 2022, March 23, 2023 and March 26, 2024. This is an agreement under which HRC S.A.S. provides commercial and technical services.

There are no other regulated agreements in force within the Company which were entered into in a previous year and which remained in force during the year.

2.3.3 SHAREHOLDERS' MEETINGS

Shareholders' Meetings are convened under the conditions fixed by law and regulations. They are held at the registered office or at any other location as indicated in the notice of meeting.

The right to participate in Shareholders' Meetings is evidenced by the registration of shares in the share register under the conditions and within the time periods stipulated by law.

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

In accordance with recommendation R14 of the Middlenext Code, management is also available to shareholders who wish to discuss or obtain information outside General Meetings. The Board of Directors also pays particular attention to, and analyzes annually, the way in which the majority of minority shareholders expressed their views at the Annual General Meeting.

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

The Company signed a machine-to-machine partnership and services contract with Société Française du Radiotéléphone (SFR) on October 18, 2011, subsequently amended by several riders.

The purpose of this contract is to make SIM cards and related services available to the Group, in order to equip products marketed by the Group, in return for payment of a price by the Company in accordance with the pricing conditions set out in the contract. The contract covers more than 50 zones in addition to France.

The contract was signed for an initial term expiring on December 31, 2012. Since then, it has been tacitly renewed for 12-month periods, unless terminated by either party. The contract also provides for several cases of termination at SFR's discretion (e.g: misuse of SIM cards, expiry or withdrawal of SFR's establishment and operating authorizations, 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 SHARE CAPITAL INFORMATION

2.4.1 SHARE CAPITAL

At December 31, 2024, share capital stood at €4,004,121.60 comprising 8,898,048 shares with a par value of €0.45 all of the same class and fully paid up.

	01/01/2024	31/12/2024
Number of shares	8 898 048	8 898 048
Of which shares with double voting rights	5 347 828	5 348 508
Of which shares without voting rights	499 996	603 716
Nominal €	0,45 €	0,45 €
Capital in euros	**4 004 122**	**4 004 122**

2.4.2 CHANGES IN SHARE CAPITAL

The Company did not carry out any capital transactions in fiscal 2024.

2.4.3 CAPITAL STRUCTURE AND NUMBER OF VOTING RIGHTS AT DECEMBER 31, 2024

At December 31, 2024				
Breakdown of capital and voting rights	Number of shares	% of capital	Number of voting rights	% of voting rights
SAS SRC (1)	5 347 065	60,09%	10 694 130	78,39%
PUBLIC	2 947 247	33,12%	2 947 247	21,61%
SAS HRC (2)	20	0,00%	40	0,00%
COGELEC (3)	603 716	6,78%	0	0,00%
TOTAL	**8 898 048**	**100%**	**13 641 417**	**100%**

(1) SAS with share capital of €2,808,326, headquartered at 370 rue de Maunit, 85290 Mortagne-sur-Sèvre, registered with the RCS of La Roche-sur-Yon under number 802 817 585.

(2) SAS with share capital of €2,126,576, headquartered at Chambrette, 85130 Les Landes-Genusson, registered with the RCS of La Roche-sur-Yon under number 451 628 309. HRC's majority shareholder is Roger Leclerc.

(3) Treasury shares

2.4.4 OWNERSHIP AND CONTROL

The company is currently 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.

Applying the recommendations of the Middlenext Code, and in particular the composition of the Strategy Committee, ensures that the interests of minority shareholders are protected.

2.4.5 MANAGEMENT TRANSACTIONS

In accordance with article L.621-18-2 of the French Monetary and Financial Code and Article 19 of EU Regulation no. 596/2014 of April 16, 2014 on market abuse, it is hereby specified that no transaction was carried out by the Company's officers, or a related person, on the COGELEC share during the 2024 financial year.

2.4.6 SHAREHOLDERS' AGREEMENT

A shareholders' agreement was signed on July 22, 2021 between the seven partners of COGELEC Développement. The main stipulations 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 undertaking to retain COGELEC shares is currently in force.

2.4.8 SHAREHOLDING THRESHOLDS

Any individual or legal entity 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 disclosure requirements laid down by the law within the prescribed timeframe. The same information is also given when the shareholding or voting rights fall below the legal thresholds.

If shares are not declared in accordance with the above conditions, they are stripped of their voting rights in accordance with the provisions of the French Commercial Code.

2.4.9 DELEGATIONS AND AUTHORIZATIONS RELATING TO CHANGES IN SHARE CAPITAL

In accordance with the provisions of Article L. 225-37-4, 3° of the French Commercial Code, the table below summarizes the authorizations to issue shares and share equivalents outstanding at December 31, 2024, and the use made of these authorizations during the year ended December 31, 2024.

The Annual Shareholders' Meeting of June 24, 2024 granted the Board of Directors certain powers to increase the Company's capital, with the option to sub-delegate these powers in accordance with the law:

Object	Date Assembly General	Duration of the delegation	Ceiling/Limit	Use made of these delegations
Authorization for the Board of Directors to trade in the Company's shares	June 24, 2024	18 months	5 000 000 € 10% of share capital	Delegation of authority used by the Board of Directors at its meeting on December 12, 2024 to renew, under the same terms, the share buyback program to cover the Company's bonus share plans (see sections 1.1 and 1.4.3 of the Management Report).
Delegation of authority to the Board of Directors to issue, with pre-emptive subscription rights, shares and/or securities giving access to new shares in the Company	June 24, 2024	26 months	2 300 000 € *	None
Delegation of authority to the Board of Directors to issue, without pre-emptive subscription rights, shares and/or securities giving access to new shares in the Company in accordance with Article L. 225-136 of the French Commercial Code, notably as part of a public offering	June 24, 2024	26 months	2 300 000 € *	None
Delegation of authority to the Board of Directors to issue shares and/or securities giving access to new shares, without pre-emptive subscription rights for a category of persons.**	June 24, 2024	18 months	2 300 000 € *	None
Authorization for the Board of Directors to increase the number of shares to be issued in connection with issues carried out with or without pre-emptive subscription rights, in accordance with Article L. 225-135-1 of the French Commercial Code.	June 24, 2024	26 months	2 300 000 € * Up to 15% of the initial issue	None

Object	Date Assembly General	Duration of the delegation	Ceiling/Limit	Use made of these delegations
Delegation of authority to the Board of Directors to issue shares and/or securities giving access to new shares in the Company reserved for employees who are members of a company savings plan, without pre-emptive subscription rights for existing shareholders.pargne entreprise, with waiver of preferential subscription rights in their favor, of shares and/or securities giving access to new shares in the Company in accordance with article L. 225-129-6 of the French Commercial Code	June 24, 2024	26 months	1% of share capital *	None
Authorization to be given to the Board of Directors to allot bonus shares, without pre-emptive subscription rights, to eligible employees and officers of the Company and its affiliates.	June 24, 2024	38 months	15% of share capital	Authorization used by the Board of Directors at its meeting on March 26, 2024 to set up bonus share plans for members of the Group Executive Committee, *local* managers of Group subsidiaries, and certain high-potential employees and key contributors to the Groupon December 12, 2024 to set up new free share plans for the benefit of high-potential employees and key contributors to the Group, the British subsidiary and the German subsidiary (see section 1.1 of the management report).
Authorization to be given to the Board of Directors to grant share subscription or purchase options, without pre-emptive subscription rights, to eligible employees or officers of the Company or its affiliates.	June 24, 2024	38 months	10% of share capital	None
Delegation of powers to the Board of Directors to increase share capital by capitalizing reserves, premiums, profits or other items, in accordance with article L. 225-130 of the French Commercial Code.	June 24, 2024	26 months	The share capital may be increased on one or more occasions, in the proportions and at the times the Board of Directors deems appropriate.	None
Authorization for the Board of Directors to reduce the share capital by canceling shares	June 24, 2024	24 months	10% of share capital per 24-month period	None

*the maximum nominal amount of capital increases, whether immediate or deferred, that may be carried out is deducted from the overall limit of €2,300,000 on authorizations to issue shares for cash (16th resolution of the Annual General Meeting of June 24, 2024).

** definition of the category of persons : (i) French or foreign investment companies or funds managing collective savings schemes, investing on a regular basis or having invested over the past 36 months more than €5 million in small and mid caps operating in the security and/or new technology sectors, or (ii) French or foreign companies or groups operating in these sectors, or (iii) French or foreign companies or groups that have entered into a partnership with the Company in connection with the conduct of its business, or (iv) creditors holding liquid claims, whether due or not, on the Company who have expressed their wish to have their claim converted into shares in the Company and for whom the Board of Directors of the Company deems it appropriate to offset their claim against shares in the Company.

2.4.10 EMPLOYEE SHARE OWNERSHIP AT THE END OF THE YEAR

The Company has set up a company savings plan.

As the Company has exceeded the 50-employee threshold, statutory employee profit-sharing is calculated on the basis of the year's results.

3. CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2024

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

3.1 CONSOLIDATED BALANCE SHEET

3.1.1 ASSETS

ASSETS	Notes	31/12/2024	31/12/2023
Intangible fixed assets	**3.6.7.1**	8 711	7 177
Property, plant and equipment	**3.6.7.2**	13 216	13 374
Investments in associates		330	400
Other financial assets	**3.6.7.3**	536	506
Other non-current assets	**3.6.7.4**	8 561	7 119
Non-current tax assets	**3.6.7.5**		
Total non-current assets		**31 354**	**28 575**
Inventories and work-in-progress	**3.6.7.6**	20 846	16 028
Accounts receivable	**3.6.7.7**	16 493	16 445
Other current assets	**3.6.7.7**	4 599	4 035
Current tax assets	**3.6.10.1**	80	1 336
Cash and cash equivalents	**3.6.7.8**	24 627	22 489
Total current assets		**66 645**	**60 332**
TOTAL ASSETS		**97 999**	**88 909**

3.1.2 LIABILITIES

LIABILITIES	Notes	31/12/2024	31/12/2023
Share capital	**3.6.7.9 and 3.5**	4 004	4 004
Additional paid-in capital	**3.5**	4 799	4 799
Other comprehensive income	**3.5**	-365	-112
Consolidated reserves, Group share	**3.5**	-1 736	-3 243
Consolidated net income	**3.5**	5 606	4 505
Equity attributable to equity holders of the parent	**3.5**	**12 308**	**9 953**
Minority interests in consolidated reserves	**3.5**	-2 149	-2 050
Net income attributable to minority interests	**3.5**	58	6
Equity attributable to minority interests	**3.5**	**-2 091**	**-2 044**
Total shareholders' equity		**10 217**	**7 909**
Borrowings and financial liabilities	**3.6.7.10**	12 319	17 402
Provisions for pension commitments	**3.6.7.12**	549	408
Other long-term provisions	**3.6.7.13**	1 678	1 673
Other non-current liabilities	**3.6.7.15**	40 847	34 712
Non-current tax liabilities	**3.6.7.5**	303	615
Total non-current liabilities		**55 696**	**54 810**
Borrowings and financial liabilities	**3.6.7.10**	6 664	7 030
Trade accounts payable	**3.6.7.15**	7 534	6 136
Other current liabilities	**3.6.7.15**	16 221	12 921
Current tax liabilities	**3.6.10.1**	1 667	103
Total current liabilities		**32 086**	**26 191**
TOTAL LIABILITIES		**97 999**	**88 909**

3.2 CONSOLIDATED INCOME STATEMENT

	Notes	31/12/2024	31/12/2023
SALES	**3.6.8.1**	**74 514**	**66 000**
Other operating income		28	24
Purchases consumed	**3.6.8.2**	-29 057	-22 627
Personnel expenses	**3.6.8.3**	-24 820	-21 401
External expenses	**3.6.8.4**	-11 672	-11 318
Taxes		-770	-737
Depreciation and amortization	**3.6.7.1 and 3.6.7.2**	-4 746	-4 861
Charges to/reversals of provisions and impairment losses		-99	-585
Change in inventories of work in progress and finished goods		3 856	-11
Other current operating income and expenses	**3.6.8.5**	118	602
OPERATING INCOME RECURRING		**7 353**	**5 083**
Other operating income and expenses	**3.6.8.6**	-315	-299
OPERATING INCOME	**3.6.4.25**	**7 039**	**4 784**
Income from cash and cash equivalents		746	530
Gross cost of debt		-395	-348
Cost of net financial debt	**3.6.4.25 and 3.6.8.7**	**352**	**182**
Other financial income and expense	**3.6.8.7**	446	140
Income tax expense	**3.6.10.1**	-2 103	-595
Share of profit of other companies accounted for by the equity method		-70	
CONSOLIDATED NET INCOME		**5 664**	**4 511**
Group share		5 606	4 505
Minority interests		58	6
BASIC NET INCOME PER SHARE (in €)	**3.6.4.26**	**0,6758**	**0,5395**
DILUTED EARNINGS PER SHARE (in €)	**3.6.4.26**	**0,6758**	**0,5395**

3.3 COMPREHENSIVE INCOME

	31/12/2024	31/12/2023
RESULTS FOR THE PERIOD	**5 664**	**4 511**
Items recyclable in the income statement		
Currency translation adjustments	-438	-183
Tax on items recognized directly in equity		
Items not recyclable in the income statement		
Tax on items recognized directly in equity	11	-10
Actuarial gains and losses	-43	37
Income and expenses recognized directly in equity		
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**-470**	**-156**
TOTAL INCOME FOR THE PERIOD	**5 194**	**4 355**
Group share	5 241	4 393
Minority interests	-47	-38

3.4 CONSOLIDATED CASH FLOW STATEMENT

In accordance with IAS7, capital expenditure and financing flows relating to leasing and rental contracts are considered as non-cash and therefore excluded from this statement of cash flows (see notes 3.6.9.10 and 3.6.9.13).

	Notes	31/12/2024	31/12/2023
CASH FLOW FROM OPERATING ACTIVITIES			
Net income from continuing operations	**3.2**	**5 664**	**4 511**
Income from companies accounted for by the equity method		70	
Net depreciation, amortization and provisions	**3.6.7.1-3.2-3.3-3.7-3.12-3.13**	4 784	5 259
Reversal of subsidies	**3.6.8.5**	-220	-605
Deferred income recognized in income statement	**3.6.7.15**	-4 762	-4 117
Capital gains and losses	**3.6.9.1**	108	291
Exchange differences on reciprocal agreements		-385	-174
Non-cash expenses (share-based payments)		589	
Cash flow after net cost of debt and tax		**5 849**	**5 164**
Cost of net financial debt	**3.6.8.7**	-352	-182
Income tax expense (including deferred taxes)	**3.6.9.2**	2 002	504
Cash flow before net cost of debt and tax		**7 499**	**5 487**
Taxes paid	**3.6.9.3**	638	-2 853
Change in operating working capital :			
- Other non-current assets	**3.6.9.4**	-1 424	-760
- Stocks	**3.6.9.5**	-4 818	-18
- Customers	**3.6.9.6**	-15	-1 459
- Other current assets (excluding loans and guarantees)	**3.6.9.7**	-611	-34
- Other non-current liabilities	**3.6.9.8**	6 048	4 426
- Suppliers	**3.6.9.9**	1 534	593
- Other current liabilities	**3.6.9.10**	8 261	5 492
	Total	**8 975**	**8 242**
Net cash flow from operating activities		**17 112**	**10 875**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets	**3.6.9.11**	-4 460	-4 201
Disposals of fixed assets	**3.6.9.12**	75	55
Change in loans and advances granted	**3.6.9.13**	-50	-9
Investments in companies accounted for by the equity method			-400
Net cash used in investing activities		**-4 435**	**-4 556**
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid to parent company shareholders	**3.5**	-3 151	-2 437
Cash capital increase	**3.5**		
Own shares	**3.5**	-445	-1 039
Bond issues	**3.6.9.14**	12	2 015
Loan repayments	**3.6.7.15**	-7 319	-5 995
Cost of net financial debt	**3.6.8.7**	352	182
Net cash used in financing activities		**-10 552**	**-7 275**

CHANGE IN CASH AND CASH EQUIVALENTS		**2 125**	**-956**
Opening cash position		22 488	23 438
Closing cash position	**3.6.7.8**	24 626	22 488
Translation adjustments		-13	-5
Change in cash and cash equivalents		**2 125**	**-956**

3.5 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Bonus	Other comprehensive income	Reserves	Net income for the year	Total shareholders' equity	Of which minority interests	Of which Group shareholders' equity
At December 31, 2022	**4 004**	**18 551**	**540**	**-15 735**	**-292**	**7 069**		**7 068**
Movements :								
Appropriation of N-1 profit		-11 315	-541	11 564	292			
Dividends paid by the parent company		-2 437				-2 437		-2 437
Own shares				-1 078		-1 078		-1 078
Actuarial gains and losses			27			27		27
Exchange differences			-183			-183	-44	-139
Partial disposal IT UK							-2 006	2 007
Consolidated net income					4 511	4 511	6	4 505
At December 31, 2023	**4 004**	**4 799**	**-156**	**-5 249**	**4 511**	**7 909**	**-2 044**	**9 953**
Movements :								
Appropriation of N-1 profit			156	4 355	-4 511			
Dividends paid by the parent company				-3 151		-3 151		-3 151
Own shares				-324		-324		-324
Actuarial gains and losses			-32			-32		-32
Exchange differences			-438			-438	-105	-333
Share-based payments				589		589		589
Consolidated net income					5 664	5 664	58	5 606
At December 31, 2024	**4 004**	**4 799**	**-470**	**-3 780**	**5 664**	**10 217**	**-2 091**	**12 307**

The Annual General Meeting of June 24, 2024 resolved (i) to distribute a unit dividend of €0.26 per share (excluding treasury shares), deducted from earnings for the 2023 financial year, and (ii) to distribute an exceptional dividend of €0.12 per share (excluding treasury shares) deducted from distributable reserves, representing a total dividend of €3,151k.

Treasury shares have been restated in accordance with note 3.6.7.9.

3.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.6.1. PRESENTATION OF THE GROUP AND IMPORTANT EVENTS

3.6.1.1 Information about the Company and its business

COGELEC is a Société Anonyme (SA). The IFRS financial statements include the parent company COGELEC and its subsidiaries.

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

Company registration 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 to provide its customers with the best overall offering, 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, COGELEC subscribed to the capital of INTRATONE Gmbh. Its registered office is in Düsseldorf and the company was registered on December 28, 2017. On February 12, 2018, COGELEC subscribed to the capital of London-based INTRATONE LTD. On October 29, 2018, COGELEC subscribed to the capital of Amsterdam-based INTRATONE BV. These companies were created to facilitate the international marketing of INTRATONE products. They are still in the deployment phase.

Under the terms of its distribution contract, COGELEC has assumed the distribution costs of its subsidiaries to the tune of €4.1 million, so that their respective EBIT represents 3.5% of sales, reflecting the sales margin they generate. All these amounts have been correctly neutralized in the consolidated financial statements.

On December 22, 2023, COGELEC acquired a 35% stake for €400k in PORTACONNECT, a company developing a connected solution for remote monitoring of automatic doors and gates. PORTACONNECT is managed by a third party outside the Group, and COGELEC is not involved in the decision-making process. COGELEC has exclusive marketing rights for this solution, and benefits from a new diversification in its product range.
PORTACONNECT is accounted for by the equity method in the Group consolidation.

3.6.1.2 Key events of the 2024 financial year

Setting up bonus share plans

Using the authorization granted by the 9th resolution of the Company's Annual General Meeting of June 22, 2023, the Board of Directors decided at its meeting on March 26, 2024 to renew the share buyback program implemented on November 16, 2022, under the same terms.the same terms the share buyback program implemented on November 16, 2022 to cover future bonus share plans, for a period of 18 months from the date of the aforementioned General Meeting, i.e. until December 22, 2024.

At its meeting on March 26, 2024, the Board of Directors also made use of the authorization granted by the 16th resolution of the Company's General Shareholders' Meeting dated June 22, 2023 to set up several free share plans for the benefit of certain employees of the Company and, more generally, of the Group, including :

(i) Members of the Group Management Committee (with the exception of Roger Leclerc), up to a maximum of 120,000 shares, representing 1.35% of the Company's share capital at the grant date (the "**Plan n°2024-01**");
(ii) (ii) The local managers of the Group's subsidiaries, up to a maximum of 60,000 shares, representing 0.67% of the Company's share capital at the grant date, divided into 20,000 shares each between the manager of the

Group's UK division (the ‘Plan No. 2024-02-01’), the manager of the Group's German division (the ‘Plan No. 2024-02-02’) and the manager of the Group's Dutch division (the “**Plan No. 2024-02-03”**);

(iii) Certain high-potential employees and key contributors to the Group, up to a maximum of 250,000 shares, representing 2.81% of the Company's share capital at the grant date (the "**Plan no. 2024-03**").

All these plans are subject to a 40-month vesting period (without a holding period), i.e. July 26, 2027, and to presence and performance conditions, with the aim of growing the Company and creating value for its shareholders.

The purpose of these plans is to strengthen the existing links between the Company and the Group's employees concerned, by giving them the opportunity to be more closely involved in the future development and performance of the Company and, more generally, of the Group.

In addition, these plans represent a reduced cost for the Company in terms of incentive instruments, and a controlled dilutive effect for shareholders.

Shares issued at the end of the vesting period may be either new ordinary shares or existing shares acquired under the Company's share buyback program, as described in section 1.4.3 of the Management Report.

