Universal Registration Document **2023**

VusionGroup

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VusionGroup

Universal Registration Document 2023

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on May 3, 2024, with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said regulation.

The Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The resulting package is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Copies of this Universal Registration Document are available free of charge from VusionGroup, 55, place Nelson Mandela, 92000 Nanterre, France, as well as on the VusionGroup (www.vusion.com) and AMF (www.amf-france.org) websites.

This annual financial report is a reproduction in PDF, translated in English, of the official version of the annual financial report in XHTML format and in French, filed with the AMF on May 3, 2024 and available on our website: https://investor.vusion.com/files/doc_financials/2023/ar/vusiongroup-2023-12-31-fr.zip

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Introduction and presentation of the Group's activities

About VusionGroup

Global leader* in digitalization solutions for commerce

At VusionGroup, we invent IoT and digital technologies that create a positive impact on society by enabling sustainable and human-centered commerce.

VusionGroup is the global leader in digital solutions for physical retail.

The Group counts among its clients over 350 food and specialty retailers across Europe, Asia, and North America.

* Based on the Group's revenue as of December 31, 2023 and the revenue published by the main players in the ESL market over the same period.

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Key figures[1]

Founded in
1992

18
subsidiaries and sales offices worldwide

850
employees

40,000
stores

400 million
smart labels

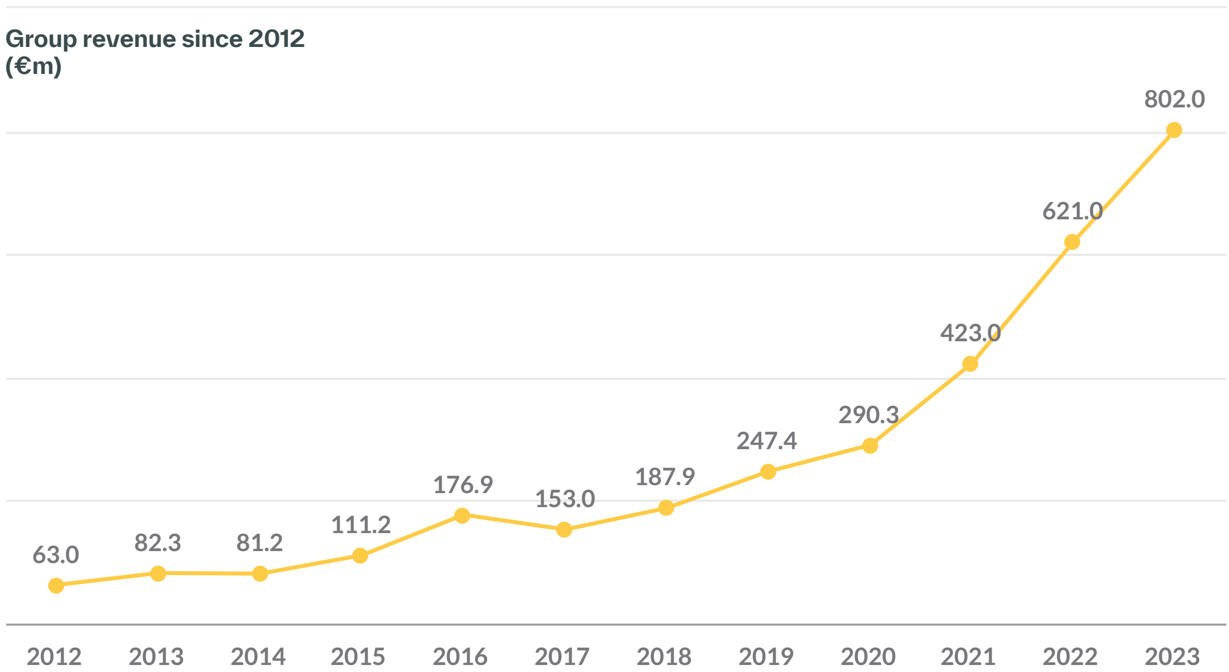
350 customers
in more than 60 countries

€802 million
in revenue

[1] Figures at the end of December 2023

Significant improvement in profitability in 2023

FY 2023 revenue of €802 million for annual growth of +29% versus 2022
EBITDA of €102 million, +75% versus year-ago; EBITDA margin of 12.8%, (+3.4 points compared to 2022)
Net income of €79.6 million, +328% versus previous year
Sharp improvement in net cash (+€67.7 million)
A dividend of €0.30 per VusionGroup share to be proposed at the next AGM
2024 full-year revenue target of €1 billion and ongoing profitability improvement



(€m)	**2023**	2022	2021
Europe & MEA	642	487	317
Rest of the world	160	134	106
Total revenue	**802**	**621**	**423**

Message from the Chairman & CEO

Thierry GADOU

Chairman & CEO
VusionGroup

2023 was the first year of our 5-year Vusion'27 strategic plan and will remain in the history of VusionGroup as a year of decisive achievements in terms of expansion to the United States, innovation with the launch of EdgeSense and VusionOX, and profitable growth, despite the challenging economic environment faced by the retail and consumer industries.