Using the authorization granted by the 10th resolution of the Company's Annual General Meeting of June 24, 2024, the Board of Directors decided at its meeting of December 12, 2024 to to renew under the same terms the share buyback program implemented on November 16, 2022 to cover future bonus share plans, for a period of 18 months from the date of the aforementioned General Meeting, i.e. up to and including December 23, 2025.

At its meeting on December 12, 2024, the Board of Directors also made use of the authorization granted by the 17th resolution of the Company's General Meeting of Shareholders on June 24, 2024 to set up a new free share allocation plan for the benefit of certain high-potential employees and key contributors to the Group (the "Plan n°2024-03 Bis"), for a maximum of 55,000 shares.

At the same meeting, the Board of Directors also set up a plan for the free allotment of ordinary shares to certain high-potential employees and key contributors in the Group's UK subsidiary (the "Plan no.2024-02-01 Bis") of up to 10,000 shares, and to certain high-potential employees and key contributors of the Group's German subsidiary (the "Plan n°2024-02-02 Bis") of up to 5,000 shares.

The vesting period of these new plans will also expire on July 26, 2027 (without a holding period), as they are subject to presence and performance conditions, with the aim of growing the Company and creating value for its shareholders.

As with Plan 2024-03, the purpose of these new plans is to recognise the operational performance of certain high-potential employees and key contributors to the Group, and to strengthen their links with the Company by giving them the opportunity to be more closely involved in the future development and performance of the Company and, more generally, of the Group. These plans also represent a reduced cost for the Company in terms of motivation tools and, for shareholders, a controlled dilutive effect.

In accordance with IFRS 2, employee compensation settled in equity instruments is recognized under "Employee benefits expense" in the income statement, with a corresponding entry under shareholders' equity.

The total expense is measured at the grant date, taking into account all specific conditions likely to have an impact on fair value, and spread on a straight-line basis over the vesting period.

Taking into account employee departures since the introduction of Plan no. 2024-01, Plan no. 2024-02-01, Plan no. 2024-02-02, Plan no. 2024-02-03 and Plan no. 2024-03, these would result, at the date of this report, in the allocation of 385,000 shares. For this purpose, it was assumed that 100% of the employees still working at December 31, 2024 would be present at the acquisition date. Based on these assumptions, the cost of these plans amounts to €841k, including the employer's contribution after IFRS 2 restatement.

On the other hand, no provision for outflow of resources was booked in 2024 in respect of plans approved at the end of December 2024.

Taxation

On December 9, 2022, COGELEC received a notice of an accounting audit covering the 2020 and 2021 financial years. This review began in January 2023. On December 8, 2023, the Company received a proposed rectification to interrupt the statute of limitations, covering only the year ended December 31, 2020 in terms of VAT and corporate income tax, and excluding the 2020 CIR filed in 2021. The amounts reassessed were accepted by the Company in the amounts of €10,335 for VAT and €13,973 for corporate income tax.

On October 22, 2024, the company also accepted the procedure for regularization of CIR (2020 and 2021) in the amount of €134,167 and VAT (2021) in the amount of €21,443. All these amounts were normally paid to the tax authorities in November 2024.

Start-up Kibolt

The first sales of the Kibolt Smart key began in September 2024. The company has therefore begun amortizing all R&D costs capitalized in the balance sheet in the amount of €2,126,208.

3.6.1.3 Summary and outlook

With an installed base of over 2.5 million homes and a solid base of recurring revenues, combined with a highly innovative service offering, the Group expects sales growth in 2025 to be higher than in 2024, with a further improvement in the EBITDA ratio.

3.6.2 ASSESSMENT OF RISK FACTORS

COGELEC may be exposed to various types of financial risk: market risk, credit risk and liquidity risk. Where necessary, COGELEC implements simple means commensurate with 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 to the Group in the event of a customer or counterparty to a financial instrument defaulting on its contractual obligations.

The Group is not exposed to any significant credit risk, which is mainly concentrated on trade receivables. The net carrying amount of recognized receivables reflects the fair value of the net cash flows to be received, as estimated by management on the basis of information available at the balance sheet date.

With regard to trade receivables, the Company regularly assesses its customers' credit risk and financial situation internally. It should be noted that trade receivables comprise a very large number of small invoices spread over many different third parties. This configuration tends to limit the risk in question.

- *Liquidity risk*

At December 31, 2024, the Group had cash and cash equivalents of €24,626,000.

Cash and cash equivalents are mainly invested in (i) bank accounts and (ii) very liquid short- and medium-term investment accounts (term accounts).s liquid and easily convertible into a known amount of cash with a maturity of less than 3 months, and whose value is only marginally exposed to risks of change.

The Company is not exposed to any liquidity risk arising from early repayment clauses on 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 12-month time horizon.

A significant liquidity risk would be if the customers concerned were to simultaneously request termination of their prepaid subscription contracts and demand repayment of the sums collected in advance by the Company (PCA). However, the probability of this risk occurring is considered low by the Company.

- *Foreign exchange risk*

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

The Group is exposed to currency risks in connection with its purchases of components in the United States and Asia (purchases made in dollars). These foreign currency purchases will amount to $8.0 million in 2024, compared with $7.1 million in 2023.

In conjunction with its banking partners, the Group manages its exposure to foreign exchange risk, mainly on the US dollar (USD), through forward purchases.

- *Interest rate risk*

At December 31, 2024, the Company's borrowings are not subject to interest-rate volatility risk, as it has fixed-rate debt.

- *Market risk*

Financial market risks (risks on own shares) are monitored by an external service provider. For details of transactions during the year, see note 3.6.7.9.

3.6.3 POST-BALANCE SHEET EVENTS 2024

There were no post-balance sheet events.

3.6.4 ACCOUNTING PRINCIPLES AND POLICIES

Financial statements are presented in thousands of euros unless otherwise indicated. Certain financial data and other information in these financial statements are calculated using rounded figures. Consequently, the figures shown as totals in some tables may not be the exact sum of the preceding figures.

3.6.4.1 Declaration of conformity

The Company has prepared its financial statements, as approved by the Board of Directors on 08 April 2025, in accordance with the standards and interpretations published by the International Accounting Standards Boards (IASB) and adopted by the European Union at the date of preparation of the financial statements and presented for comparison with the 2023 financial year prepared in accordance with the same standards.

This reference framework, available on the European Commission website (http://ec.europa.eu/internal_market /accounting/ias_en.htm), includes international accounting standards (IAS - International Accounting Standards and IFRS - International Financial Reporting Standards), interpretations by 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 financial statement preparation

The Group's IFRS financial statements have been prepared under the historical cost convention, with the exception of certain categories of assets and liabilities in accordance with the provisions of IFRS: employee benefits valued using the projected unit credit method, and borrowings valued using the amortized cost method (see note 3.6.11.3).

3.6.4.3 Business continuity

The Board of Directors has adopted the going concern principle.

3.6.4.4 Accounting methods

The accounting principles applied are identical to those used to prepare the IFRS annual financial statements for the year ended December 31, 2023, with the exception of the application of the following new standards, amendments to standards and interpretations adopted by the European Union, which are mandatory for the Group from January 1, 2024.

Standards, amendments to standards and interpretations applicable for annual periods beginning on or after January 1, 2024

. Amendments to IAS 1 - Classification of liabilities as current or non-current

. Amendments to IFRS 16 - Lease Liabilities under Sale and Leaseback Transactions

. Amendments to IAS 7 and IFRS 7 - Trade payables financing arrangements

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

The Group has not early adopted any of the new standards, amendments and interpretations mentioned below that may affect it and whose application is not mandatory on January 1, 2024:

. Amendments to IAS 21 - Absence of convertibility

. Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

. Amendments to IFRS 18 - Presentation and Disclosure in Financial Statements

. Amendments to IFRS 19 - Disclosures by subsidiaries not subject to public disclosure requirements

The Group does not expect the application of the above changes to have a material impact on its financial statements for future periods, with the exception of those resulting from IFRS 18 - Financial Statements.

IFRS 18 replaces IAS 1 and incorporates many of the provisions of IAS 1 without modifying them, as well as adding new ones. In addition, certain paragraphs of IAS 1 have been moved to IAS 8 and IFRS 7. The IASB has also made minor amendments to IAS 7 and IAS 33 Earnings per Share.
IFRS 18 also introduces new provisions designed to:

- Present, in the statement of net income, the specified categories and defined subtotals;
- Provide information on the performance measures defined by Management in the notes to the financial statements;
- Improving the grouping and breakdown of information.

The Group is required to apply IFRS 18 for annual periods beginning on or after January 1, 2027. Early application is permitted. The amendments to IAS 7 and IAS 33, as well as the revised versions of IAS 8 and IFRS 7, will come into force when the Group applies IFRS 18. The latter must be applied retrospectively, and transitional provisions are provided for.

3.6.4.5 Consolidation method

The Group applies IFRS 10, "Consolidated financial statements", IFRS 11, "Joint ventures", IFRS 12, "Disclosure of interests in other entities" and IAS 28, "Investments in associates".

IFRS 10, which deals with the accounting of consolidated financial statements, presents a unique consolidation model that identifies control as the criterion for consolidating an entity. An investor exercises control over an investee if it has power over the investee, is exposed to the investee's variable returns, or has rights to those variable returns by virtue of its involvement in the investee, and has the ability to use its power over the investee to influence the amount of those returns.

Subsidiaries are entities over which the Group exercises control.

IAS 28, which deals with associates, defines significant influence as the power to participate in decisions relating to the financial and operating policies of the investee, without however exercising exclusive or joint control over these policies. An investor who exercises significant influence over an entity is required to account for its investment in the associate using the equity method.

Associates are entities over which the Group exercises significant influence.

3.6.4.6 Use of judgments and estimates affecting assets and liabilities

The Company's management regularly reviews its estimates and assessments on the basis of past experience and various other factors deemed reasonable in the circumstances. These form the basis for its assessments of the carrying amounts of income and expenses, assets and liabilities. These estimates have an impact on the amounts of revenues and expenses and on the values of assets and liabilities. Actual amounts may subsequently turn out to differ from the estimates used.

The main items requiring estimates at the balance sheet date, based on assumptions about future developments, and for which there is a significant risk of a material change in their value as recorded in the balance sheet at the balance sheet date, concern :

- Valuation of development-related intangible assets (see notes 3.6.6.1 and 3.6.7.1)
- Inventory valuation (see notes 3.6.4.11 and 3.6.7.6)

- Valuation of provisions for retirement commitments (see notes 3.6.4.15 and 3.6.7.12)
- Provisions for charges (see notes 3.6.4.16 and 3.6.7.13)
- Research tax credit (see note 3.6.4.19).
- Valuation of non-current assets (see notes 3.6.4.10 and 3.6.7.4)
- Measurement of IFRS2 expense (see note 3.6.4.15)

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:

- Working capital assets and liabilities that form part of the normal operating cycle of the business 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 falling within the normal operating cycle of the business concerned, and the current portion of other provisions, are classified as current. Provisions that do not meet these criteria are classified as non-current liabilities.
- Financial liabilities due for settlement within 12 months of the balance sheet date are classified as current. Conversely, the portion of financial debt maturing in more than 12 months is classified as a non-current liability.
- All deferred taxes are shown under non-current assets and liabilities.

3.6.4.8 Intangible fixed assets

Intangible assets mainly comprise development costs and assets in progress. Assets under construction comprise expenditure on projects that have not yet been activated.

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

Development costs are thus capitalized insofar as the six criteria defined by IAS 38 are met:

- Technical feasibility for commissioning or sale,
- Intention to complete and use or sell it,
- Ability to use or sell it,
- Probable economic benefits,
- Availability of resources to complete development and use or sell,
- Ability to reliably estimate project expenditure.

Capitalized development costs are costs directly attributable to a project, as determined by project cost tracking. The portion of the research tax credit relating to activated projects is restated as deferred income.

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

The Company regularly reviews compliance with activation criteria. These costs are capitalized as long as the Company retains the essential benefits and risks associated with the project, and in particular when the Company retains the intellectual property and has granted a temporary right to use and/or exploit the results of the development phases.

Development projects in progress are tested for impairment in accordance with the procedures set out in note 3.6.6.1.

Capitalized costs are amortized on a straight-line basis over the period of use expected by the Company, i.e. five years from the start of commercialization.

Intangible assets also include the cost of obtaining the contract. In accordance with IFRS 15, these costs are capitalized and amortized over the term of each contract.

Lastly, intangible assets include software and licenses, amortized over periods of between 1 and 5 years. Rights of use are amortized over the term of the lease, i.e. from 2 to 5 years.

3.6.4.9 Property, plant and equipment

Property, plant and equipment mainly comprise land and buildings, general fixtures and fittings, machinery and tools, transport, office and IT equipment, and furniture. In accordance with IAS 16, they are measured at cost and amortized over their estimated useful lives, which are reviewed annually.

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 and fittings: 10 years

The depreciation periods used for other property, plant and equipment are as follows:

- General fixtures and fittings : 1 to 35 years
- Equipment and tools: 1 to 10 years
- Transport equipment: 2 to 5 years
- Office equipment: 3 to 5 years
- Hardware: 2 to 5 years
- Furniture: 3 to 10 years

Rights of use are amortized over the term of the lease, i.e. from 2 to 9 years.

Depreciation schedules and residual values, if any, are reviewed annually.

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

The valuation of non-current assets (intangible assets and property, plant and equipment) is reviewed annually, or more frequently if internal or external events or circumstances indicate that an impairment may have occurred.

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

The value in use of assets to which independent cash flows can be allocated is determined in accordance with the following principles:

- Cash flows are based on 5-year forecasts drawn up by Group management, combined with the determination of a terminal value (discounting of cash flows to infinity).
- The discount rate is determined on the basis of a weighted average cost of capital.

In order to determine value in use, intangible and tangible assets to which it is not possible to directly attribute independent cash flows are grouped within the Cash-Generating Unit (CGU) to which they belong. The recoverable amount of the CGU is determined using the discounted cash flow (DCF) method, based on the same principles as those described above.

The recoverable amount of the cash-generating unit thus determined is then compared with the carrying amount of its non-current assets on the consolidated balance sheet.

Impairment losses are recognized when it appears that the carrying amount of an asset is significantly greater than its recoverable amount.

3.6.4.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price under normal business conditions, less marketing costs.

The acquisition costs of inventories 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 directly attributable to the cost of raw materials, merchandise, work in progress and finished goods. Trade discounts, rebates, cash discounts and similar items are deducted in determining acquisition costs.

Manufactured products are valued at production cost, including consumption, direct and indirect production expenses, and depreciation of assets used in production. The cost of sub-activity is excluded from the value of inventories. Interest is excluded when valuing inventories. Inventories are valued using the first-in, first-out method.

A write-down on inventories equal to the difference between the gross value determined in accordance with the above procedures and the current market price or realisaalization value less proportional selling costs, is taken into account when this gross value is higher than the other term stated.

3.6.4.12 Trade and other receivables

Trade and other receivables are stated at their nominal value less any impairment losses. The amount of 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 receivables.

Management regularly reviews and assesses the recoverable amount of trade receivables. When the recoverable amount is less than the net carrying amount, an impairment loss or a loss on irrecoverable receivables is recognized in the income statement. This credit risk assessment is based on past experience of debt recovery and payment defaults, the age of overdue receivables and the payment terms granted.

Receivables include amounts due under equipment leasing contracts with customers.

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 due in more than one year are included 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, changes in which are recognized either in the income statement if they are held for the short term, or in equity if they represent a long-term investment,
- Financial assets carried at amortized cost, such as loans and receivables.

In any event, COGELEC values financial assets at cost less any impairment losses.

Financial liabilities

All interest-bearing borrowings are initially recorded at the fair value of the amount received, less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are measured at amortized cost, using the effective interest method.

Borrowings are classified as current liabilities, except where the Group has an unconditional right to defer settlement of the debt for at least 12 months after the balance sheet date, in which case they are classified as non-current liabilities. The current portion of borrowings is shown under current liabilities.

3.6.4.14 Cash and cash equivalents

Cash and cash equivalents comprise bank accounts and short-term investment accounts (term accounts) which are highly liquid and easily convertible into a known amount of cash over a period of less than three months, and whose value is only marginally exposed to risks of change.

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

3.6.4.15 Employee benefits

Employee benefits are accounted for in accordance with IAS 19. COGELEC's obligations in respect of pensions, supplementary retirement benefits and retirement indemnities are those imposed by the legal texts applicable in France. Pension and supplementary pension obligations are fully covered by payments to organizations that release the employer from any further obligation, with the organization responsible for paying employees the amounts due to them. These include French public pension schemes.

There are no employee benefits for foreign companies.

Free allocation of shares

In accordance with IFRS 2, employee compensation settled in equity instruments is recognized under "Employee benefits expense" in the income statement, with a corresponding entry under shareholders' equity.

The Group has applied IFRS 2 to all equity instruments granted to managers. The amount recognized as an expense is adjusted to reflect the number of rights for which it is estimated that the service and non-market performance conditions will be met, so that the amount recognized in *fine* is based on the actual number of rights that meet the service and non-market performance conditions at the acquisition date. For share-based payment rights subject to other conditions, the fair value measurement at the grant date reflects these conditions, and no subsequent adjustment is made for differences between the estimate and the actual amount.

The total expense is measured at the grant date, taking into account all specific conditions likely to have an impact on fair value, and spread on a straight-line basis over the vesting period.
A provision for the employer's contribution is also recorded in the accounts.

Post-employment benefits

Retirement benefits are paid to employees on retirement, based on their length of service and salary at retirement age. These benefits fall under the defined benefit plan. As a result, the method used to measure the amount of the Company's commitment in respect of retirement indemnities is the retrospective projected unit credit method.

It represents the probable present value of vested rights, valued taking into account salary increases up to retirement age, and probabilities of departure and survival.

The main assumptions used for this estimate are as follows:

Assumptions	31/12/2024	31/12/2023
Reference discount rate	IBOXX corporate AA + 10 years	
Discount rate	3,16%	3,65%
Mortality table	INSEE 2017-2019	INSEE 2016-2018
Salary increases	4% declining balance	4% declining balance
Average staff turnover	2,90%	2,90%
Retirement age	64 years non-managerial65 years managerial	64 years non-managerial65 years managerial

Actuarial gains and losses are recognized in other comprehensive income.

Other post-employment benefits

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

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

Other long-term benefits

The Company has set up a company savings plan. Short-term benefits include the statutory profit-sharing agreement, which is calculated on the basis of taxable income. Long-service awards are negligible. Where applicable, provisions are made for termination benefits.

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 recognized when an obligation to a third party is certain or probable to result in an outflow of resources without at least equivalent consideration. The provision is maintained as long as the timing and amount of the outflow of resources have not been precisely determined. 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, the existence of which will be confirmed only by the occurrence (or non-occurrence) of one or more uncertain future events not wholly within the control of the entity. A contingent liability is also a present obligation that arises from past events but is not recognized because, on the one hand, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and, on the other hand, the amount of the obligation cannot be measured with sufficient reliability.

In accordance with IAS 37, the Company records a provision for after-sales service. After-sales costs have been provisioned on the basis of the product warranty period, which ranges from 3 to 10 years depending on the product. The rates used for the calculation were determined on the basis of costs observed over the last 7 years, and were related to sales in the year of sale of the products concerned by the after-sales expenses incurred. Costs incurred include labor and spare parts.

3.6.4.17 Taxes

Deferred taxes are recognized using the liability method to the extent of temporary differences between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of these deferred tax assets to be utilized. Deferred tax assets are reassessed at each balance sheet date and recognized to the extent that it becomes probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that has been enacted or substantively enacted by the balance sheet date and is expected to apply to the financial year in which the asset is realised or the liability is settled, for each tax regulation. The tax rates used are as follows:

	31/12/2024	31/12/2023
Rates France	25,825%	25,825%
Rates Germany	31,225%	31,225%
Rates United Kingdom	19,000%	19,000%
Rates Netherlands	19,000%	19,000%

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 it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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 tax rate.

They are offset in the Group's balance sheet and supported by tax evidence (see 3.6.10.1).

In the income statement, the Cotisation sur la Valeur Ajoutée des Entreprises (CVAE) is included in the tax expense line.

3.6.4.18 Product recognition

Revenue is recognized when the Group discharges 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.

Revenue corresponds to the fair value of the consideration received or receivable for goods and services sold in the ordinary course of the Company's business. These revenues are shown net of value-added tax, returns, rebates and discounts, and after deduction of intra-group sales.

Maintenance services are provided for periods longer than 12 months. These services are therefore recognized on a percentage-of-completion basis, on a straight-line basis over time, as the costs are incurred over this period.

Equipment sales are recognized on the delivery date. The customer is deemed to have accepted the characteristics of the goods delivered on this date. A receivable is recognized when the goods are delivered, i.e. when the consideration is unconditional, since only the passage of time is sufficient to make payment of the consideration due.

There are 2 types of products:

1/ Equipment sales immediately recognized in income.

For this type of contract, each delivery is treated as a separate service obligation, recognized on the delivery date.

The contracts in question are:

- Equipment sales contracts with distributors and installers.
- Equipment sales associated with Prepaid offers. This includes the control board, the control unit and the data transmission module.
- Revenues linked to finance leases under "global offer" contracts (see detailed comments in point i) below).

2/ Service contracts.

Services sales are represented by 3 major families:

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 combined with intercom (prepaid voice offers). These offers are billed in a single instalment for a period of 10 or 15 years (sometimes less). When COGELEC sells "prepaid kits", the Company accounts separately for the sale of equipment at its selling price and the related provision of services.

Sales relating to the equipment portion are recognized immediately in the income statement, on the delivery date.

The services provided include access to the web-based management applications developed by COGELEC, maintenance of these applications, training of managers...

Services provided in connection with these offers are recognized on a straight-line basis over the term of the contract, as costs are stable from one year to the next, in accordance with IFRS 15.

Subscription offers:

These offers include:

Global subscription offers: These include equipment rental (turntables, etc.) and service provision. These global offers are available with a fixed or open-ended commitment. The services provided include the provision of a transmission module, maintenance of the leased equipment, access to the web-based management applications developed by COGELEC, maintenance of these applications, training of managers...

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

Services provided in connection with these offers are recognized on a straight-line basis over the term of the contract, as costs are stable from one year to the next, in accordance with IFRS 15.

Classic subscription offers: Since 2017, these offers have been non-binding and open-ended (known as the Classic Offer). Sales relating to the hardware portion (turntables, etc.) are recognized immediately in the income statement, on the delivery date.

The services provided include the provision of a transmission module, maintenance of the leased equipment, access to the web-based management applications developed by COGELEC, maintenance of these applications, training of managers...

Services related to these offers are recognized on a straight-line basis over the term of the contract, in accordance with IFRS 15.

Mixed subscription offers (Jumbo offer):

These offers are valid for an indefinite period with no commitment period. Some of the equipment is sold to the customer (turntables, etc.). Sales relating to this equipment portion are recognized immediately in the income statement, on the delivery date. Another part, notably the bulletin board, is made available to the customer and remains the property of COGELEC.

The services provided include the provision of a transmission module, maintenance of the leased equipment, access to the web-based management applications developed by COGELEC, maintenance of these applications, training of managers...

Services (including the provision of the scoreboard) relating to these offers are recognized on a straight-line basis over the term of the contract, in accordance with IFRS 15, in line with the costs incurred.

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

Offers of unlimited duration with no or expired commitment make up a significant part of COGELEC's potential portfolio, but by definition are not included in the unfulfilled obligations mentioned above.

Other services: these include after-sales services, for example, or any other services not covered by the offers mentioned below.

Sales are explained in section 3.6.8.1.

Contract assets are transferred to trade receivables when the right to payment becomes unconditional. Contract liabilities relate to prepayments received from Group customers, for which sales are recognized when maintenance services are performed.

Contract assets and liabilities are explained in sections 3.6.7.4, 3.6.7.7 and 3.6.7.15.

Three types of sales will be recorded over the next few years:

- Unfulfilled obligations under fixed-term or open-ended offers with a commitment to a fixed term
- Sales already billed and collected on prepaid contracts in the portfolio (currently recorded as deferred income).
- Sales to be billed and collected from contracts with no commitment or with expired commitments not terminated at date.

The table below only shows sales from prepaid offers and unfulfilled obligations from offers with commitment:

Contract types	Details	Note	TOTAL	2025	2026	2027	2028	2029	Beyond
Global Offer contracts	Sales remaining to be invoiced on services	**3.6.4.18**	1 582	678	505	229	123	47	
Prepaid Offer Contracts	Deferred income	**3.6.7.15**	45 114	4 898	4 748	4 581	4 388	4 174	22 325
Total			**46 696**	**5 576**	**5 253**	**4 810**	**4 511**	**4 221**	**22 325**

This table is based on the residual term of contracts with commitments, i.e. :

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

The Company incurs costs in obtaining contracts, in the form of commissions. Commissions on the sale of equipment are expensed immediately, while commissions on the provision of services are classified as intangible assets.

	31/12/2024	31/12/2023
Gross values	866	824
Depreciation	651	575
Net value	**215**	**249**

Commissions are amortized over 5 or 10 years, in line with the duration of the contracts to which they relate. There is no reason to write down these assets.

3.6.4.19 Subsidies

Government grants are public subsidies 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 relating to its operating activities. Under IAS 20, asset-based grants are government subsidies whose main condition is that a qualifying entity must purchase, build or otherwise acquire long-term assets.

Government grants are recognized in the income statement on a systematic basis for the periods in which the entity recognizes as expenses the costs that the grants are intended to offset. Grants related to assets are shown in the balance sheet as deferred income and amortized over the same period as the subsidized asset.

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

These subsidies are recorded as deferred income.

3.6.4.20 Leases

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

Lessee

For lessees, IFRS 16 no longer distinguishes 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 liability corresponding to the present value of future payments. Each contract payment is allocated between the finance charge and the amortization of the remaining debt, so as to obtain a constant periodic interest rate on the outstanding balance. The discount rate used corresponds to the financing rate that banks would grant for each of the contracts.

Rights of use of intangible assets and property, plant and equipment are amortized over the lease term.

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

Input costs and amortization periods are explained in sections 3.6.4.8 and 3.6.4.9.

As permitted by legislation, the Group has chosen not to restate contracts with a term of less than 12 months, or those with a value of less than €5k, for simplification purposes.

Lessor

Assets held under finance leases are presented as receivables in 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 the finance lease.

3.6.4.21 Net financial debt

Long-term debt comprises borrowings from credit institutions and borrowings recognized in exchange for the capitalization of a right of use under lease contracts. The non-current portion of these long-term debts is classified as non-current liabilities, and is measured at amortized cost at the balance sheet date, using the effective interest rate method, with amortization of issue costs where these are material. All these debts are fixed-rate at the balance sheet date.

Short-term debt includes the current portion of long-term borrowings, as well as bank overdrafts and other short-term bank borrowings.

Net financial debt comprises borrowings as defined above, less cash and cash equivalents.

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

3.6.4.22 Conversion of foreign 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 COGELEC's presentation currency.

Under IAS 21, monetary items of consolidated entities denominated in foreign currencies are translated using the closing rate. Non-monetary items are measured at historical cost, using the exchange rate prevailing on the date the transaction was initially recorded. Income and expenses are translated at the average exchange rate for the year. The resulting translation differences are recognized in the income statement, except for those relating to non-monetary items, which are recognized in other comprehensive income.

3.6.4.23 Segment reporting

The chief operating decision-maker only monitors performance at Group level; the application of IFRS 8 has led the Company to present a single operating segment.

3.6.4.24 Shareholders' equity

Shareholders' equity comprises the parent company's share capital, additional paid-in capital, reserves and net income. 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 income or expense arising from the cancellation of treasury shares is recognized in the income statement.

Minority interests are defined as the share of a subsidiary's net income or assets that 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 nature.

<u>Purchasing and subcontracting costs</u>

Purchases and subcontracting costs mainly comprise :

- Purchases of components and other products required to produce the goods sold;
- The provision of third-party services for the manufacture, assembly and testing of the goods sold;
- Customs duties, transportation costs and other taxes directly attributable to these purchases;

Gross margin

Gross margin is an indicator defined by COGELEC as sales plus other operating income, less purchases consumed, adjusted for production in inventory.

This indicator is presented in note 3.6.10.5.

EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization) is an indicator defined by COGELEC as operating income before depreciation, amortization and impairment, net of asset write-backs, and excluding the impact of IFRS 2.

The Group has changed the definition of the EBITDA indicator, by restating expenses related to share-based compensation. In fiscal 2024, the Group recognized the impacts of IFRS 2 for the first time, but considers that these impacts do not reflect its operating performance and have no direct impact on its cash position. This item is therefore restated to calculate EBITDA.

This indicator is presented in note 3.6.10.5.

Operating income

Operating income includes all income and expenses directly linked to the Group's activities, whether recurring (recurring operating income) or resulting from one-off decisions or transactions (non-recurring operating income).

The indicator is presented in note 3.2.

Cost of net financial debt

All income and expenses resulting from net financial debt for the period (see note 3.6.8.7) represent the company's overall financing costs, excluding the cost of equity.

3.6.4.26 Earnings per share calculation method

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

Diluted earnings per share are calculated by dividing net income 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 has no dilutive instruments.

In fiscal 2024 and 2023, the weighted average number of common shares is :

	Number of common shares	Own shares	Number of ordinary shares excluding treasury stock
At 12/31/2024	8 898 048	603 716	8 294 332
At 12/31/2023	8 898 048	548 403	8 349 645

3.6.5 SCOPE OF CONSOLIDATION

Unless expressly stated otherwise, voting rights percentages are identical to the percentage of capital held.

2024 perimeter

Entities	Consolidation methods	% interest	% control	Head office	Country
COGELEC	IG [1]	100%	100%	MORTAGNE SUR SEVRE	France
INTRATONE GMBH	IG	100%	100%	DÜSSELDORF	Germany
INTRATONE LTD	IG	76%	76%	LONDON	United Kingdom
INTRATONE BV	IG	100%	100%	AMSTERDAM	Netherlands
PORTACONNECT	MEE [2]	35%	35%	RAMONVILLE-SAINT-AGNE	France

(1) FC: Full consolidation

(2) MEE: Equivalence

2023 perimeter

Entities	Consolidation methods	% interest	% control	Head office	Country
COGELEC	IG	100%	100%	MORTAGNE SUR SEVRE	France
INTRATONE GMBH	IG	100%	100%	DÜSSELDORF	Germany
INTRATONE LTD	IG	76%	76%	LONDON	United Kingdom
INTRATONE BV	IG	100%	100%	AMSTERDAM	Netherlands
PORTACONNECT	MEE	35%	35%	RAMONVILLE-SAINT-AGNE	France

3.6.6 DEPRECIATION OF ASSETS

3.6.6.1 Impairment of non-financial assets

Impairment tests are carried out on property, plant and equipment and intangible assets with finite useful lives whenever there is an indication of impairment. These tests consist of reconciling the net book value of assets with their recoverable amount, corresponding to the higher of their market value less costs to sell and their value in use estimated using the DCF (discounted cash flow) method.

Cash flows are discounted 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 for 2024 is 9%.

Intangible assets 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 with indefinite useful lives, 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.

Impairment tests, carried out in accordance with the methodology described above, did not lead the Group to write down any new projects in fiscal 2024. In addition, impairment is reversed as and when previously impaired development costs and equipment are amortized.

A sensitivity test, using a weighted average cost of capital of 8% and 10%, was carried out and came to the same conclusion, i.e. no significant impairment loss.

3.6.6.2 Impairment of financial assets

At each balance sheet date, the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

3.6.7 BALANCE SHEET

3.6.7.1 Intangible fixed assets

Change in gross intangible assets (in K€)

Gross values	Development costs	Other intangible assets	Intangible assets in progress	TOTAL
At December 31, 2022	**16 003**	**2 452**	**3 331**	**21 786**
Acquisitions	4	515	1 885	2 404
Disposals		-59	-279	-338
Peer-to-peer transfer	117		-117	
Change in scope of consolidation				
At December 31, 2023	**16 124**	**2 907**	**4 820**	**23 851**
Acquisitions		741	2 556	3 297
Disposals		-34	-74	-108
Peer-to-peer transfer	3 970	5	-3 960	15
Change in scope of consolidation				
At December 31, 2024	**20 094**	**3 619**	**3 342**	**27 055**

Change in amortization of intangible assets (in K€)

Depreciation	Development costs	Other intangible assets	Intangible assets in progress	TOTAL
At December 31, 2022	**12 875**	**1 603**		**14 479**
Endowments	1 476	465		1 941
Reversals		-59		-59
Impairment	314			314
Peer-to-peer transfer				
Change in scope of consolidation				
At December 31, 2023	**14 664**	**2 009**		**16 675**
Endowments	1 202	524		1 726
Reversals		-23		-23
Impairment	-33			-33
Peer-to-peer transfer				
Change in scope of consolidation				
At December 31, 2024	**15 833**	**2 510**		**18 345**

Change in net intangible assets (in K€)

Net value	Development costs	Other intangible assets	Intangible assets in progress	TOTAL
At December 31, 2022	3 128	849	3 331	7 307
At December 31, 2023	1 460	898	4 820	7 178
At December 31, 2024	4 261	1 109	3 342	8 712

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

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

In fiscal 2024, the Group incurred and recognized €2.6 million in costs related to the development of new projects.

These projects are scheduled for commissioning within the next 2 years.

On the other hand, the Group capitalized €4.0 million in development costs following the completion of seven projects, including the Kibolt V2 key and its application, the Vigik 3 reader and the Réno V2 control panel.

At December 31, 2024, management carried out impairment tests in accordance with IAS 36, which did not result in the impairment of any new projects. In addition, the Group reversed part of the impairment recognized on intangible assets arising from development projects, in the amount of €33k. Impairment is reversed in line with the amortization of any development costs capitalized.

Cash flows from intangible assets recognized in accordance with IFRS 16 are as follows :

Gross values	Development costs	Other intangible assets	TOTAL
At December 31, 2022		**696**	**696**
Acquisitions		325	325
Disposals		-59	-59
Peer-to-peer transfer			
Change in scope of consolidation			
At December 31, 2023		**961**	**961**
Acquisitions		682	682
Disposals		-34	-34
Peer-to-peer transfer			
Change in scope of consolidation			
At December 31, 2024		**1 609**	**1 609**

Depreciation	Development costs	Other intangible assets	TOTAL
At December 31, 2022		**266**	**266**
Endowments		285	285
Reversals		-59	-59
Peer-to-peer transfer			
Change in scope of consolidation			
At December 31, 2023		**492**	**492**
Endowments		357	357
Reversals		-23	-23
Peer-to-peer transfer			
Change in scope of consolidation			
At December 31, 2024		**826**	**826**

Net value	Development costs	Other intangible assets	TOTAL
At December 31, 2022		430	430
At December 31, 2023		470	470
At December 31, 2024		784	784

Flows on intangible assets recognized in accordance with IFRS 16 correspond mainly to software.

3.6.7.2 Property, plant and equipment

Change in gross property, plant and equipment (in K€)

Gross values	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Property, plant and equipment in progress	TOTAL
At December 31, 2022	**213**	**10 523**	**6 762**	**5 215**	**677**	**23 390**
Acquisitions		68	558	2 229	589	3 443
Disposals			-53	-700	-3	-756
Peer-to-peer transfer			129	258	-387	
Change in scope of consolidation						
At December 31, 2023	**213**	**10 590**	**7 396**	**7 002**	**876**	**26 077**
Acquisitions		655	653	1 003	623	2 934
Disposals				-798		-798
Peer-to-peer transfer			492	55	-562	-15
Change in scope of consolidation						
At December 31, 2024	**213**	**11 245**	**8 541**	**7 262**	**937**	**28 198**

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

Depreciation	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Property, plant and equipment in progress	TOTAL
At December 31, 2022		**2 807**	**4 832**	**2 803**		**10 441**
Endowments		902	921	1 097		2 920
Reversals			-41	-637		-678
Impairment			21			21
Peer-to-peer transfer						
Change in scope of consolidation						
At December 31, 2023		**3 709**	**5 732**	**3 263**		**12 704**
Endowments		941	847	1 231		3 019
Reversals				-712		-712
Impairment			-30			-30
Peer-to-peer transfer						
Change in scope of consolidation						
At December 31, 2024		**4 650**	**6 549**	**3 782**		**14 981**

Change in property, plant and equipment, net (in K€)

Net value	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Property, plant and equipment in progress	TOTAL
At December 31, 2022	213	7 716	1 931	2 413	677	12 950
At December 31, 2023	213	6 881	1 664	3 740	876	13 374
At December 31, 2024	213	6 595	1 992	3 481	937	13 218

In 2023, acquisitions of other property, plant and equipment amounted to €1.1m, corresponding to new vehicles restated in accordance with IFRS 16. The remainder mainly concerned the fitting-out of office space in connection with the commissioning of the office extension at Mortagne-sur-Sèvre.

Acquisitions in fiscal 2024 comprised :

- 0.7 million in construction costs due to the recognition of new IFRS 16 liabilities. These liabilities arose from an increase in the leasable area in Nantes, the renewal of a lease by one of our subsidiaries, and the revision of rents on other commercial leases;
- 0.7 million in technical installations, equipment and tooling, representing blocks and modules not covered by rental contracts;
- 0.6 million for new vehicles restated in accordance with IFRS 16;
- 0.6 million for property, plant and equipment in progress related to projects in the development phase.

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

Gross values	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Property, plant and equipment in progress	TOTAL
At December 31, 2022	**213**	**10 523**	**25**	**1 880**		**12 640**
Acquisitions		68		1 159		1 227
Disposals				-698		-698
Peer-to-peer transfer						
Change in scope of consolidation						
At December 31, 2023	**213**	**10 590**	**25**	**2 341**		**13 169**
Acquisitions		655		571		1 226
Disposals				-564		-564
Peer-to-peer transfer						
Change in scope of consolidation						
At December 31, 2024	**213**	**11 245**	**25**	**2 348**		**13 831**

Depreciation	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Property, plant and equipment in progress	TOTAL
At December 31, 2022		**2 807**	**25**	**1 072**		**3 904**
Endowments		902		647		1 549
Reversals				-637		-637
Peer-to-peer transfer						
Change in scope of consolidation						
At December 31, 2023		**3 709**	**25**	**1 082**		**4 816**
Endowments		941		725		1 666
Reversals				-512		-512
Peer-to-peer transfer						
Change in scope of consolidation						
At December 31, 2024		**4 650**	**25**	**1 295**		**5 970**

Net value	Land	Buildings	Plant, machinery and equipment	Other property, plant and equipment	Property, plant and equipment in progress	TOTAL
At December 31, 2022	213	7 716		808		8 737
At December 31, 2023	213	6 881		1 259		8 353
At December 31, 2024	213	6 595		1 053		7 861

Disposals relate to the end of contracts restated under IFRS 16, either on maturity or early, which give rise to the withdrawal of the corresponding rights of use.

3.6.7.3 Other financial assets

In thousands of €	31/12/2024	31/12/2023
Other long-term investments (1)	200	200
Loans		
Impairment of loans		
Deposits and guarantees (2)	336	307
TOTAL	**536**	**506**

(1) Bank shares

(2) Deposits and guarantees correspond to sums paid on BPI loans and rental guarantees.

3.6.7.4 Other non-current assets

In thousands of €	31/12/2024	31/12/2023
Customers > 1 year	4 845	4 438
Customer impairment	-57	-41
Prepaid expenses > 1 year	3 774	2 722
TOTAL	**8 562**	**7 118**

Breakdown of trade receivables net of write-downs

In thousands of €	31/12/2024	31/12/2023
Doubtful debts	74	49
Impairment of doubtful receivables	-57	-41
Lease receivables	4 760	4 385
Other trade receivables > 1 year	11	4
TOTAL	**4 788**	**4 396**

Doubtful receivables are 100% impaired.

Prepaid expenses

Prepaid expenses correspond to SIM cards purchased under global offer contracts (note 3.6.4.18). These purchases are spread over the duration of the commitment, corresponding to the subscription packages.

The increase in prepaid expenses is justified by the stocking of SIM cards in anticipation of the forthcoming phasing out of 2G.

3.6.7.5 Deferred tax liabilities

	31/12/2024		31/12/2023	
	Base	Tax	Base	Tax
Temporary shifts				
Deficit activation	1 954	434	1 619	364
C3S	95	25	81	21
Employee profit-sharing	1 123	290		
Tax depreciation	-130	-25	-119	-23
Provision for dismantling	-30	-6	-29	-5
Pensions	16	3	9	2
Restatements				
Adjustment to parent company financial statements			1	0
Intercostal adjustment			2	0
Advanced exchanges not returned	15	3	15	3
IFRS 16 leases	-1 200	-310	-1 001	-258
Operating leases IFRS 16	64	16	55	14
Lease contracts	-4 438	-1 082	-3 840	-946
Internal disposals CG-IT	1	0	2	0
Internal stock margins CG-IT UK			4	1
SIM card internal margins	49	16	42	13
Internal transfer of demo equipment to subsidiaries	48	12	55	14
Customer warranty provision	156	40	150	39
Alignment of depreciation methods	111	26	82	19
Referral commissions	72	18	83	21
Impairment of treasury stock				
Reclassification of ERP as expenses	371	96		
AGM 03/26/2024		-4		
Pension commitments	549	142	408	105
TOTAL	**-1 173**	**-303**	**-2 383**	**-614**

Proof of tax is given in section 3.6.10.1.

Subsidiaries' tax losses have been capitalized up to the amount of their deferred tax liabilities.