Profitable growth. With an overall growth of nearly 30%, revenue reached our target of over €800 million. Order intake increased by +39% to €950 million (which does not take into account future recurring VAS revenue).

2023 was also a pivotal year in terms of profitability, with a sharp increase in operating margin and total net profit (loss), and positive net cash flow, despite the need for financing due to the strong growth and strategic investments made in R&D and external growth (Memory, Belive).

The year also marks a turning point as we will propose a €0.30 per share dividend at the next Annual General Meeting. We are very pleased to be able to begin this practice and hope to maintain it into the future.

Global expansion. Global leader in its sector, VusionGroup currently generates around 90% of its revenue outside France. Europe accounted for 80% of activity (up by 32%) and the rest of the world 20% (up by 22%), mainly in North America where VusionGroup achieved a significant breakthrough in 2023 with the signing of the Walmart contract as well as several other significant contracts.

State-of-the-art innovation. 2023 was the year that saw the launch of EdgeSense, a system that is set to revolutionize ESLs and the digitalization of shelves. The Group also launched VusionOX, the new secured IoT Cloud operating system based on the Bluetooth protocol. These major innovations, developed over several years, were critical to signing the Walmart contract. The powerful functionalities they provide retailers, consumers, and suppliers will profoundly change the market in the years to come.

VAS growth. One of the important axes of the Vusion'27 strategic plan lies in the expansion of our non-ESL solutions towards Cloud/SAAS, Data, Computer Vision, AI, and Retail Media solutions, to fully digitalize stores and enable our retailers and their suppliers to better take advantage of this digitization in terms of operational performance and customer experience. In this regard, 2023 was an important build-out year in this area, notably with the acquisition of Memory and Belive.

The integration and collaboration of these new entities with Captana, Markethub, and Engage allows us to work on very innovative and high-value-added solutions for our customers that will be launched in 2024. In parallel, we have started recruiting teams internationally for the expansion of these solutions, notably in the USA. These innovative solutions take time to take off because they require our clients to make significant changes in organization and operational processes to generate the significant potential benefits they hold. But our customers are now convinced that digitalization, automation, computer vision, and AI will bring a major revolution to retail, and we are now at the forefront of this revolution on all fronts. At the same time, our Cloud-installed base grew rapidly in 2023 to reach more than 17,000 stores and 82 million ESLs. And this momentum is expected to continue its accelerated course.

2023 was also a year of notable progress on our ESG agenda. We continued to reduce our carbon intensity and formalized the objectives of our carbon emissions reduction trajectory by 2030 in the international methodological reference framework SBTi.

Our R&D strategy continues to focus on the objectives of our Roadmap for Positive Commerce, with solutions that help our customers to develop local and low-carbon e-commerce, reduce food waste, encourage responsible consumption, and contribute to more value-added local jobs. The true strength of our Group resides in our almost 850 employees who represent 40 nationalities and convinced, as we are, that motivation is the engine of performance, we have continued to foster an exciting, motivating, and fulfilling work environment.

We have taken our commitment to employee shareholding even further by extending our performance share plan to all categories of employees. And we are continuing to work towards our goal of gender parity, which is both an imperative for equity and a driver of performance. The progress of these various policies is detailed in our ESG report.

Lastly, in 2023, our Board of Directors continued to adapt the Group's governance to the strong international growth of recent years and to recent changes in the capital structure, in particular in the direction of a continuous improvement in compliance with the AFEP-MEDEF Code: for this reason, our Board will have more independent members in the future. In addition, the Board of Directors appointed Peter Brabeck-Letmathe as Vice-Chairman of the Board and Lead Independent Director of VusionGroup, as well as Chairman of the Board's new Strategy and ESG Committee. I would like to sincerely thank Peter Brabeck-Letmathe for agreeing to become even more involved in the work of our Board and thus sharing his immense experience and unique knowledge of the business world in general, and in particular the world of mass consumption, with VusionGroup.