The following losses have not been capitalized since the inception of the subsidiaries:

Company	31/12/2024
IT BV	2 747
IT GMBH	13 921
IT LTD	8 442
Total	**25 110**

Under IAS 12, tax planning to December 31, 2024 shows the maturity of deferred tax liabilities:

In thousands of €	Portion due in less than 1 year	Over 1 and under 2 years	More than 2 years and less than 3 years	More than 3 years and less than 4 years	Over 4 years and under 5 years	Share over 5 years	TOTAL
Deficits	63	33	15	16	5	303	435
C3S	25						25
Employee profit-sharing	290						290
Tax depreciation	-25						-25
Provision for dismantling	-6						-6
Pensions	3						3
Inter-company and parent company adjustments							
Advanced exchanges not returned	3						3
Leasing	58	66	40	-18	-15	-439	-310
Single rentals	4	7	7	-2			16
Lease contracts	-374	-316	-237	-146	-46	37	-1 082
CG-IT internal disposals							
Internal stock margins CG-IT UK							
SIM card internal margins	1	1	1	1	1	10	15
Internal disposals of property	5	4	2	1			12
Customer warranty provision	3	5	5	5	5	16	39
Alignment of depreciation methods	-5	-6	-4	10	10	22	27
Referral commissions	7	5	3	2	1		18
Impairment of treasury stock							
Reclassification of ERP as expenses	-13	22	22	22	22	22	96
AGM 03/26/2024			-4				
Pension commitments						142	142
TOTAL	**39**	**-180**	**-150**	**-110**	**-18**	**112**	**-302**

3.6.7.6 Inventories and work-in-progress

Net change in inventories and work-in-progress

In thousands of €	31/12/2024	31/12/2023
Raw materials and other supplies	11 847	11 111
Work in progress	6 827	4 243
Intermediate and finished products	3 104	1 712
Provision for depreciation	-932	-1 038
TOTAL	**20 846**	**16 028**

Changes in provisions for impairment	31/12/2024	31/12/2023
Opening value	1 038	883
Increase	127	219
Decrease	-233	-64
Closing value	**932**	**1 038**

Raw materials and other supplies are made up of components.

Work-in-progress comprises sub-assemblies (electronic boards, etc.) intended for incorporation into equipment sold or incorporated into contracts.

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

The increase in inventories is due, on the one hand, to the planned shutdown of 2G, which has led the Group to stock replacement modules, and, on the other hand, to the high level of activity forecast for early 2025, resulting in particular from new projects commissioned during the year.

3.6.7.7 Current trade and other receivables

Receivables

In thousands of €	31/12/2024	31/12/2023
Gross trade receivables	16 500	16 476
Provision for depreciation	-7	-31
TOTAL	**16 493**	**16 445**

Breakdown of trade receivables net of impairment :

In thousands of €	31/12/2024	31/12/2023
Ordinary trade receivables	14 000	14 279
Impairment of ordinary trade receivables	-7	-31
Lease receivables	2 500	2 197
TOTAL	**16 493**	**16 445**

Other current assets

In thousands of €	31/12/2024	31/12/2023
Loans	1	
Loan impairment		
Deposits and guarantees	75	131
Advances and deposits paid	141	122
Social security receivables	52	38
Tax receivables	2 496	2 247
Other operating receivables	283	207
Prepaid expenses	1 549	1 292
TOTAL	**4 599**	**4 035**

Trade and other receivables are stated at their nominal value, less provisions calculated on the basis of actual collectability.

Tax receivables mainly comprise deductible VAT, which rose over the year, justifying the increase in this item.

Prepaid expenses relate to current expenses, and mainly concern SIM cards, for which subscription charges are spread over the duration of the contract, and expenses for trade fairs and exhibitions, maintenance and insurance premiums.

The maturity of receivables is shown in table 3.6.11.2.

The loans are detailed as follows:

Loans	31/12/2024	31/12/2023
Employee loans	1	
TOTAL	**1**	

Other receivables break down as follows

Other receivables	31/12/2024	31/12/2023
CIR and CII receivables		67
Trade payables and AAR	283	130
Costs to be billed to IT GMBH		
Sundry debtors		9
TOTAL	**283**	**207**

Current assets include the amounts obtained each year in respect of the CIR and CII. The 2023 amount has been reimbursed by the French State; nothing has been recognized in respect of 2024.

Customer receivables schedule

The breakdown of trade receivables by maturity is as follows :

A C T I F (in K€)	Balance sheet value	Not yet due	< 90j	>90d and <6months	> 6 months
Trade receivables (non-current assets)	4 787	4 760			28
Trade receivables (current assets)	16 493	12 736	3 899	-260	118
TOTAL	**21 280**	**17 496**	**3 899**	**-260**	**146**

3.6.7.8 Cash and cash equivalents

In thousands of €	31/12/2024	31/12/2023
Term accounts	20 618	18 605
Availability	4 008	3 884
Total closing cash and cash equivalents	**24 626**	**22 489**
Bank overdrafts	-1	-1
Total net cash and cash equivalents at end of year	**24 625**	**22 488**

Cash and cash equivalents include cash and term accounts. The latter are classified as cash equivalents when they meet the IAS 7 definition of cash. Consequently, term accounts with negligible risk and short maturity (less than 3 months), which are subscribed by COGELEC, are classified as cash equivalents. Term accounts can be terminated at any time.

3.6.7.9 Capital

Changes in capital

At December 31, 2024, COGELEC's share capital consisted of 8,898,048 shares, which changed as follows during the year:

	01/01/2024	Increase	Reduction	31/12/2024
Number of shares	8 898 048			8 898 048
of which common shares	3 550 963			3 550 963
of which shares with double voting rights	5 347 085			5 347 085
Nominal €	0,45			0,45
Capital in euros	**4 004 122**			**4 004 122**

Capital information

COGELEC shareholders

Owners	Number of shares	% of capital	Number of voting rights	% of voting rights
SAS H.R.C.	20	0,00%	40	0,00%
SAS S.R.C.	5 347 065	60,09%	10 694 130	78,39%
Public	2 947 247	33,12%	2 947 247	21,61%
SA COGELEC *	**603 716**	**6,78%**		
Total	**8 898 048**	**100,00%**	**13 641 417**	**100,00%**

*- Treasury shares

Capital management and dividend distribution

In thousands of €	31/12/2024	31/12/2023
Dividends distributed	3 151	2 437
TOTAL	**3 151**	**2 437**

Own shares

At year-end, the Company held 603,716 of its own shares, acquired at a cost of €3,995k under the two share buyback programs implemented by the Board of Directors to cover the free share allocation plans of October 24, 2018 and November 16, 2022 respectively, which were renewed under the same terms by the Board of Directors on two occasions, i.e. March 26, 2024 and December 12, 2024. Treasury shares acquired are deducted from consolidated shareholders' equity. No gain or loss arising from the purchase, sale or cancellation of shares affects the income statement.

- Number of treasury shares held at 12/31/2024: 603,716 shares
- Value of treasury shares held at 12/31/2024: €3,994,761
- Number of treasury shares acquired in 2024: 107,690 shares
- Value of treasury shares acquired in 2024: €1,030,287
- Number of treasury shares sold in 2024: 52,377 shares
- Value of treasury shares sold in 2024: €585,128

Current bonus share plans

acteristics of current free share plans	Plan n°2024-01	Plan no. 2024-02-01	Plan no. 2024-02-02	Plan no. 2024-02-03	Plan no. 2024-03	Plan n°2024-02-01 Bis	Plan n°2024-02-02 Bis	Plan n°2024-03 Bis	TOTAL
Beneficiaries	Group Management	UK Division Manager	German Division Manager	Dutch Division Manager	High-potential employees and key contributors to the Group	High-potential employees and key contributors in the UK subsidiary	High-potential employees and key contributors at the German subsidiary	High-potential employees and key contributors to the group	
Grant date	26/03/2024	26/03/2024	26/03/2024	26/03/2024	26/03/2024	12/12/2024	12/12/2024	12/12/2024	
Acquisition date	26/07/2027	26/07/2027	26/07/2027	26/07/2027	26/07/2027	26/07/2027	26/07/2027	26/07/2027	
Number of shares allocated	120 000	20 000	20 000	20 000	250 000	10 000	5 000	55 000	
Acquisition period	40 months	40 months	40 months	40 months	40 months	31.5 months	31.5 months	31.5 months	
Share price at acquisition date	8,05 €	8,05	8,05	8,05	8,05				
Share price (1)	6,67 €	6,67 €	6,67 €	6,67 €	6,67 €		(3)		
Expected dividend (2)	0,38 €	0,38 €	0,38 €	0,38 €	0,38 €				
Fair value of plan (€)	**269 848**	**34 976**		**30 583**	**505 965**				**841 372**

(1) Share price at acquisition date, adjusted for projected dividend payments up to acquisition date.

(2) Based on historical dividends paid

(3) Calculations have not been made at December 31, 2024 as these plans have just been signed and therefore do not have a material impact on the financial statements at December 31, 2024.

Monitoring free shares in the process of being acquired	Plan n°2024-01	Plan no. 2024-02-01	Plan no. 2024-02-02	Plan no. 2024-02-03	Plan no. 2024-03	Plan n°2024-02-01 Bis	Plan n°2024-02-02 Bis	Plan n°2024-03 Bis	TOTAL
AGM at December 31, 2023									
AGAs granted during the year	120 000	20 000	20 000	20 000	250 000	10 000	5 000	55 000	500 000
AGMs that have lapsed			-20 000		-25 000				-45 000
AGM at December 31, 2024	**120 000**	**20 000**		**20 000**	**225 000**	**10 000**	**5 000**	**55 000**	**455 000**

3.6.7.10 Financial liabilities

Non-current and current borrowings

In thousands of €	31/12/2024	31/12/2023
Bank loans	7 185	11 570
Finance lease liabilities	3 268	3 871
Operating lease liabilities	1 866	1 960
Other financial liabilities		
Non-current borrowings	**12 319**	**17 402**
Bank loans	4 385	5 051
Accrued interest not yet due	12	15
Bank overdrafts	1	1
Finance lease liabilities	604	583
Operating lease liabilities	1 662	1 380
Current borrowings	**6 664**	**7 030**
TOTAL	**18 983**	**24 432**

The new operating lease liabilities correspond, in equal proportions, to the restatement of software, the revision of rents or amendments to commercial leases, and the renewal of vehicles.

Cash flow from non-current / current borrowings

Gross values	Bank loans	Oseo loans	Accrued interest not yet due	OSEO Innovation repayable grant	Bank overdrafts	Finance lease liabilities	Operating lease liabilities	Other financial liabilities	TOTAL
At December 31, 2022	**18 551**		**8**		**1**	**5 018**	**3 339**		**26 918**
New	2 000		15				1 552		3 567
Refunds	-3 930		-8			-563	-1 554		-6 056
Change for the year									
Exchange differences							4		4
At December 31, 2023	**16 621**		**15**		**1**	**4 454**	**3 340**		**24 432**
New			12				1 909		1 921
Refunds	-5 051		-15			-583	-1 734		-7 383
Change for the year									
Exchange differences							13		13
At December 31, 2024	**11 570**		**12**		**1**	**3 871**	**3 528**		**18 983**

In 2024, repayments of operating lease liabilities include €64k of early contract terminations (compared with €61k in 2023).

Term to December 31, 2024

In thousands of €	Portion due in less than 1 year	Over 1 and under 2 years	Share over 2 years and under 3 years	Share over 3 years and under 4 years	Share over 4 years and under 5 years	Share over 5 years	TOTAL
At December 31, 2024							
Bank loans	4 385	3 701	1 966	1 223	296		11 571
Accrued interest not yet due	12						12
OSEO Innovation repayable grant							
Bank overdrafts	1						1
Finance lease liabilities	604	625	465	298	311	1 568	3 871
Operating lease liabilities	1 662	1 179	627	60			3 528
Other financial liabilities							
Borrowings and financial liabilities	**6 664**	**5 505**	**3 058**	**1 581**	**607**	**1 568**	**18 983**
Trade payables	7 534						7 534
Tax and social security liabilities	7 607		248				7 855
Advance payments	11						11
Other liabilities	3 477						3 477
Deferred income	5 127	4 861	4 671	4 475	4 243	22 350	45 727
Other liabilities	**23 756**	**4 861**	**4 919**	**4 475**	**4 243**	**22 350**	**64 604**
TOTAL	**30 420**	**10 366**	**7 977**	**6 056**	**4 850**	**23 918**	**83 587**

3.6.7.11 Analysis of net debt

Change in net financial debt

In thousands of €	31/12/2024	31/12/2023
Long-term portion of borrowings	12 319	17 402
Current portion of borrowings	6 663	7 029
Borrowings due in less than one year and creditor banks	1	1
Total gross debt	**18 983**	**24 432**
Cash and cash equivalents	**24 627**	**22 489**
TOTAL NET DEBT	**-5 644**	**1 943**

Details of gross debt are provided in section 3.6.7.10.

Financing working capital

In thousands of €	31/12/2024		31/12/2023	
	Jobs	Resources	Jobs	Resources
Stocks	20 846		16 028	
Net trade receivables	21 280		20 842	
Net trade payables		7 534		6 136
Social security and tax receivables and payables		6 948		2 936
Other receivables & payables		43 714		37 453
WCR		**16 070**		**9 654**
Financing working capital	**16 070**		**9 654**	
Working capital	-8 556		-12 834	
Treasury	24 627		22 489	
Bank overdrafts	-1		-1	

In 2023 and 2024, the Company will generate working capital resources of around €9.7 million and €16.1 million respectively, mainly due to the weight of prepaid business.

In 2024, with working capital of €8.6 million, cash flow will be €24.6 million.

3.6.7.12 Provision for retirement commitments

Evolution of commitment

In thousands of €	Pension commitments
At December 31, 2022	**372**
Endowments	73
Reversals	
Change in scope of consolidation	
Actuarial gains and losses	-37
At December 31, 2023	**408**
At December 31, 2023	**408**
Endowments	98
Reversals	
Change in scope of consolidation	
Actuarial gains and losses	43
At December 31, 2024	**549**

3.6.7.13 Other provisions

In thousands of €	After-sales service provision	Provision for income taxes	Provisions for litigation	Other provisions	TOTAL
At December 31, 2022	**732**		**952**		**1 684**
Endowments	95		24		119
Reversals			-130		-130
Change in scope of consolidation					
At December 31, 2023	**827**		**846**		**1 673**
Endowments	6			250	256
Reversals	-56		-195		-251
Change in scope of consolidation					
At December 31, 2024	**777**		**651**	**250**	**1 678**

Provisions for litigation relate to labor and commercial disputes.

At the end of December 2021, COGELEC had to terminate the contract awarded to a general contractor for the construction of the extension to its premises, COGELEC having noted the cessation of work by its subcontractors on its site. This stoppage followed the general contractor's failure to pay for work carried out by subcontractors on the COGELEC site, which had not been completed by the end of 2021. Given the complex legal context and the uncertain outcome of this case, the Group has set aside a provision for risks of €1,059k at end-2021, which has been adjusted to €797k at end-2022, and then to €616k at end-2024. This €181k provision reversal reflects payments made by COGELEC to subcontractors. As COGELEC has signed a subrogated release with these subcontractors, the Group has recognized as an asset a receivable from ECCI of €153k, 100% depreciated. This claim has also been declared to the judicial representative.

Lastly, on December 31, 2024, COGELEC recognized a provision of €250k to cover the discontinuation of Vigik version 2 sales.

3.6.7.14 Contingent assets and liabilities

No contingent assets or liabilities have been recognized by the Company.

3.6.7.15 Trade and other payables

Trade and other payables by type

Trade payables

In thousands of €	31/12/2024	31/12/2023
Trade payables	7 440	5 903
Fixed asset liabilities	94	233
TOTAL	**7 534**	**6 136**

Other non-current liabilities

In thousands of €	31/12/2024	31/12/2023
Social security and tax liabilities	248	
Advances and deposits received		
Other liabilities		
Deferred income (1)	40 599	34 712
TOTAL	**40 847**	**34 712**
(1) of which		
Prepaid contract liabilities	40 216	34 197
Subscription contract liabilities		0
CIR and CII	377	506
Investment grants	6	9
	40 599	**34 712**

Social security liabilities due in more than one year correspond to the employer's contribution due on current bonus share plans.

For unwinding of PCAs, see note 3.6.11.2.

Other current liabilities

In thousands of €	31/12/2024	31/12/2023
Social security and tax liabilities	7 607	5 837
Advances and deposits received	11	11
Other liabilities	3 477	2 752
Deferred income	5 127	4 320
TOTAL	**16 222**	**12 921**
of which prepaid contract liabilities	**4 898**	**4 034**
of which reversal of prepaid contract liabilities	4 762	4 117
of which new prepaid contract liabilities	11 644	9 493

The increase in social security and tax liabilities is due to the rise in social security liabilities, particularly employee profit-sharing, including the social security flat rate, of €1,348k (nil at December 31, 2023).

The rise in other payables is mainly due to the increase in BFA credit balances, which include higher wholesaler discount rates.

3.6.8 INCOME STATEMENT

3.6.8.1 Sales figures

Sales include the sale of products and services. It is measured at the fair value of the consideration expected, net of any discounts, rebates and refunds, and exclusive of VAT and other taxes.

In thousands of €	31/12/2024	31/12/2023
Equipment sales	51 074	45 999
Sales of services	23 440	20 001
TOTAL	**74 514**	**66 000**

Sales of services include €17.76 million in "no or expired commitment" subscription sales in 2024, compared with €14.79 million in 2023.

Over the full year, sales came to €74.5m, up +12.9% on 2023, still driven by the continued development of Intratone sales in France and by the sales momentum in Europe. In France, sales rose by 10.8% to €63.6 million. In Europe, sales rose by 26.9% to €10.9 million. Hardware sales rose by +11.0%.

Subscriptions continued to grow at €23.4m (+17.2%), accounting for 31.5% of sales over the full year 2024. The churn rate remains very low.

In thousands of €	31/12/2024	31/12/2023
France	63 644	57 436
Export	10 870	8 564
TOTAL	**74 514**	**66 000**

Hardware sales include both sales to distributors (hardware only) and hardware "sales" components (turntables, etc.) of Classique and Premium global offer contracts.

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

The services provided include maintenance and access security management services, including the provision of a SIM card to give access to access control management services (access to web applications developed in-house and made available to managers, training for these managers, telephone assistance, maintenance of these applications, etc.).

These services constitute multi-year service obligations recognized using the percentage of completion method, based on the costs incurred, in accordance with IFRS 15. Given the structure and timing of the expenses incurred to provide the services (expenses that are stable from one year to the next), the percentage-of-completion method used corresponds to the amount of the transaction price prorated over the term of the contract (revenue recognized on a straight-line basis over the term of the contract). In addition, as the transaction price is not subject to any variability, the degree of uncertainty on the amount of total sales and therefore on the stage of completion at the balance sheet date is nil.

3.6.8.2 Purchases consumed

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

In thousands of €	31/12/2024	31/12/2023
Purchases of raw materials	-25 091	-18 910
Change in raw materials inventory	736	183
Purchase of merchandise		
Change in merchandise inventories		
SIM card purchases	-4 177	-3 509
Non-stock purchases	-1 030	-917
Transport on purchases	-88	-73
Capitalized production	594	585
Expense transfers		13
TOTAL	**-29 056**	**-22 627**

3.6.8.3 Staff costs and headcount

In thousands of €	31/12/2024	31/12/2023
Salaries	-14 399	-13 878
Change in provision for vacation pay	-275	-191
Bonuses & commissions	-3 306	-2 775
Indemnities & benefits	-315	-561
Social security charges	-6 890	-5 955
Share-based compensation (1)	-841	
Employee profit-sharing	-1 123	
Subsidies and transfers of personnel costs	379	418
Capitalized production	1 951	1 541
TOTAL	**-24 819**	**-21 401**

(1) Share-based compensation includes expenses calculated in accordance with IFRS2 for bonus share plans.

Group workforce

	31/12/2024	31/12/2023
Executives	104	100
Employees (1)	197	190
Workers	33	35
Apprentices	12	10
TOTAL	**346**	**335**

The workforce presented is an average workforce calculated in accordance with the French Social Security Code, and does not include temporary workers where applicable.

(1) At December 31, 2024, Intratone GmbH, Intratone LTD and Intratone BV had 18, 20 and 15 employees respectively (i.e. an average FTE workforce in 2024 of 19, 19 and 14 employees respectively). In these countries, there are no professional categories as described above. Salaried employees were therefore included in the total number of 52.

3.6.8.4 External expenses

In thousands of €	31/12/2024	31/12/2023
Remuneration of intermediaries and fees	-4 126	-3 601
Advertising	-1 965	-2 168
Temporary and seconded staff	-1 171	-834
Travel, missions and receptions	-1 123	-1 391
Transport on sales	-725	-646
Rentals	-393	-414
Maintenance and repairs	-716	-759
Contributions	-438	-555
Other items	-1 015	-950
TOTAL	**-11 672**	**-11 318**

Fees mainly comprise HRC's technical and marketing management services, accounting, legal and consulting fees (notably for patent studies, transfer price analysis and sourcing), and intellectual services related to the projects we develop.

H.R.C. services amounted to €998k on December 31, 2024, compared with €966k at December 31, 2023 (see note 3.6.10.2). Part of these fees is offset by capitalized production for €274k at December 31, 2024 and €36k at December 31, 2023.

The increase in fees is due to the fact that the Group is being supported in a number of areas, in particular the implementation of the new ERP system. Expenses relating to this ERP amount to €371k for 2024, and have been classified as expenses for the period, as the software is SaaS.

Advertising costs include trade fair and exhibition expenses, press advertising and communication/marketing expenses.

Temporary and seconded staff costs increased with the use of personnel in the industrial division (procurement, reception, production, shipping), in connection with the key kibolt project.dition) in connection, on the one hand, with the key kibolt project, and on the other, with the planned shutdown of 2G and the need to build up advance stock.

The fall in travel, mission and entertainment expenses is mainly due to the Group's intention to refocus its sales meetings at the respective head offices, and to the sales reorganization in Germany with the departure of 11 sales representatives at the beginning of 2024.

3.6.8.5 Details of other current operating income and expenses

In thousands of €	31/12/2024	31/12/2023
Share of investment grants written back to income (1)	220	605
Other products	51	62
Other expenses	-152	-65
TOTAL	**119**	**602**
(1) of which		
Takeover of CIR and CII subsidies	214	594
Write-back of subsidy on 0-rate advance		
Reversal of subsidy on property leasing	6	11
	220	**605**

3.6.8.6 Details of other operating income and expenses

In thousands of €	31/12/2024	31/12/2023
Sale price of fixed assets sold	139	116
NBV of assets sold	-247	-406
Reversals of exceptional provisions [1]	181	10
Exceptional provisions [1]	-153	-13
Other non-current income and expenses [2]	-236	-5
IPO costs not deducted from additional paid-in capital (advertising & prospectus costs, travel expenses)		
TOTAL	**-316**	**-299**

[1] Partial reversal of the provision relating to the termination of the contract awarded to a general contractor for the construction of the premises extension in 2024. This €181k provision reversal reflects payments made by COGELEC to subcontractors. As COGELEC has signed a subrogated release with these subcontractors, the Group has recognized as an asset a receivable from ECCI of €153k, 100% depreciated. This claim has also been declared to the judicial representative.

[2] In 2024, including €149k in VAT and CIR reminders following a tax audit at COGELEC.

3.6.8.7 Cost of net indebtedness

Cost of net financial debt

In thousands of €	31/12/2024	31/12/2023
Income from term accounts	746	530
Income from cash and cash equivalents	**746**	**530**
Interest on borrowings	-154	-138
Interest on financial leases	-165	-185
Interest on operating leases	-53	-25
Interest on repayable oseo innovation aid		
Bank interest		0
Interest on other liabilities	-23	
Gross cost of debt	**-395**	**-348**
Cost of net financial debt	**351**	**182**

The cost of net financial debt comprises interest on borrowings and other financial liabilities, and investment income.

Revenues from term accounts rose due to the dual effect of higher interest rates and higher investment volumes.

Other financial income and expense

In thousands of €	31/12/2024	31/12/2023
Foreign exchange gains	413	126
Income from trade receivables	4	1
Income from other loans		0
Other financial income	29	16
Other financial income	**446**	**143**
Foreign exchange losses		
Impairment of loans		
Other financial expenses		-3
Other financial expenses		**-3**
TOTAL	**446**	**139**

Income from trade receivables corresponds to the financing portion of lease payments received.

The rise in the value of the pound sterling against the euro had a positive effect on the exchange rate result for the period, notably due to the cash advances granted by the parent company COGELEC to its UK subsidiary. The share price had also developed favorably over the previous year, but to a lesser extent.

3.6.9 CASH FLOW STATEMENT

The following options have been selected:

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

Changes in cash flow from operations reflect trends in the Group's business.

Working capital requirements related to operations will be lower in 2023 and 2024, mainly due to prepaid invoicing, which is recognized as a contract liability when invoicing has not yet been earned. The change in prepaid contract liabilities is included in the following items:

- "Other non-current liabilities" for €6,019k in 2024 and €4,706k in 2023
- And "Other current liabilities" for €5,625k in 2024 and €4,787k in 2023.

The notes below give details of certain items in the cash flow statement.

3.6.9.1		31/12/2024	31/12/2023
Selling price	**3.6.8.6**	-139	-116
Adjusted selling price		**-139**	**-116**
Net book value	**3.6.8.6**	247	406
Adjusted net book value		**247**	**406**
Capital gains and losses		**108**	**291**

3.6.9.2	31/12/2024	31/12/2023
Current income tax expense	2 182	229
Deferred tax expense	-301	314
Reclassification of tax on treasury shares to shareholders' equity	121	-39
Income tax expense (including deferred taxes)	**2 002**	**504**

3.6.9.3		31/12/2024	31/12/2023
Opening current tax receivable/payable	**3.6.10.1**	1 233	-1 392
Current income tax expense		-2 182	-229
Current tax receivable/payable at end of year	**3.6.10.1**	1 587	-1 233
Reversal of tax savings generated by IPO costs charged to shareholders' equity			
Taxes paid		**638**	**-2 853**

3.6.9.4		31/12/2024	31/12/2023
Change in other non-current assets	**3.6.7.4**	-1 442	-764
Impact of exchange rate differences		19	4
Change in other non-current assets in WCR		**-1 424**	**-760**

3.6.9.5		31/12/2024	31/12/2023
Change in inventories	**3.6.7.6**	-4 818	-17
Impact of exchange rate differences			0
Change in inventories to WCR		**-4 818**	**-18**

3.6.9.6		31/12/2024	31/12/2023
Change in trade receivables	**3.6.7.7**	-48	-1 468
Impact of exchange rate differences		33	9
Change in trade receivables in WCR		**-15**	**-1 459**

3.6.9.7		31/12/2024	31/12/2023
Change in other current assets (excluding loans and guarantees)	**3.6.7.7**	-618	-37
Impact of exchange rate differences		6	4
- Impact of exchange rate differences on reciprocal agreements			-1
Change in other current assets in WCR		**-612**	**-34**

3.6.9.8		31/12/2024	31/12/2023
Change in other non-current liabilities	**3.6.7.15**	6 135	4 447
Impact of exchange rate differences		-88	-20
Change in other non-current liabilities in WCR		**6 047**	**4 426**

3.6.9.9		31/12/2024	31/12/2023
Change in trade payables	**3.6.7.15**	1 537	594
Impact of exchange rate differences		-21	-11
- Impact of exchange rate differences on reciprocal agreements		18	11
Change in trade payables to WCR		**1 534**	**593**

3.6.9.10		31/12/2024	31/12/2023
Reversal of subsidies	**3.6.8.5**	220	605
Deferred income recognized in income statement	**3.6.7.15**	4 762	4 117
Change in other current liabilities	**3.6.7.15**	3 301	775
Impact of exchange rate differences		-21	-5
Other current liabilities		**8 262**	**5 492**

3.6.9.11		31/12/2024	31/12/2023
Acquisitions of fixed assets	**3.6.7.1 and 3.6.7.2**	-6 231	-5 847
- New leases and rentals	**3.6.7.10**	1 909	1 552
Change in fixed asset liabilities	**3.6.7.15**	-139	94
Acquisitions of fixed assets		**-4 461**	**-4 201**

3.6.9.12		31/12/2024	31/12/2023
Selling price	**3.6.8.6**	139	116
Prepayments		-64	-61
Disposals of fixed assets		**75**	**55**

3.6.9.13		31/12/2024	31/12/2023
Other financial assets at beginning of year		506	611
Other financial assets at end of period	**3.6.7.3**	-536	-506
Change in non-current assets		**-30**	**104**
Neutralization of impairment losses			
VNC on guarantee deposits and sureties			
Change in loans and advances on non-current assets		**-30**	**104**
Other current assets at start of year (long-term investments)		131	67
Other current assets at end of year (long-term investments)	**3.6.7.7**	-76	-131
Change in current assets		**55**	**-64**
Net book value of long-term investments		-75	-50
Change in loans and advances on current assets		**-20**	**-114**
Change in loans and advances		**-50**	**-9**

3.6.9.14		31/12/2024	31/12/2023
New loans	**3.6.7.10**	1 920	3 567
- New leases and rentals	**3.6.7.10**	-1 909	-1 552
New loans		**11**	**2 015**

3.6.9.15		31/12/2024	31/12/2023
Loan repayments	**3.6.7.10**	-7 383	-6 056
Prepayments		64	61
Loan repayments		**-7 319**	**-5 995**

3.6.10 OTHER INFORMATION

3.6.10.1 Taxes

Balance sheet Assets (in K€)

	31/12/2024	31/12/2023
NON-CURRENT ASSETS		
Deferred tax		
Current tax receivable		
CURRENT ASSETS		
Current tax receivable [1]	80	1 336
TOTAL ASSETS	**80**	**1 336**

[1] Tax receivable from parent company accounts excluding CIR and CII

Balance sheet liabilities (in K€)

	31/12/2024	31/12/2023
NON-CURRENT LIABILITIES		
Deferred tax	303	615
Current tax liability		
CURRENT LIABILITIES		
Current tax liability [1]	1 667	103
TOTAL LIABILITIES	**1 970**	**718**

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

Net tax liability (in K€)

	Current		Non-current	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net current tax receivable	80	1 336		
Net current tax liability	1 667	103		

Analysis of tax charge (in K€)

	31/12/2024	31/12/2023
Net income before tax	**7 767**	**5 106**
Theoretical tax charge	2 006	1 319
Impact of permanently non-deductible expenses net of permanently non-taxable income	116	89
Impact of tax credits	-64	-161
Impact of losses for the year and non-activated restatements	-8	-65
Impact of differences in tax rates	-4	-18
Impact of offsetting previously non-activated losses	-35	-637
Impact of CVAE	75	67
Impact of exchange rate differences	-1	0
Net income of MEE companies	18	
Effective tax charge	**2 103**	**595**

The Group's tax charge in 2024 will be €2,103k, compared with €595k in 2023.

IAS 12 recommends using the most recently enacted tax rate to calculate deferred taxes. In France, the tax rate is therefore 25% plus the 3.3% contribution. Foreign companies are not taxed on the capitalization of their losses, up to the limit of their deferred tax liabilities.

As a result of the debt waivers granted to foreign subsidiaries in 2023, and the assumption of their distribution costs by COGELEC SA, the subsidiaries IT GMBH and IT BV have dethe previous year, when IT LTD broke even (no debt waiver for this subsidiary). This means that the allocation of previously unused tax losses will generate significant tax savings in 2023.

3.6.10.2 Related parties

The related parties identified at December 31, 2024 and December 31, 2023 are as follows:

- SAS H.R.C., whose Chairman is Mr Roger LECLERC (himself Chairman and CEO of SA COGELEC),
- SRC, whose chairman is COGELEC Développement, whose chairman is Roger Leclerc,
- COGELEC Développement, whose Chairman is Mr Roger LECLERC.

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

COGELEC distributed dividends of €2,032k to S.R.C. for fiscal 2024 and €1,465k for fiscal 2023.

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

PASSIF	31/12/2024	31/12/2023
Other non-current liabilities		
Total non-current liabilities		
Borrowings and financial liabilities		
Trade accounts payable	355	303
Total current liabilities	**355**	**303**
TOTAL LIABILITIES	**355**	**303**

	31/12/2024	31/12/2023
External expenses	-998	-966
Taxes		
OPERATING INCOME	-998	-966
Gross cost of debt		
CONSOLIDATED NET INCOME	**-998**	**-966**

3.6.10.3 Compensation of key management personnel

The Group has defined and restricted the definition of key management personnel to corporate officers, i.e. the key manager, Roger LECLERC, Chairman and Chief Executive Officer of SA COGELEC.

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

In thousands of €	31/12/2024	31/12/2023
Salaries	300	300
Bonus	296	260
EXECUTIVE COMPENSATION	**596**	**560**

The manager does not receive :

- Short-term benefits
- Post-employment benefits
- Other long-term benefits
- Termination benefits
- Share-based payments

3.6.10.4 Statutory auditors' fees

	ACCIOR			
	31/12/2024		31/12/2023	
	Statutory Auditors (ARC)	Network	Statutory Auditors (ARC)	Network
Half-yearly certification and limited review of the individual and consolidated financial statements				
* Transmitter	96		82	
* Fully consolidated subsidiaries				
Subtotal	**96**		**82**	
Services other than certification of financial statements				
* Transmitter			5	
* Fully consolidated subsidiaries				
Subtotal			**5**	
TOTAL statutory auditors' fees	**96**		**88**	

	DELOITTE			
	31/12/2024		31/12/2023	
	Statutory auditors (Deloitte & Associés)	Network	Statutory auditors (Deloitte & Associés)	Network
Half-yearly certification and limited review of the individual and consolidated financial statements				
* Transmitter	96		82	
* Fully consolidated subsidiaries				
Subtotal	**96**		**82**	
Services other than certification of financial statements				
* Transmitter	2		5	
* Fully consolidated subsidiaries				
Subtotal	**2**		**5**	
TOTAL statutory auditors' fees	**98**		**88**	

	ALDER SHINE LLP			
	31/12/2024		31/12/2023	
	Statutory auditors (Adler Shine LLP)	Network	Statutory auditors (Adler Shine LLP)	Network
Half-yearly certification and limited review of the individual and consolidated financial statements				
* Transmitter				
* Fully consolidated subsidiaries	18		14	
Subtotal	**18**		**14**	
Services other than certification of financial statements				
* Transmitter				
* Fully consolidated subsidiaries				
Subtotal				
TOTAL statutory auditors' fees	**18**		**14**	

With regard to foreign subsidiaries, only INTRATONE LTD has appointed a statutory auditor: ADLER SHINE LLP.

Since 2023, INTRATONE BV has been carrying out a contractual annual financial audit by an external company over 2023 and 2024, based on instructions received from COGELEC's statutory auditors.

3.6.10.5 Operational performance indicators

Gross margin

	31/12/2024	31/12/2023
Sales figures	**74 514**	**66 000**
Other operating income	28	24
Purchases consumed	-29 057	-22 627
Change in inventories of work in progress and finished goods	3 856	-11
GROSS MARGIN	**49 341**	**43 385**
As a percentage of sales	*66,2%*	*65,7%*

Purchases are detailed in section 3.6.8.2.

EBITDA

	31/12/2024	31/12/2023
Operating income	7 039	4 784
Depreciation and amortization	4 746	4 861
Impairment of assets, net of reversals	-185	526
IFRS 2 expenses	841	
EBITDA [1]	**12 441**	**10 171**
As a percentage of sales	*16,7%*	*15,4%*

[1] EBITDA: EBITDA is defined by COGELEC as operating income before depreciation, amortization and impairment of assets, net of write-backs and excluding the impact of IFRS 2. The Group is changing the definition of the EBITDA indicator, by also restating expenses linked to share-based compensation. The Group considers that these expenses do not reflect its current operating performance and have no direct impact on cash flow.

3.6.11 RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

3.6.11.1 Analysis of covenants

The Company is not subject to any covenants in connection with its financing arrangements for the years 2024 and 2023.

3.6.11.2 Maturities of financial assets and liabilities

2024

ASSETS (in K€)	Balance sheet value	- 1 year	at 2 years	at 3 years	at 4 years	at 5 years	+ 5 years
Other financial assets	**536**						
Long-term investments (BPA shares)	200						200
BPI guarantee deductions	115					115	
Property rental deposit	97						97
Local deposit IT UK	56			56			
Local deposit IT GMBH	22						22
Local deposit IT BV	46		46				
Employee loans							
Other non-current assets	**8 561**						
Accounts receivable	28		21				7
Lease receivables	4 759		2 044	1 499	913	303	
Prepaid expenses	3 774		931	955	838	691	359
Non-current financial assets	**9 097**		**3 042**	**2 510**	**1 751**	**1 109**	**685**
Inventories and work-in-progress	**20 846**	**20 846**					
Accounts receivable	**16 493**						
Accounts receivable	13 993	13 993					
Lease receivables	2 500	2 500					
Other current assets	**4 597**						
Employee loans	1	1					
BPI guarantee deductions	75	75					
Guarantee deposits IT UK							
Advances and deposits paid	141	141					
Social security receivables	52	52					
Tax receivables	2 496	2 496					
Other operating receivables	283	283					
Prepaid expenses	1 549	1 549					
Cash and cash equivalents	**24 627**	**24 627**					
Current financial assets	**66 563**	**66 563**					
TOTAL FINANCIAL ASSETS	**75 660**	**66 563**	**3 042**	**2 510**	**1 751**	**1 109**	**685**

2023

ASSETS (in K€)	Balance sheet value	- 1 year	at 2 years	at 3 years	at 4 years	at 5 years	+ 5 years
Other financial assets	**506**						
Long-term investments (BPA shares)	200						200
BPI guarantee deductions	115						115
Property rental deposit	129						129
Local deposit IT UK							
Local deposit IT GMBH	22						22
Local deposit IT BV	41		26			15	
Employee loans							
Other non-current assets	**7 119**						
Accounts receivable	12		4				8
Lease receivables	4 385		1 855	1 392	861	276	1
Prepaid expenses	2 722		610	602	599	483	428
Non-current financial assets	**7 625**		**2 495**	**1 994**	**1 460**	**774**	**902**
Inventories and work-in-progress	**16 028**	**16 028**					
Accounts receivable	**16 445**						
Accounts receivable	14 248	14 248					
Lease receivables	2 197	2 197					
Other current assets	**4 035**						
Employee loans							
BPI guarantee deductions	75	75					
Guarantee deposits IT UK	56	56					
Advances and deposits paid	122	122					
Social security receivables	38	38					
Tax receivables	2 247	2 247					
Other operating receivables	207	207					
Prepaid expenses	1 292	1 292					
Cash and cash equivalents	**22 489**	**22 489**					
Current financial assets	**58 997**	**58 997**					
TOTAL FINANCIAL ASSETS	**66 623**	**58 997**	**2 495**	**1 994**	**1 460**	**774**	**902**

2024

LIABILITIES (in K€)	Balance sheet value	- 1 year	at 2 years	at 3 years	at 4 years	at 5 years	+ 5 years
Borrowings and financial liabilities	**12 319**						
Bank loans	7 186		3 701	1 966	1 223	296	
Finance lease liabilities	3 267		625	465	298	311	1 568
Operating lease liabilities	1 866		1 179	627	60		
Other non-current liabilities	**40 846**						
PCA on prepaid contracts	40 216		4 748	4 581	4 388	4 174	22 325
CIR and CII	377		109	87	87	69	25
BPI - subsidy on interest-free advance	5		3	2			
OSEO - investment grants	248			248			
Non-current financial liabilities	**53 165**		**10 365**	**7 976**	**6 056**	**4 850**	**23 918**
Borrowings and financial liabilities	**6 664**						
Bank loans	4 385	4 385					
Accrued interest not yet due	12	12					
Bank overdrafts	1	1					
Finance lease liabilities	604	604					
Other financial liabilities							
Operating lease liabilities	1 662	1 662					
Trade payables	**7 534**	**7 534**					
Other current liabilities	**16 222**						
Social security and tax liabilities	7 607	7 607					
Advance payments	11	11					
Other liabilities	3 477	3 477					
Deferred income	5 127	5 127					
Current financial liabilities	**30 420**	**30 420**					
TOTAL FINANCIAL LIABILITIES	**83 585**	**30 420**	**10 365**	**7 976**	**6 056**	**4 850**	**23 918**

2023

LIABILITIES (in K€)	Balance sheet value	- 1 year	at 2 years	at 3 years	at 4 years	at 5 years	+ 5 years
Borrowings and financial liabilities	**17 402**						
Bank loans	11 570		4 385	3 701	1 966	1 223	296
Finance lease liabilities	3 871		604	625	465	298	1 879
Operating lease liabilities	1 960		1 057	574	299	31	
Other non-current liabilities	**34 712**						
PCA on prepaid contracts	34 197		3 981	3 898	3 735	3 545	19 038
CIR and CII	506		143	107	87	87	81
BPI - subsidy on interest-free advance							
OSEO - investment grants	9		3	3	2		
Non-current financial liabilities	**52 113**		**10 174**	**8 908**	**6 554**	**5 183**	**21 294**
Borrowings and financial liabilities	**7 030**						
Bank loans	5 051	5 051					
Accrued interest not yet due	15	15					
Bank overdrafts	1	1					
Finance lease liabilities	583	583					
Other financial liabilities	1 380	1 380					
Trade payables	**6 136**	**6 136**					
Other current liabilities	**12 921**						
Social security and tax liabilities	5 837	5 837					
Advance payments	11	11					
Other liabilities	2 752	2 752					
Deferred income	4 320	4 320					
Current financial liabilities	**26 087**	**26 087**					
TOTAL FINANCIAL LIABILITIES	**78 200**	**26 087**	**10 174**	**8 908**	**6 554**	**5 183**	**21 294**

3.6.11.3 Fair value of financial assets and liabilities

The Group's assets and liabilities are measured as follows for each year, based on the measurement categories defined by IFRS 9:

In thousands of €	31/12/2024	Value - IFRS 9 statement of financial position		
Balance sheet items	Value Statement of financial position	Fair value through profit or loss	Fair value through equity	Amortized cost
Non-current financial assets	536		536	
Accounts receivable	21 280			21 280
Other receivables	8 372			8 372
Cash and cash equivalents	24 627	24 627		
Total asset items	**54 815**	**24 627**	**536**	**29 652**
Current borrowings	6 664			6 664
Non-current borrowings	12 319			12 319
Trade accounts payable	7 534			7 534
Other debts	57 068			57 068
Total liability items	**83 585**			**83 585**

In thousands of €	31/12/2023	Value - IFRS 9 statement of financial position		
Balance sheet items	Value Statement of financial position	Fair value through profit or loss	Fair value through equity	Amortized cost
Non-current financial assets	506		506	
Accounts receivable	20 842			20 842
Other receivables	6 757			6 757
Cash and cash equivalents	22 489	22 489		
Total asset items	**50 594**	**22 489**	**506**	**27 599**
Current borrowings	7 030			7 030
Non-current borrowings	17 402			17 402
Trade accounts payable	6 136			6 136
Other debts	47 632			47 632
Total liability items	**78 200**			**78 200**

3.6.11.4 Off-balance sheet commitments by maturity

Financial commitments at December 31, 2024

In thousands of €	TOTAL	2025	2026	2027	2028	2029	Beyond
Commitments given							
Real security							
Fixed asset orders	1	1					
Loan obtained but not yet cashed (in K$)							
Supply commitment (1)	1 583	678	505	229	123	47	
Interest on borrowings	314	136	110	51	16	1	
Interest on finance leases	687	144	123	101	86	73	159
Interest on operating leases	113	68	36	9			
Total commitments given	**2 698**	**1 027**	**774**	**390**	**225**	**121**	**159**
Commitments received							
Overdraft limit	1 250	1 250					
Fixed asset orders	1 358	1 358					
Loan obtained but not yet cashed (in K$)							
Purchase commitment (1)	1 583	678	505	229	123	47	
Interest on borrowings	314	136	110	51	16	1	
Interest on finance leases	687	144	123	101	86	73	159
Interest on operating leases	113	68	36	9			
Total commitments received	**5 305**	**3 634**	**774**	**390**	**225**	**121**	**159**

(1) Lease commitments

The fall in purchase and supply commitments is due to :

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

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

With regard to these non-committal contracts in force on December 31, 2024, the Group forecasts sales of €19,483k for 2025.

COGELEC has $13 million in lines with banks for forward purchases in dollars, some of which it uses. In 2024, COGELEC purchased $7,950k on this line. For 2025, COGELEC has already committed $3,600k.

Financial commitments at December 31, 2023

In thousands of €	TOTAL	2024	2025	2026	2027	2028	Beyond
Commitments given							
Real security							
Fixed asset orders	341	341					
Loan obtained but not yet cashed (in K$) (2)	2 050	1 750	300				
Supply commitment (1)	1 874	701	579	409	141	39	5
Interest on borrowings	506	180	148	110	51	16	1
Interest on finance leases	852	165	144	123	101	86	233
Interest on operating leases	37	20	11	5	1	0	0
Total commitments given	**5 660**	**3 157**	**1 183**	**647**	**294**	**141**	**238**
Commitments received							
Overdraft limit	1 250	1 250					
Fixed asset orders	1 717	1 717					
Forward purchase contracts (in K$) (2)	2 050	1 750	300				
Purchase commitment (1)	1 874	701	579	409	141	39	5
Interest on borrowings	506	180	148	110	51	16	1
Interest on finance leases	852	165	144	123	101	86	233
Interest on operating leases	37	20	11	5	1	0	0
Total commitments received	**8 287**	**5 784**	**1 183**	**647**	**294**	**141**	**238**

(1) Lease commitments

(2) COGELEC has $13 million in agreements with banks for forward purchases of dollars. The Company has already drawn down $7,950k, and has committed $3,600k over 2025.

Loans granted by OSEO BDPME for a total of €2.3 million were secured by cash collateral amounting to €115k on December 31, 2024.

Loans granted by OSEO BDPME for a total of €3.8 million are secured by cash collateral amounting to €190k on December 31, 2023.

3.6.11.5 Operating segments

The breakdown of sales between the sale of equipment and the provision of services, and the breakdown of sales between France and Export is presented in section 3.6.8.1.

Foreign assets are not material.

In fiscal 2024, no single customer will account for more than 10% of sales.

In fiscal 2023, FRANCOFA EURODIS accounted for 10% of Group sales.

4. COMPANY FINANCIAL STATEMENTS AT DECEMBER 31, 2024

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

4.1 INCOME STATEMENT

In thousands of euros	31/12/2024	31/12/2023
Operating income		
Sales of merchandise		
Production sold (goods)	44 893	40 945
Production sold (services)	25 034	21 840
Net sales	**69 927**	**62 785**
Of which exports and intra-Community deliveries	*7 046*	*5 846*
Stocked production	3 969	-36
Capitalized production	3 881	3 006
Operating subsidies	51	48
Reversals of provisions (&amort), tax expenses	1 455	1 227
Other products	22	63
Total operating income (I)	79 305	67 094
Operating expenses (2)		
Purchase of merchandise		
Change in inventory		
Purchases of raw materials and other supplies	25 093	18 910
Changes in inventory	-736	-183
Other purchases and external charges (a)	16 697	14 963
Taxes and similar payments	819	776
Wages and salaries	15 135	13 544
Social security charges	7 001	5 230
Depreciation, amortization and impairment		
- On fixed assets: depreciation and amortization	3 352	3 589
- On fixed assets: impairment losses		377
- On current assets: impairment charges	996	511
- Provisions for liabilities and charges	250	251
Other expenses	4 431	9 680
Total operating expenses (II)	73 039	67 649
OPERATING INCOME (I-II)	6 266	-554
Share of profit from operations		
Profit allocated or loss transferred (III)		
Loss incurred or profit transferred (IV)		
Financial income		
Participation (3)	993	1 172
Other securities and receivables fixed assets		0
Other interest and similar income (3)	769	539
Reversals of provisions and depreciation and char tsf	1 123	1 607
Positive exchange rate differences	52	
Net proceeds from disposals of marketable securities		
Total financial income (V)	2 937	3 318
Financial expenses		
Depreciation, amortization and impairment.		
Interest expense (4)	177	141
Negative exchange differences	0	40
Net expenses on disposals of securities		
Total financial expenses (VI	177	181
FINANCIAL RESULT (V-IV)	2 760	3 137
RECURRING INCOME BEFORE TAX	9 026	2 583
Extraordinary income		
On management operations	44	
On capital transactions	213	73

Reversals of provisions, depreciation and tax expenses	181	10
Total non-recurring income (VII)	439	83
Extraordinary expenses		
On management operations	220	17
On capital transactions	150	345
Depreciation, amortization and provisions	153	13
Total non-recurring expenses (VIII)	523	376
EXCEPTIONAL ITEMS (VII-VIII)	-84	-293
Employee profit-sharing (IX)	1 123	
Income tax (X)	2 161	59
Total income (I+III+V+VII)	82 680	70 495
Total expenses (II+IV+VI+VIII+IX+X)	77 022	68 264
PROFIT OR LOSS	5 658	2 231
(a) Including :		
- Equipment leasing royalties		
- Real estate lease payments	747	747
(1) Of which income relating to prior years		
(2) Of which charges relating to prior years		
(3) Of which income from related parties	993	1 172
(4) Of which interest on related parties		

4.2 BALANCE SHEET AT DECEMBER 31, 2024

4.2.1 ASSETS

In thousands of euros	December 31, 2024			December 31, 2023
	Gross values	Amortization Impairment	Net value	Net value
FIXED ASSETS				
Intangible fixed assets				
Set-up costs				
Research and development costs	20 094	15 431	4 663	1 895
Concessions, patents, licenses, software, drts & similar assets	985	880	104	161
Fonds commercial (1)	1 927		1 927	1 927
Other intangible assets	3 762	403	3 359	4 379
Advances and deposits on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Industrial plant and equipment	18 321	14 120	4 200	3 755
Other property, plant and equipment	4 382	1 936	2 446	2 455
Property, plant and equipment in progress	938		938	673
Advance payments				203
Long-term investments (2)				
Investments in associates				
Other investments	435		435	435
Receivables from investments	22 456	20 415	2 041	2 279
Other long-term investments	200		200	200
Loans	1		1	
Other long-term investments	4 282		4 282	3 736
TOTAL FIXED ASSETS	77 783	53 186	24 597	22 099
CURRENT ASSETS				
Inventories and work-in-progress				
Raw materials and other supplies	11 847	427	11 420	10 608
Work-in-progress (goods and services)	6 827	208	6 620	3 987
Intermediate and finished products	3 082	292	2 790	1 299
Goods				
Advances and deposits paid on orders Receivables (3)	141		141	122
Accounts receivable	14 235	1 797	12 438	13 404
Other receivables	1 598	275	1 323	2 478
Capital subscribed and called, unpaid				
Miscellaneous				
Marketable securities	20 618		20 618	18 605
Availability	3 679		3 679	3 144
Prepaid expenses (3)	4 793		4 793	3 672
TOTAL CURRENT ASSETS	66 822	2 998	63 823	57 317
Deferred debt issuance costs				
Bond redemption premiums				
Cumulative translation adjustment				
GENERAL TOTAL	144 604	56 185	88 420	79 416
(1) Including leasehold rights				
(2) Of which due in less than one year (gross)			4 071	3 492
(3) Of which due in more than one year (gross)			5 411	3 543

4.2.2 LIABILITIES

In thousands of euros	December 31, 2024	December 31, 2023
SHAREHOLDERS' EQUITY		
Capital	4 004	4 004
Share premium, merger premium, contribution premium, etc.	4 902	4 902
Revaluation surplus		
Legal reserve	400	400
Statutory or contractual reserves		
Regulated reserves	6	6
Other reserves	1 913	2 833
Retained earnings		
RESULT FOR THE YEAR (profit or loss)	5 658	2 231
Investment grants	9	15
Regulated provisions		
TOTAL SHAREHOLDERS' EQUITY	**16 891**	**14 390**
OTHER EQUITY		
Proceeds from issues of redeemable shares		
Conditional advances		
TOTAL OTHER EQUITY		
PROVISIONS FOR CONTINGENCIES AND CHARGES		
Provisions for contingencies	2 334	1 523
Provisions for charges	22	152
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	2 356	1 675
DEBTS (1)		
Convertible bonds		
Other bonds		
Borrowings from credit institutions (2)	11 583	16 637
Borrowings and other financial liabilities (3)		
Advances and deposits received on contracts in progress		
Trade accounts payable	7 040	5 622
Tax and social security liabilities	7 072	3 836
Payables on fixed assets and related accounts	22	147
Other liabilities	3 406	2 451
Deferred income (1)	40 049	34 656
TOTAL DEBTS	69 173	63 350
Foreign currency translation liabilities		
GENERAL TOTAL	88 420	79 416
(1) Of which due in more than one year (a)	42 826	42 493
(1) Of which due in less than one year (a)	26 346	20 857
(2) Of which bank overdrafts and credit balances	1	1
(3) Of which participating loans		
(a) Excluding advances received on contracts in progress.		

4.3 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

4.3.1 HIGHLIGHTS OF FISCAL 2024

Significant events of the year with an accounting impact

Setting up bonus share plans

Using the authorization granted by the 9th resolution of the Company's Annual General Meeting of June 22, 2023, the Board of Directors decided at its meeting on March 26, 2024 to renew the share buyback program implemented on November 16, 2022, under the same terms.the same terms the share buyback program implemented on November 16, 2022 to cover future bonus share plans, for a period of 18 months from the date of the aforementioned General Meeting, i.e. until December 22, 2024.

At its meeting on March 26, 2024, the Board of Directors also made use of the authorization granted by the 16th resolution of the Company's General Shareholders' Meeting dated June 22, 2023 to set up several free share plans for the benefit of certain employees of the Company and, more generally, of the Group, including :

(i) Members of the Group Management Committee (with the exception of Roger Leclerc), up to a maximum of 120,000 shares, representing 1.35% of the Company's share capital at the grant date (the "**Plan n°2024-01**");

(ii) The local *managers* of the Group's subsidiaries, up to a maximum of 60,000 shares, representing 0.67% of the Company's share capital at the grant date, divided into 20.000 shares each between the *manager* of the Group's UK division (the "**Plan n°2024-02-01**"), the *manager* of the Group's German division (the "**Plan n°2024-02-02**") and the *manager* of the Group's French division (the "**Plan n°2024-02-01**").Plan n° 2024-02-02") and the manager of the Group's Dutch division (the "**Plan n° 2024-02-03**");

(iii) Certain high-potential employees and key contributors to the Group, up to a maximum of 250,000 shares, representing 2.81% of the Company's share capital at the grant date (the "**Plan no. 2024-03**").

All these plans are subject to a 40-month vesting period (without a holding period), i.e. July 26, 2027, and to presence and performance conditions, with the aim of growing the Company and creating value for its shareholders.

The purpose of these plans is to strengthen the existing links between the Company and the Group's employees concerned, by giving them the opportunity to be more closely involved in the future development and performance of the Company and, more generally, of the Group.

In addition, these plans represent a reduced cost for the Company in terms of incentive instruments, and a controlled dilutive effect for shareholders.

Shares issued at the end of the vesting period may be either new ordinary shares or existing shares acquired under the Company's share buyback program, as described in section 1.4.3 of the Management Report.

At its meeting on December 12, 2024, the Board of Directors also made use of the authorization granted by the 17th resolution of the Company's General Meeting of Shareholders on June 24, 2024 to set up a new free share allocation plan for the benefit of certain high-potential employees and key contributors to the Group (the "Plan n°2024-03 Bis"), for a maximum of 55,000 shares.

At the same meeting, the Board of Directors also set up a plan for the free allotment of ordinary shares to certain high-potential employees and key contributors in the Group's UK subsidiary (the "Plan no.2024-02-01 Bis") of up to 10,000 shares, and to certain high-potential employees and key contributors of the Group's German subsidiary (the "Plan n°2024-02-02 Bis") of up to 5,000 shares.

The vesting period of these new plans will also expire on July 26, 2027 (without a holding period), as they are subject to presence and performance conditions, with the aim of growing the Company and creating value for its shareholders.

Like Plan 2024-03, the purpose of these new plans is to recognize the operational performance of certain high-potential employees and key contributors to the Group, and to strengthen their links with the Company by giving them the opportunity to be more closely involved in the future development and performance of the Company and, more generally, of the Group. These plans also represent a reduced cost for the Company in terms of motivation tools and, for shareholders, a controlled dilutive effect.

Employee compensation settled in equity instruments is recorded under "Employee benefits expense" in the income statement, with a corresponding entry under shareholders' equity.

The total expense is measured at the grant date, taking into account all specific conditions likely to have an impact on fair value, and spread on a straight-line basis over the vesting period.

Taking into account employee departures since the introduction of Plan no. 2024-01, Plan no. 2024-02-01, Plan no. 2024-02-02, Plan no. 2024-02-03 and Plan no. 2024-03, these would result, at the date of this report, in the allocation of 385,000 shares. For this purpose, it was assumed that 100% of the employees still working at December 31, 2024 would be present at the acquisition date. Based on these assumptions, the cost of these plans amounts to €812k, including the employer's contribution. The portion relating to employees of foreign subsidiaries was re-invoiced to Intratone LTD and Intratone BV for a total of €59k.

On the other hand, no provision for outflow of resources was booked in 2024 in respect of plans approved at the end of December 2024.

Taxation

On December 9, 2022, COGELEC received a notice of an accounting audit covering the 2020 and 2021 financial years. This review began in January 2023. On December 8, 2023, the Company received a proposed rectification to interrupt the statute of limitations, covering only the year ended December 31, 2020 in terms of VAT and corporate income tax, and excluding the 2020 CIR filed in 2021. The amounts reassessed were accepted by the Company in the amounts of €10,335 for VAT and €13,973 for corporate income tax.

On October 22, 2024, the Company also accepted the CIR regularization procedure (2020 and 2021) for the sum of €134,167 and VAT (2021) for the sum of €21,443. All these amounts were normally paid to the tax authorities in November 2024.

Start-up Kibolt

The first sales of the Kibolt Smart key began in September 2024. The Company has therefore begun to amortize all R&D costs capitalized in the balance sheet in the amount of €2,126,208.

Debt write-offs

To finance the commercial development of its subsidiaries, the Company has granted various advances in recent years, reduced by the write-off of receivables.ances of €3.85 million granted in 2023 and 2024 (with a financial recovery clause), for a cumulative amount of €22.5 million at December 31, 2024. These advances have been written down by €20.4 million in the parent company financial statements, and relate to receivables from the UK and German subsidiaries.

In addition, as part of its transfer pricing policy, the Company has assumed a contribution to the distribution costs of its subsidiaries amounting to €4.1 million for 2024.

4.3.2 ACCOUNTING PRINCIPLES AND METHODS

4.3.2.1 Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are valued at acquisition cost in the case of assets acquired for valuable consideration, at production cost in the case of assets produced by the company, and at market value in the case of assets acquired free of charge or in exchange.

The cost of a fixed asset consists of its purchase price, including customs duties and non-recoverable taxes, after deducting rebates, trade discounts and cash discounts.The cost of a fixed asset consists of its purchase price, including customs duties and non-recoverable taxes, after deducting trade discounts, rebates and cash discounts. Transfer taxes, fees, commissions and legal costs associated with the acquisition are included in the acquisition cost. All costs that do not form part of the purchase price of the asset and cannot be directly attributed to the costs incurred in bringing the asset to its present location and condition for its intended use, are expensed as incurred.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. This production cost includes the purchase price of materials consumed and costs attributable to preparing them for their intended use, after deduction of rebates, discounts and cash discounts. Interest on borrowings specific to the production of fixed assets is not included in the production cost of these assets.

Development costs are essentially costs incurred in developing 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 and use or sell it,
- Ability to use or sell it,
- Probable economic benefits,
- Availability of resources to complete development and use or sell,
- Ability to reliably estimate project expenditure.

Capitalized development costs are costs directly attributable to a project, as determined by project cost tracking.

The company regularly reviews compliance with activation criteria. These costs are capitalized as long as the company retains the essential benefits and risks associated with the projects, and in particular when the company retains intellectual property rights and has granted a temporary right to use and/or exploit the results of the development phases.

Ongoing development projects are tested for impairment.

Capitalized costs are amortized on a straight-line basis over the period of use expected by the company, i.e. five years from the start of commercialization.
Project improvements are amortized over the original amortization period - the period already amortized (minimum 1 year).
Equipment made available to customers under contracts is capitalized and depreciated over the term of the contract.
Equipment is valued at cost.

4.3.2.2 Impairment of non-financial assets

Impairment tests are carried out on property, plant and equipment and intangible assets with finite useful lives whenever there is an indication of impairment. These tests consist of reconciling the net book value of assets with their recoverable amount, corresponding to the higher of their market value less costs to sell and their value in use estimated using the DCF (discounted cash flow) method.

Cash flows are discounted 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 for 2024 is 9%.

Intangible assets 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 with indefinite useful lives, 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.

Impairment tests, carried out in accordance with the methodology described above, did not lead to the recognition of any additional impairment on R&D projects in progress or in service at the end of 2024. A sensitivity test, with a weighted average cost of capital in the 8% to 10% range, was carried out and led to the same conclusion. However, full impairment has been recognized on two abandoned projects for a total amount of €475k at December 31, 2024, compared with €539k at December 31.

4.3.2.3 Depreciation and amortization

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

- Concessions, software and patents:	1 to 5 years
- Technical installations :	1 to 10 years
- Industrial machinery and equipment:	1 to 10 years (including GSM plates and blocks from 5 to 10 years)
- General installations, fixtures and fittings:	2 to 35 years
- Transport equipment:	2 to 5 years
- Hardware:	2 to 5 years
- Furniture:	3 to 10 years

For simplicity's sake, the depreciation period used is the useful life for assets that cannot be broken down at the outset.
At the balance sheet date, based on internal and external information available to it, the company has assessed whether there is any indication that the value of the assets may have declined significantly.

Where there is an indication of impairment, an impairment test is carried out: the net book value of the fixed asset is compared with 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 written down to its present value.
However, when the present value is not deemed to be significantly lower than the net book value, the latter is maintained in the balance sheet.
Recognition of an impairment loss changes the depreciable amount of the impaired asset on a prospective basis.

4.3.2.4 Goodwill

In application of ANC regulation no. 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. Market value is determined according to criteria of economic profitability and industry practice. A provision for impairment is recorded where appropriate.

4.3.2.5 Equity interests and current account advances

Equity interests are valued at acquisition cost, excluding incidental expenses.

The inventory value of securities corresponds to their value in use for the company. When the inventory value is lower than the acquisition cost, an impairment loss is recognized in the amount of the difference.

Current accounts of foreign subsidiaries are subject to impairment when they correspond to the financing of accumulated prior losses, the repayment horizon of which is too far in the future.
At December 31, 2024, an impairment loss of €20.4m was recognized on receivables from subsidiaries.

4.3.2.6 Inventories

The acquisition costs of inventories 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 directly attributable to the cost of raw materials, merchandise, work in progress and finished goods. Trade discounts, rebates, cash discounts and similar items are deducted in determining acquisition costs.

Manufactured products are valued at production cost, including consumption, direct and indirect production expenses, and depreciation of assets used in production. The cost of the sub-activity is excluded from the value of inventories. Interest is excluded when valuing inventories.

Inventories are valued using the first-in, first-out method.

A write-down on inventories equal to the difference between the gross value determined in accordance with the above procedures and the current market price or realisaalization value less proportional selling costs, is taken into account when this gross value is higher than the other term stated.

4.3.2.7 Receivables

Receivables are valued at their face value. An impairment loss is recognized when the inventory value is lower than the book value.

4.3.2.8 Provisions

Any present obligation to a third party arising from a past event, which can be estimated with sufficient reliability and which covers identified risks, is recognized as a provision.

4.3.2.9 Debt issuance costs

Loan issuance costs are immediately expensed in the year in which they are incurred.

4.3.2.10 Investment grants

Investment grants are spread over several years.

4.3.2.11 Non-recurring income and expenses

Extraordinary income and expenses include items that are not related to the company's normal operations.

4.3.2.12 Foreign currency transactions

When assets are acquired in a foreign currency, the conversion rate used is the exchange rate on the date of acquisition or, where applicable, the hedging rate if hedging was taken prior to the transaction. Hedging costs are also included in the acquisition cost.

Payables, receivables and cash denominated in foreign currencies are shown in the balance sheet at the year-end exchange rate. The difference arising from the discounting of foreign-currency-denominated payables and receivables at the latter rate is recorded in the balance sheet as a translation adjustment.

Unrealized foreign exchange losses that have not been offset are fully provided for in accordance with regulatory requirements.

4.3.2.13 Pension commitments

The company's commitments in respect of retirement indemnities are calculated using the projected unit credit method with end-of-career salaries.The projected unit credit method takes into account the provisions of the Collective Bargaining Agreement, the probability of remaining with the company, and a discount rate.

In COGELEC's parent company financial statements, pension commitments are treated as off-balance sheet commitments.

The actuarial assumptions used are as follows:

- Discount rate: 3.16%.
- Salary growth rate: 4% declining balance
- Turnover rate: medium
- Retirement age: 65 for executives and 64 for non-executives
- Mortality rate table: INSEE 2017-2019
- Calculation method: ANC 2021 method

4.3.3 NOTES TO THE BALANCE SHEET

4.3.3.1 Fixed assets

FIXED ASSETS TABLE

In thousands of €	At beginning of year	Increase	Decrease	At year-end
- Start-up and development costs	16 124	3 970		20 094
- Fonds commercial	1 927			1 9 27
- Other intangible assets	5 783	2 992	4 029	4 747
Intangible fixed assets	**23 834**	**6 963**	**4 029**	**26 768**
- Land				
- Buildings on own land				
- Buildings on non-building land				
- General fittings, fixtures and fittings constr				
- Industrial plant, machinery and equipment	16 274	2 051	4	18 321
- General fixtures and fittings, miscellaneous improvements	2 329	216		2 545
- Transport equipment	24			24
- Office and computer equipment, furniture	1 792	217	197	1 812
- Recyclable packaging and miscellaneous				
- Property, plant and equipment in progress	673	558	294	938
- Advance payments	203	251	454	
Property, plant and equipment	**21 297**	**3 294**	**950**	**23 641**
- Investments accounted for by the equity method				
- Other investments	24 253	2 983	4 345	22 891
- Other long-term investments	200			200
- Loans and other non-current financial assets	3 736	624	77	4 284
Long-term investments	**28 188**	**3 607**	**4 421**	**27 374**
FIXED ASSETS	**73 319**	**13 863**	**9 400**	**77 783**

As part of the initial application of regulation no. 2015-06 of 23 November 2015, amending regulation no. 2014-03 of the French accounting standards authority (Accounting Standards Authority) relating to the General Chart of Accounts, the technical merger loss recorded in the opening balance sheet under goodwill has been allocated to the underlying assets on which there are reliable and significant unrealized capital gains, based on the information available at the opening date of the financial year.
As the technical loss relates exclusively to the subscription contracts entered into by Intratone Telecom, it is recorded in full in COGELEC's assets in a sub-account for goodwill. The business goodwill is neither amortized nor depreciated in the absence of any indication of loss of value identified at the balance sheet date.

Cash flows can be analyzed as follows:

In thousands of €	Intangible fixed assets	Property, plant and equipment	Long-term investments	TOTAL
Breakdown of increases				
Item-to-item transfers	3 970	733		4 703
Transfers from current assets				
Acquisitions	2 992	2 560	3 607	9 160
Contributions				
Creations				
Revaluations				
Increases for the year	**6 963**	**3 294**	**3 607**	**13 863**
Breakdown of reductions				
Item-to-item transfers	3 955	748		4 703
Transfers to current assets				
Disposals		4	77	81
Spin-offs				
Shutdowns	74	197	4 345	4 616
Decreases for the year	**4 029**	**950**	**4 421**	**9 400**

INTANGIBLE ASSETS

Intangible assets with a net book value of €10,054k include R&D projects in progress for €3,359k, commercialized R&D projects for €4,663k, goodwill of €1,927k and patents for €104k at December 31, 2024.
The €6,963k increase in intangible fixed assets during the year corresponds to :

- Commissioning of development projects for €3,970k
- Recognition of projects in progress for €2,975k
- Software commissioning for €17k.

In thousands of €	Gross amount
Project activation	20 094
Research costs	**20 094**

PROPERTY, PLANT AND EQUIPMENT

Increases in property, plant and equipment during the year amounted to €3,294,000, corresponding mainly to :

- Plant and equipment for €2,051k, of which capitalized production of equipment related to classic and Premium contracts for €1,269k
- Property, plant and equipment in progress: €463k
- Advances and deposits on equipment for €251k
- Computer equipment and furniture: €217k
- Fixtures and fittings: €216k
- Property, plant and equipment in progress (buildings) for €95k

FINANCIAL ASSETS

Financial acquisitions amounted to €3,607k, mainly comprising :

- Cash advances to subsidiaries: €2,983k
- Purchase of treasury shares for €578k
- Payment of deposits and guarantees for €43k.

DEPRECIATION OF FIXED ASSETS

In thousands of €	At beginning of year	Increase	Decrease	At year-end
Start-up and development costs	14 229	1 202		15 431
Fonds commercial				
Other intangible assets	807	74		880
Intangible fixed assets	**15 035**	**1 276**		**16 311**
Land				
Buildings on own land				
Buildings on non-building land				
General fixtures and fittings				
Plant, machinery and equipment	12 417	1 633	2	14 048
General installations, fixtures and fittings	487	224		712
Transport equipment	24			24
Office and computer equipment, furniture	1 179	219	197	1 200
Recyclable packaging and miscellaneous				
Property, plant and equipment	**14 108**	**2 076**	**199**	**15 985**
FIXED ASSETS	**29 144**	**3 352**	**199**	**32 296**

4.3.3.2 Current assets

STATEMENT OF RECEIVABLES

Total receivables at year-end amounted to €47.4m, with the following breakdown by maturity:

In thousands of euros	Gross amount	Maturities - 1 year	Maturities + 1 year
Receivables under non-current assets			
Receivables from investments	22 456		22 456
Loans	1	1	
Others	4 282	4 070	212
Current assets			
Accounts receivable	14 235	14 235	
Others	1 598	1 323	275
Subscribed capital - called, unpaid			
Prepaid expenses	4 793	1 462	3 332
TOTAL	**47 366**	**21 091**	**26 275**
Loans granted during the year	3		
Loans recovered during the year	2		

Amounts receivable after more than one year, totaling €26,275 thousand, break down as follows:

- Advances to subsidiaries €22,456k
- CCA of €3,332k (including CCA on PREMIUM commissions of €185k and SIM cards of €3,107k)
- Extension receivables €275k
- Deposits and guarantees for €212k.

Amounts due in less than one year of €21,091k mainly concern:
- Non-doubtful trade receivables of €12,430k
- Doubtful customers for €1,804k, of which intra-group for €1,757k.
- Treasury shares for €3,995 thousand
- CCA for €1,461k
- Deductible vat for €980k
- Trade payables, accrued credit notes and trade debtors: €283k
- Deposits and guarantees for €75k.

ACCRUED INCOME

In thousands of €	Amount
Intercompany customers - invoices to be issued	29
Suppliers and advances receivable	199
Org.social prod.receivable	19
Accrued income	
Deb.misc.accrued income	
Accrued interest receivable	572
Total	**819**

DEPRECIATION OF ASSETS

Cash flows can be analyzed as follows:

In thousands of €	Impairment at beginning of year	Charge for the year	Recovery for the year	Impairment at year-end
Intangible assets	436		33	403
Property, plant and equipment	102		30	72
Long-term investments	21 538		1 123	20 415
Stocks	1 038	121	233	926
Receivables and securities	1 132	1 028	87	2 073
Total	**24 246**	**1 149**	**1 506**	**23 889**
Breakdown of additions and reversals :				
Operating		996	383	
Financial			1 123	
Exceptional		153	0	

Impairment of fixed assets :

Impairment of intangible assets relates to two R&D projects, which have been written down for €56k and €348k respectively.

Impairment of non-current financial assets totaling €20,415k relates to the write-down of receivables from equity interests, including:

- Subsidiary Intratone GMBH: €12,830k
- Intratone UK subsidiary: €7,585k

Impairment of receivables totaling €2,073k mainly concerned the following subsidiaries:

- Subsidiary Intratone GMBH: €1,493k
- Intratone UK subsidiary: €264k

4.3.3.3 Shareholders' equity

COMPOSITION OF SHARE CAPITAL

Share capital of €4,004,121.60 divided 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 single voting rights, including 548,403 treasury shares.
- 5,347,085 registered shares, including 20 with single voting rights and 5,347,065 with double voting rights.

Details of treasury shares purchased by COGELEC :

- Number of treasury shares held at 12/31/2024: 603,716 shares
- Value of treasury shares held at 12/31/2024: €3,994,761
- Number of treasury shares acquired in 2024: 107,690 shares
- Value of treasury shares acquired in 2024: €1,030,287
- Number of treasury shares sold in 2024: 52,377 shares
- Value of treasury shares sold in 2024: €585,128

All these actions are recorded in account 277.

Implementation of the first free share plans, by the Board of Directors on March 26, 2024:

- Total number of shares that may be issued: 430,000
- Number of shares no longer held: 45,000
- Number of shares granted during the year: 0
- Initial share value on March 26, 2024: €6.39

Introduction of new free share plans by the Board of Directors on December 12, 2024:

- Total number of shares that may be issued: 70,000
- Number of shares allocated during the year: 0
- Initial value of shares at December 12, 2024: €6.39

APPROPRIATION OF NET INCOME

Decision of the Annual General Meeting of June 24, 2024:

In thousands of €	Amount
Retained earnings from previous year	
Net income for the previous year	2 231
Withdrawals from reserves	920
Total origins	**3 151**
Transfers to reserves	
Distributions	3 151
Other breakdowns	
Retained earnings	
Total allocations	**3 151**

CHANGES IN SHAREHOLDERS' EQUITY

In thousands of €	Balance at 01/01/2024	Appropriation of profit	Increases	Decreases	Balance at 12/31/2024
Capital	4 004				4 004
Additional paid-in capital	4 902				4 902
Legal reserve	400				400
General reserves	2 833	-920		920	993
Regulated reserves	6				6
Retained earnings					
Net income for the year	2 231	-2 231	5 658	2 231	3 427
Dividends		*3 151*			3 151
Investment grant	15			6	9
Total shareholders' equity	**14 390**		**5 658**	**3 157**	**16 891**

4.3.3.4 Provisions

In thousands of €	Provisions at beginning of year	Charge for the year	Reversals used during the year	Unused reversals for the year	Provisions at year-end
Disputes	846		195		651
Customer guarantees	677		56		621
Losses on futures markets					
Fines and penalties					
Foreign exchange losses					
Pensions and similar obligations					
For taxes					
Renewal of fixed assets					
Major maintenance and overhauls					
Social security contributions and taxes					
Vacation pay					
Other provisions for liabilities and charges	152	1 062	130		1 084
TOTAL	**1 675**	**1 062**	**382**		**2 356**
Breakdown of additions and reversals for the year :					
Operation		1 062	201		
Financial					
Exceptional			181		

Provision for litigation: At the end of December 2021, COGELEC had to terminate the contract awarded to a general contractor for the construction of an extension to its premises, COGELEC having noted that its subcontractors had stopped working on its site. This stoppage followed the general contractor's failure to pay for work carried out by subcontractors on the COGELEC site, which had not been completed by the end of 2021. In view of the complex legal context and the uncertain outcome of this case, the Group has set aside a provision for risks of €1,059k at the end of 2021. This provision has been updated to December 31, 2024, bringing the risk to €616k.

Warranty provision on Intratone equipment for a total of €621k.

After-sales costs have been provisioned on the basis of the product warranty period, i.e. 3 years. The rates used for calculation have been updated to 2024, and based on costs observed in recent years, in relation to sales in the year of sale of the products concerned by the after-sales expenses incurred.

The provision of equipment in exchange for after-sales service items led to the recognition of a provision for charges related to the neutralization of the margin on advanced products awaiting return in the amount of €22k.

The first free share plans were set up by the Board of Directors on March 26, 2024. A provision has been booked at December 31, 2024 to cover the future disposal of these shares over a 40-month period. It amounts to €812k at December 31, 2024.

A provision of €250k has been booked for the discontinuation of Vigik V2 sales.

4.3.3.5 Liabilities

STATEMENT OF LIABILITIES

Total payables at the year-end amounted to €69,173k, and the breakdown by maturity is as follows:

In thousands of €	Gross amount	Due in less than one year	Due beyond one year	1 to 5 years
Convertible bonds (*)				
Other bonds (*)				
Borrowings (*) and amounts due to credit institutions of which :				
- up to 1 year originally	1	1		
- over 1 year at inception	11 582	4 397	7 185	
Other borrowings (*) (**)				
Trade accounts payable	7 040	7 040		
Tax and social security liabilities	7 072	7 072		
Payables on fixed assets and related accounts	22	22		
Other liabilities (**)	3 406	3 406		
Deferred income	40 049	4 409	16 012	19 629
Total	**69 173**	**26 346**	**23 197**	**19 629**
(*) Borrowings taken out during the year				
(*) Borrowings repaid during the year	5 051			
(**) Of which to associates				

ACCRUED LIABILITIES

In thousands of €	Amount
Supplier invoices receivable	2 257
Suppliers invoices not yet received	
Accrued interest on borrowings	12
Accrued interest payable	1
Accrued vacation pay	1 296
Accrued payroll costs	1 715
Social security contributions on paid leave	515
Social organizations ch. payable	464
Apprenticeship tax	13
Continuing Education	0
Construction effort	67
Accrued expenses	261
rrr customers & advances to be granted	2 813
Total	**9 414**

4.3.3.6 Accruals and deferred income

Prepaid expenses

In thousands of €	Operating expenses	Financial expenses	Exceptional expenses
Prepaid expenses	4 037		
CCA recurring charges	756		
TOTAL	**4 793**		

Prepaid expenses of €4,793k mainly concern:

- SIM cards for €3,751k
- PREMIUM commissions of €287k
- Property leasing for €155k
- 2024 car fleet insurance for €84k
- Rent and service charges in Nantes for €66k.

Deferred income

In thousands of €	Operating income	Financial Income	Exceptional Products
Deferred income	40 049		
TOTAL	**40 049**		

Deferred income: prepaid invoicing.

Deferred income is recognized as follows:

- Billing spread over the contract warranty period or over 15 years for prepaid contracts
- These PCAs are reduced by the amount of commercial costs estimated by COGELEC on prepaid contracts (i.e. impact of €1,752k at 12/31/2024), in order to cover these expenses.

Future expenses, directly associated with pre-billed contracts, are estimated at 20% of PCA, or €8 million (SIM cards + module amortization).

4.3.4 NOTES TO THE INCOME STATEMENT

Equipment sales are recognized in the income statement on the delivery date.

Subscription contracts and global offer contracts (including both equipment sales and service provision) are recognized using the percentage-of-completion method on a straight-line basis over the term of the contract.

Capitalized production

- Of which capitalized production on projects: €2,613k
- Of which capitalized production on equipment related to subscription contracts: €1,269k

Operating and financial income and expenses

Remuneration of statutory auditors
Fees for certification of financial statements: €191k

These fees break down as follows:
- ACCIOR: €95.7k
- DELOITTE: €95.7k

4.3.4.1Financial results

In thousands of €	31/12/2024	31/12/2023
Financial income from investments	993	1 172
Income from other fixed asset securities and receivables		0
Other interest and similar income	769	539
Reversals of provisions and expense transfers	1 123	1 607
Positive exchange rate differences	52	
Net proceeds from sales of marketable securities		
Total financial income	**2 937**	**3 318**
Depreciation, amortization and provisions		
Interest and similar expenses	177	141
Negative exchange differences	0	40
Net expenses on disposals of marketable securities		
Total financial expenses	**177**	**181**
Net financial income	**2 760**	**3 137**

The reversal of €1,123k relates to the reversal of impairment losses on receivables from subsidiaries:
- Intratone GMBH for €782k
- Intratone LTD for €341k

Related parties

List of significant transactions :

Transactions with related parties correspond to technical and marketing services invoiced by HRC in the amount of €998k and are covered by a regulated agreement (see paragraph 2.3.2).

4.3.4.2 Non-recurring income and expenses

Net exceptional income

In thousands of €	Expenses	Products
Penalties, tax and criminal fines	7	
Tax reminder (other than income tax)	149	
Other exceptional expenses on management operations	65	
Book value of assets sold	150	
Provisions for contingencies and charges	153	
Other exceptional income from management operations		44
Proceeds from disposals of assets		75
Investment grants transferred to income		6
Other products		133
Provisions for contingencies and charges		181
Provisions for impairment		
TOTAL	**523**	**439**

Non-recurring income of -€84k mainly concern:

- Share buyback bonus + €133k
- VNC of abandoned projects - €60k
- Tax reassessment following tax audit (VAT and CIR) - €149k

4.3.4.3 Earnings and income taxes

NET INCOME AND INCOME TAX

In thousands of €	Amount	
Tax calculation basis		
Standard rate - 25% discount	8 498	
Reduced rate - 15% discount		
Long-term capital gains - 15% of sales		
Licensing - 10% of sales		
Rental contribution - 2.5%.		
Temporary solidarity contribution - 33		
Tax credit		
Competitiveness Employment		
Research credit and collaborative research		
Executive training credit		
Learning credit		
Family credit		
Investment in Corsica		
Patronage credit		9
Other allocations		

IMPACT OF OVERRIDING TAX ASSESSMENTS

In thousands of €	Amount
Net income for the year	**5 658**
+ Income tax	2 161
+ Distribution tax surcharge	
- Income tax receivables	
Profit before tax	**7 819**
Change in regulated provisions	
Provision for investments	
Provision for price increases	
Excess tax depreciation	
Tax provisions	
Other regulated provisions	
Earnings excluding special tax assessments (before tax)	**7 819**

TAX BREAKDOWN

In thousands of €	Profit before tax	Corresponding tax (*)	Profit after tax
+ Current income	9 026	2 141	6 885
+ Exceptional items	-84	20	-104
- Employee profit-sharing	1 123		1 123
Accounting income	**7 819**	**2 161**	**5 658**

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

The tax charge of €2,160k corresponds to the corporate income tax charge of €2,169k calculated at December 31, 2024, after deduction of the corporate sponsorship tax reduction of €9k.

Increases and reductions in future tax liabilities

The deferred tax position, based on a corporate income tax rate of 25%, shows a future receivable of €305k. This amount does not take into account any payment of the social contribution on profits.

Amounts in thousands of €	Amount
Increases in future tax liabilities	
Related to accelerated depreciation	
Provisions for price increases	
Capital gains to be added back	
Linked to other items	
A. Total bases increasing future debt	
Reductions in future tax liabilities	
Provisions for vacation pay	
Non-deductible provisions and accrued expenses for the year	1 219
Linked to other elements	
B. Total bases helping to reduce future debt	**1 219**
C. Tax loss carryforwards	
D. Long-term capital losses	
Estimate of future receivables	**305**
Base = (A-B-C-D) Valued tax at 25% rate	

Provisions for non-deductible accrued expenses of €1,218k correspond to :

- Employee profit-sharing €1,123k
- C3S provision €95k

4.3.4.4 Workforce

Average workforce: 294, including 12 apprentices and 2 disabled people.

Salaried staff	31/12/2024
Executives	106
Supervisors and technicians	52
Employees	91
Workers	45
TOTAL	**294**

4.3.4.5 Other information

MANAGEMENT INFORMATION

Compensation paid to members of management bodies

Mr Roger Leclerc, Chairman and Chief Executive Officer of the Company, received remuneration of €596k in respect of the 2024 financial year (fixed portion of €300k and variable portion of €296k). In addition, under the terms of the 9th resolution of the Annual General Meeting of June 24, 2024, the Company's shareholders set at 40.000 the maximum total annual amount of directors' remuneration to be allocated among the members of the Board of Directors for the year ending December 31, 2024.

IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE COMPANY'S ACCOUNTS

Company name: COGELEC DEVELOPPEMENT

Form: SAS
SIREN : 90148027700010

Capital: €34 568 223

Head office address :
370 RUE DE MAUNIT - ZI DE MAUNIT
85290 MORTAGNE SUR SEVRE

Where copies of the financial statements may be obtained: COGELEC DEVELOPPEMENT.

COGELEC DEVELOPPEMENT is the consolidating parent company of the Group, consisting of SAS SRC, SA COGELEC and its 4 subsidiaries:

- INTRATONE GMBH
- INTRATONE LTD
- INTRATONE BV
- PORTACONNECT

FINANCIAL COMMITMENTS

Commitments given

Amounts in thousands of €	31/12/2024
Discounted bills not yet due	
Guarantees and sureties	
Pension commitments	
Equipment leasing commitments	
Real estate leasing commitments	**4 554**
Interest on borrowings	314
Retention period	115
Sales on unbilled contracts	1 982
Fixed asset orders	1
Forward purchases in dollars	3 600
Other commitments given	**6 012**
Total	**10 566**
Of which commitments secured by collateral	

The €115k holdback corresponds to the cash collateral for the €2.3 million loan granted by BPI France.

COGELEC supports its foreign subsidiaries for as long as they remain part of the Group, to enable them to pay their debts on time and continue their normal business without interruption.

The company has $13 million in lines with banks for forward purchases in dollars, which it partially utilizes.

In 2024, COGELEC purchased $7,950k on this line. For 2025, COGELEC has already committed $3,600k.

Commitments received

Amounts in thousands of €	31/12/2024
Authorized overdraft limits	1 250
Guarantees and sureties	
Interest on borrowings	314
Retention period	115
Real estate and equipment leasing commitments	4 554
Sales on unbilled contracts	1 982
Fixed asset orders	1 358
Debt waiver with financial recovery clause	3 850
Forward purchases in dollars	3 600
Other commitments received	**15 773**
Total	**17 023**
Of which concerning Subsidiaries	3 850

LEASE CREDIT

Amounts in thousands of €	Land	Buildings	Tools and equipment	Others	Total
Original value		**7 275**			**7 275**
Cumulative prior-year amounts		1 766			1 766
Charge for the year		383			383
Depreciation		**2 149**			**2 149**
Cumulative prior years		3 706			3 706
Exercise		747			747
Royalties paid		**4 452**			**4 452**
Within one year		747			747
More than one year and no more than five years		2 080			2 080
Over five years old		1 728			1 728
Outstanding royalties		**4 554**			**4 554**
Within one year					
More than one year and no more than five years	0			0	
Over five years old					
Residual value	**0**			**0**	
Amount recognized in the year		747			747

The building is financed by a 12-year property lease.
Following the amendment signed in October 2016, the real estate leasing table takes into account the final data, namely:

- Land acquisition cost: €216K
- Structural work: €1,335k, amortized over 35 years
- Cladding: €586k, amortized over 20 years
- General installations: €1,386k, depreciated over 15 years
- Fixtures and fittings: €139k, depreciated over 10 years

Total investment of €3,662k.
In the first half of 2022, COGELEC incurred pre-rent charges of €3k for the expansion. The 12-year property lease then began in July 2022. This second contract takes into account the following data:

Structural work: €560k, amortized over 35 years
Cladding: €1,658k, amortized over 20 years
General installations: €862k, depreciated over 15 years
Fixtures and fittings: €533k, depreciated over 10 years
Total investment of €3,613k.

PENSION OBLIGATIONS

Commitments in respect of pensions, supplementary retirement benefits and similar indemnities: €549k

SUBSIDIARIES AND AFFILIATES

Name	Country of registration	Capital	Non-capital shareholders' equity	Share of capital held	Gross book value of shares held	Net book value of shares held	Loans and advances granted by the company	Results	Sales excluding tax
INTRATONE GMBH	GERMANY	25 000 €	-14 447 940 €	100%	25 000 €		12 804 978 €	-252 496 €	1 474 674 €
INTRATONE UK LTD	UNITED KINGDOM	100 £	-7 559 791 £	76%	86 €	86 €	7 585 101 €	116 030 £	3 606 235 £
INTRATONE BV	NETHERLANDS	10 000 €	-3 222 125 €	100%	10 000 €	10 000 €	2 065 620 €	-17 723 €	3 659 683 €
PORTACONNECT	France	176 800 €	112 882 €	35%	400 000 €	400 000 €	NA	-199 588 €	30 690 €

4.4 INCOME STATEMENT FOR THE LAST 5 YEARS

In thousands of €	2020	2021	2022	2023	2024
1. financial position at financial year-end					
a) Share capital	4 004	4 004	4 004	4 004	4 004
b) Number of shares	8 898 048	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) Sales excluding VAT	40 544	49 277	57 246	62 785	69 927
b) Earnings before tax, depreciation, amortization, provisions and employee profit-sharing	6 411	5 940	10 919	4 952	11 805
c) Corporate income tax	409	187	1 611	59	2 161
d) Employee profit-sharing	147		840		1 123
e) Profit after tax, depreciation, amortization, provisions and employee profit-sharing	2 277	-5 971	-11 315	2 231	5 658
f) Earnings distributed				2 437	3 151
3. results of operations reduced to a single share					
a) Profit after tax and employee profit-sharing, but before depreciation, amortization and provisions	0,66 €	0,65 €	0,95 €	0,55 €	0,96 €
b) Profit after tax, depreciation, amortization, provisions and employee profit-sharing	0,26 €	-0,67 €	-1,27 €	0,25 €	0,64 €
c) Dividend per share				0,29 €	0,38 €
4. personnel					
a) Average number of employees	208	236	251	273	294
b) Total payroll	9 425	10 888	11 860	13 544	15 135
c) Amounts paid for employee benefits (social security, social works, etc.)	3 660	4 347	4 511	5 230	7 001

5. STATUTORY AUDITORS' REPORTS

5.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the COGELEC shareholders' meeting

OPINION

In compliance with the assignment entrusted to us by the Annual General Meeting, we have audited the accompanying consolidated financial statements of COGELEC for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended, and of the financial position and assets and liabilities of the consolidated group of companies in accordance with IFRSs as adopted by the European Union.and of the financial position and assets of the consolidated group at the year-end.

BASIS OF OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities Relating to the Audit of the Consolidated Financial Statements".

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code (Code de commerce) and in the Auditors' Code of Ethics, covering the period from January [1], 2024 to the date of issue of our report.

JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters which, in our professional judgment, were the most significant for the audit of the consolidated financial statements.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and of the formation of our opinion expressed above. We do not express an opinion on the individual components of these consolidated financial statements.

Valuation and impairment of development-derived intangible assets

Development-related intangible assets, the accounting principles of which are described in note "3.6.4.8 Intangible assets", are recorded in the balance sheet at December 31, 2024 at a net value of €7,603k , including R&D projects in progress, and have been tested for impairment as described in notes "3.6.4.10 Monitoring the value of non-current assets (excluding financial assets)" and "3.6.6.1 Impairment of non-financial assets".

We examined the methods used to implement these impairment tests based on cash flow forecasts, and verified the consistency of the assumptions used with the forecast data derived from strategic plans drawn up under the supervision of Group management. We have also verified that the notes to the consolidated financial statements provide appropriate disclosures.

Revenue recognition

Notes "3.6.4.18 Revenue recognition" and "3.6.8.1 Sales" to the consolidated financial statements describe the accounting rules and methods used to recognize sales.

As part of our assessment of the accounting rules and principles applied by your Group, we verified the appropriateness of the above-mentioned accounting methods and of the disclosures made in the notes to the consolidated financial statements, and ensured that they were correctly applied.

SPECIFIC CHECKS

In accordance with professional standards applicable in France, we have also verified the information given on the Group in the Board of Directors' management report, as required by law.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as adopted by the European Union, and to implement such internal control procedures as management determines are 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 making an assessment of the company's ability to continue as a going concern, for disclosing in those financial statements, where appropriate, relevant information relating to the going concern basis of accounting and for applying the going concern basis of accounting unless the company is to be wound up or cease trading.

The consolidated financial statements have been approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error, and are considered material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions made by users of the financial statements. As stipulated by Article L.821-55 of the French Commercial Code, our role as statutory auditors does not include guaranteeing the viability or quality of your company's management.

In an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition :

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and implements audit procedures to address these risks, and obtains audit evidence that it deems sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud can involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control ;
- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control;
- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, based on the information obtained, whether there is any material uncertainty related to events or circumstances that may affect the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- It assesses the overall presentation of the consolidated financial statements, and whether they give a true and fair view of the underlying transactions and events;
- concerning the financial information of persons or entities included in the scope of consolidation, it gathers information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for directing, supervising and performing the audit of the consolidated financial statements, and for expressing an opinion on these financial statements.

La Roche-sur-Yon and Saint-Herblain, April 09, 2025

Statutory Auditors

ACCIOR - A.R.C.	Deloitte & Associés
Sébastien Caillaud	Guillaume RADIGUE

5.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the COGELEC shareholders' meeting

OPINION

In compliance with the assignment entrusted to us by the Annual General Meeting, we have audited the accompanying financial statements of COGELEC for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2009 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

BASIS OF OPINION

Audit framework
We conducted our audit in accordance with professional standards applicable in France. We believe that the information we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities Relating to the Audit of the Financial Statements".

Independence
We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors, for the period from January [1], 2024 to the date of issue of our report.

JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters which, in our professional opinion, were the most significant for the audit of the financial statements.

These assessments were made in the context of our audit of the financial statements taken as a whole, and of the formation of our opinion expressed above. We do not express an opinion on the individual components of these financial statements.

Valuation and impairment of development-derived intangible assets

The notes to the consolidated financial statements entitled "Accounting policies - Property, plant and equipment and intangible assets" and "Accounting policies - Impairment of non-financial assets" describe :

- the criteria for capitalizing development costs incurred by the company and their amortization method;
- the methodology for carrying out impairment tests and analyzing their sensitivity to key assumptions.

As part of our assessment of the accounting rules and principles applied by your Company, we examined the methods used to capitalize development expenditure and the methods used to amortize such expenditure. We have also examined the methods used to implement impairment tests based on cash flow forecasts, and checked that the consistency of the assumptions used with the forecast data derived from strategic plans drawn up under the supervision of the company's management.Lastly, we verified that the notes to the financial statements provide appropriate disclosures.

Revenue recognition

The Notes to the Income Statement - Sales explain how sales are recognized in the income statement.

As part of our assessment of the accounting rules and principles applied by your Company, we verified the appropriateness of the above-mentioned accounting methods and of the disclosures provided in the notes to the financial statements, and ensured that they were correctly applied.

SPECIFIC CHECKS

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law.

Information provided in the management report and other documents on the financial situation and financial statements sent to shareholders

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

We hereby attest to the fair presentation and the conformity with the financial statements of the information relating to the payment periods mentioned in article D.441-6 of the French Commercial Code.

Report on corporate governance

We hereby attest that the Board of Directors' report on corporate governance contains the disclosures required by Article L.225-37-4 of the French Commercial Code.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE IN RELATION TO THE FINANCIAL STATEMENTS

It is the responsibility of management to prepare financial statements that give a true and fair view in accordance with French accounting rules and principles, and to implement such internal control procedures as it deems necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these statements, where appropriate, the necessary going concern information and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

The annual financial statements have been approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our responsibility is to express an opinion on these financial statements based on our audit. Our objective is to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in accordance with professional standards will systematically detect any material misstatement. Misstatements may arise from fraud or error, and are considered material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions made by users of the financial statements.

As stipulated by Article L.821-55 of the French Commercial Code, our role as statutory auditors does not include guaranteeing the viability or quality of your company's management.

In an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition :

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and implements audit procedures to address these risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud can involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control ;
- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control ;
- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, based on the information obtained, whether there is any material uncertainty related to events or circumstances that may affect the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of the report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the annual accounts concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- it assesses the overall presentation of the annual financial statements, and whether they give a true and fair view of the underlying transactions and events.

La Roche-sur-Yon and Saint-Herblain, April 09, 2025

Statutory Auditors

ACCIOR - A.R.C.	Deloitte & Associés
Sébastien Caillaud	Guillaume RADIGUE

5.3 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

To the COGELEC shareholders' meeting

In our capacity as Statutory Auditors of your Company, we hereby report on certain contractual agreements with certain related parties.

Our responsibility is to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us and the reasons why they are of interest to the Company. We are not required to comment as to whether they are beneficial or appropriate, or whether any other agreements exist. Under the terms of Article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

In addition, we are required to provide you with the information specified in Article R.225-31 of the French Commercial Code relating to the performance during the year of agreements already approved by the Shareholders' Meeting.

We performed those procedures which we considered necessary to comply with the professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it has been extracted.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

In accordance with article L.225-40 of the French Commercial Code, we have been advised of the following agreements entered into during the year ended December 31, 2009, which were authorized by your Board of Directors.

Agreement with SAS H.R.C.

Interested party: Mr Roger Leclerc, Chairman and Chief Executive Officer of your company and Chairman of SAS H.R.C.

Type of agreement: Technical and commercial services agreement

On April 23, 2018, your company entered into an agreement with SAS H.R.C. for the provision of technical and commercial services, with effect from May [1], 2018. This agreement was modified by an amendment dated May 11, 2018.

Concluded for a one-year term renewable by tacit agreement, the renewal of this agreement was authorized by your Board of Directors on April 18, 2019, April 21, 2020, April 20, 2021, March 30, 2022, March 23, 2023 and March 26, 2024.

This agreement provides for a fixed annual remuneration of €695,100 exclusive of tax, divided between technical services (€377,340 exclusive of tax) and commercial services (€317,760 exclusive of tax), and a variable remuneration, linked to the performance of commercial services, determined as follows:

- 2.5% of the fraction of your company's annual EBITDA less than or equal to €10,000,000 before tax;
- 1.25% of the fraction of your company's annual EBITDA in excess of €10,000,000 before tax.

The variable portion is capped at a maximum of €695,100 exclusive of tax, but is not subject to performance conditions.

The Board of Directors justified the renewal of this agreement on the grounds of the technical and commercial skills provided by SAS H.R.C.

Amount expensed for the year under this agreement: €998,429 excluding VAT.

AGREEMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

We hereby inform you that we have not been advised of any agreements previously approved by the Annual General Meeting which remained in force during the year.

La Roche-sur-Yon and Saint-Herblain, April 09, 2025

Statutory Auditors

ACCIOR - A.R.C.	Deloitte & Associés
Sébastien Caillaud	Guillaume RADIGUE

6. OTHER INFORMATION

6.1 COMPANY INFORMATION

6.1.1 IDENTITY

COMPANY NAME

COGELEC SA

COMPANY FORMATION DATE

October 2000

NATIONALITY

French

LEGAL FORM

Public limited company with a Board of Directors

HEAD OFFICE

370 rue de Maunit

85290 Mortagne-sur-Sèvre

Telephone: 02 51 65 05 79

Fax: 02 51 61 45 83

E-mail address :

investors@cogelec.fr

Website: www.cogelec.fr

COMPANY AND TRADE REGISTER

433 034 782 RCS La Roche-sur-Yon

APE CODE

2630Z (Manufacture of communications equipment)

DURATION

The Company's term is 99 years from the date of its registration in the Trade and Companies Register, except in the event of early dissolution or extension.

CORPORATE PURPOSE

The Company's purpose in France and in all other countries is, directly or indirectly:

- Design and manufacture of communications and telecommunications equipment,
- Rental of telecommunications equipment and provision of related subscriptions and services,
- The Company's participation, by any means, in all transactions that may be related to its corporate purpose, through the creation of new companies, the subscription or purchase of shares or corporate rights, mergers or otherwise,
- The performance of all commercial, civil, financial, securities or real estate transactions that may be directly or indirectly related to the above, or likely to promote the development or expansion of the Company's business.

FINANCIAL YEAR

January 1 to December 31.

CAPITAL AND CHARACTERISTICS

At December 31, 2024 :

The capital is €4,004,121.60

It is divided into 8,898,048 ordinary shares with a par value of €0.45 each, all of the same class, subscribed and paid up.

INITIAL PUBLIC OFFERING

June 18, 2018

STOCK CODES

- ISIN : FR0013335742
- Reuters : ALLEC.PA
- Bloomberg: ALLEC:FP
- Mnemonic code: ALLEC

EURONEXT PARIS

Listed on: Euronext Growth Paris

STATUTORY DISTRIBUTION OF PROFITS

Distributable income is divided among all shareholders in proportion to the number of shares they own.

INFORMATION OFFICER

Mr Sébastien Berret

ACTIFIN Company

Tel: 01.56.88.11.11

Documents and information relating to the Company are available to shareholders and the public at the registered office and on the Group's website (investor section): www.cogelec.fr/

6.1.2 BOARD OF DIRECTORS

PRESIDENT GENERAL MANAGER

Roger LECLERC

MEMBERS OF THE BOARD OF DIRECTORS

Mr Roger LECLERC (Chairman), Mrs Brigitte GENY (independent), Mrs Dominique DRUON (independent), Mr Patrick FRUNEAU and Mr Patrice GUYET.

6.1.3 STATUTORY AUDITORS

STATUTORY AUDITORS

ACCIOR - A.R.C., member of the compagnie régionale des commissaires aux comptes de la Cour d'appel Ouest Atlantique,

53 rue Benjamin Franklin CS 80 654 85016 La Roche-sur-Yon Cedex,

Represented by Sébastien Caillaud.

Appointment date: June 24, 2019

Term of office: 6 years

Term of office expires: at the Annual Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2024.

Deloitte & Associés, member of the Compagnie régionale des Commissaires aux comptes de la Cour d'appel de Versailles, 185C avenue Charles de Gaulle 92200 Neuilly,

Represented by Guillaume Radigue.

Appointment date: January 16, 2018

Term of office: 6 years

Term of office expires: at the Annual Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2029.

6.1.4 MAJOR 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 business.

6.1.4.1 Contracts with telephone operators

CONTRACT WITH ORANGE FRANCE

On June 24, 2010, the Company signed a framework agreement with Orange France for the provision of "machine-to-machine" business radiotelephony services (following an initial contract in force between the parties from 2006 to 2010), subsequently amended by several riders.

The purpose of this contract is to make SIM cards and related services available to the Group, in order to equip products marketed by the Group, in return for payment of a price by the Company in accordance with the pricing conditions set out in the contract. The contract covers the 28 countries of the European Union and more than 50 targeted geographic zones in addition to France.

The initial contract was for 60 months. The agreement was renewable for 12 months, unless terminated by either party. Subsequent amendments have modified the duration of this contract. A new framework agreement was signed on June 29, 2020, with effect from July 01, 2020, for a period of 60 months, tacitly renewable for 12-month periods.

The contract stipulates that either party may automatically terminate the framework agreement in the event of a breach by the other party of any of its obligations. It is also stipulated that contractual relations will be terminated ipso jure in the event of one of the parties going out of business, or if one of the parties is the subject of insolvency proceedings under which the framework agreement would not be continued or taken over.

CONTRACT WITH SFR

The Company signed a "machine to machine" partnership and services contract with Société Française du Radiotéléphone (SFR) on October 18, 2011, subsequently amended by several riders.

The purpose of this contract is to make SIM cards and related services available to the Group, in order to equip products marketed by the Group, in return for payment of a price by the Company in accordance with the pricing conditions set out in the contract. The contract covers more than 50 geographical areas in addition to France.

The contract was signed for an initial term expiring on December 31, 2012. Since then, it has been tacitly renewed for 12-month periods, unless terminated by either party. The contract also provides for several cases of termination at SFR's discretion (e.g. improper use of SIM cards, expiry or withdrawal of SFR's establishment and operating authorizations, judicial liquidation, low rate of achievement of objectives by COGELEC, change of control of COGELEC or acquisition of a stake in COGELEC by a competitor of SFR).

CONTRACT WITH BOUYGUES TELECOM

The Company signed a "communicating objects" service integrator contract with Bouygues Telecom on November 21, 2016.

The purpose of this contract is to define the conditions under which Bouygues Telecom will provide the Company with the "communicating objects" service in France and, where applicable, in other countries.(36 countries are covered in addition to France), which the Company can use to market its machine-to-machine applications to 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 payment of a price by the Company in accordance with the pricing conditions set out in the contract.

This contract was signed for an initial period of 24 months. Unless one of the parties denounces the agreement at least 3 months before its expiry, it will be tacitly renewed for an indefinite period. Either party may terminate the contract at any time, subject to 3 months' notice.

In the event of non-performance by either party of its essential obligations, the other party will be entitled to terminate the contract 15 days after unsuccessful formal notice. The contract also provides for termination by Bouygues Telecom at any time without notice (e.g. unsuccessful second payment request, abnormal or fraudulent use of the service, modification or suspension of GSM roaming agreements with foreign operators).

Any denunciation or termination shall not affect the validity of orders concluded prior to this date.

6.1.4.2 VIGIK trademark contracts

Between 2003 and 2006, the Company signed several trademark agreements with La Poste / SRTP Vigik. Each of these contracts relates to the use of the brand for a specific product. In return, the Company declares and pays brand exploitation royalties, which are calculated on the basis of annual sales at agreed unit rates.

With the exception of one contract which was concluded for a license period equivalent to that of the product's VIGIK compliance, these contracts were concluded for an indefinitely renewable 2-year period.

The above contracts concern non-exclusive licenses.

6.1.4.3 Technological and commercial partnership agreement with Legrand

COGELEC has entered into a partnership with Legrand to integrate products from the Hexact range, including the Vigik® access control solution, into its BTicino brand, dedicated to access control and intercom systems.

COGELEC and Legrand jointly developed the technology needed to integrate Hexact products into Legrand's BTicino range, and proposed a communicating interface for real-time management of badges, access and resident names via the Hexact® Web platform. This new offer is marketed by Legrand sales forces throughout France to distribution customers, installers and specifiers in the multi-family housing sector.

6.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

6.2.1 PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

Mr Roger LECLERC, Chairman and CEO, COGELEC.

6.2.2 CERTIFICATION BY THE RESPONSIBLE PERSON

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Annual Financial Report is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.
I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and all the companies included in the consolidation, and that the management report included in the presentsent Annual Financial Report presents a true and fair view of the development of the business, results and financial position of the Company and all the companies included in the consolidation, together with a description of the principal risks and uncertainties they face.

Mortagne-sur-Sèvre, April 09, 2025

Chairman and Chief Executive Officer

Roger LECLERC