Presentation of the Group

Global ambition

SES (Store Electronic Systems) was founded 30 years ago, in 1992, by an entrepreneur from a family of retailers in the north of France who grew up in his parents' supermarkets and wanted to – when the family group was sold – bring technological innovations to a sector that greatly needed them. The Company's origin explains one of the major differences of VusionGroup in the market: extensive knowledge of the retail business, its processes and its challenges, and high operational effectiveness of the solutions developed by the Company. Every detail, no matter how small, is designed to ensure that the solutions operate fully in the field, even under the challenging daily conditions encountered in the retail business.

From the outset, SES distinguished itself by its technological lead and strong cost competitiveness, which explains its success first in France and then abroad.

2014: Imagotag (Austria), a rapidly growing startup, enabled SES (becoming SES-imagotag in the process) to capitalize on HF radio and e-Paper screen technologies. This allowed the company to establish a strong leadership position in both Germany and Central Europe.

2016: PDi – Pervasive Display Inc. (Taiwan), the leading company in the engineering of e-Paper displays, which allowed SES-imagotag to become the most advanced company in the field of e-Paper.

2017: Findbox (Germany), a start-up specializing in IoT, artificial intelligence and computer vision applied to the retail and logistics sector. This also decisive acquisition allowed SES-imagotag to develop the Captana solution to monitor aisle shelves in real time and automatically detect stock-outs. This is one of its most important innovations in recent years and was recently launched after three years of R&D and operational development in collaboration with pilot brands.

2018: Market Hub (Great Britain/Ireland), a start-up specializing in AI and Data Analytics for retail, in which SES-imagotag has gradually increased its share capital to 100% in 2022. This acquisition enriched the software platform and proved to be decisive for conquering the English and Irish markets.

Key stages in the acceleration of VusionGroup's international development as of 2012 (the "i^3" plan):

- **2012-2017**: acceleration in Europe and creation of subsidiaries in Mexico, Canada and Singapore;
- **2013:** VusionGroup became the global leader.
- **2017**: creation of the subsidiary in the United States; launch of the Vusion platform.
- **2018**: announcement of the Vusion 2023 plan.
- **2019**: strategic partnership with Qualcomm Technologies.
- **2020:** VusionGroup is a truly global company with around 80% of its revenue generated internationally, of which two-thirds are in Europe and one-third in Asia and the Americas.
- **2021**, VusionGroup continued its growth with unprecedented orders and sales, with record levels achieved in all regions, especially in Germany and North America. The Group also joined the United Nations Global Compact as part of its ESG strategy.
- **2022**, VusionGroup has been strengthened through significant external growth investments with the acquisition of two companies to enrich the added value of the solutions developed by the Group:
  - Memory, whose expertise in data analysis will improve SES-imagotag's IoT & Data solutions in order to best adapt them to decision-making needs;
  - Belive.ai, a French start-up specializing in artificial intelligence and image analysis for physical retail, which, together with Captana, is the world leader in image analysis and artificial intelligence enabling retailers to manage their store network in real time.
- The same year, the Group also obtained the EcoVadis Platinum Sustainability Rating certification for its ESG performance, placing it in the top 1% of companies assessed. VusionGroup also joined the SBF120 index in December 2022.
- **2023**: Deployment of the latest generation Vusion platform in Walmart stores in the United States and major new contracts in Europe and North America.
- In **2024**, SES-imagotag becomes VusionGroup, a new brand identity designed to embody the different product lines and solutions which have enriched the Group over the years, and which contribute to the digitalization of retail.

2024

SES-imagotag becomes VusionGroup

A new identity highlighting the broader portfolio of innovative solutions developed by the Group to solve the major challenges of physical commerce

SES-imagotag the global leader in digital solutions for physical commerce, announced on January 10, 2024 that it has changed its name to VusionGroup. This new name embodies the various product lines and solutions that have enhanced the Group's offer over the years, all of which contribute to the digitalization of commerce. This name change was the object of a resolution, voted on by shareholders at the last Annual General meeting on June 23, 2023.

SES-imagotag remains the name of the Group's main product division — itself a pioneer and leader in electronic shelf labels (ESLs) — which will continue to operate alongside the Group's other brands and solutions: VusionCloud, Captana (computer vision and artificial intelligence platform), Memory (data analytics), Engage (retail media and in-store advertising), and PDidigital (logistics and industrial solutions).

VusionGroup consist of six families of solutions, harnessing the full potential of IoT, Cloud, Data, and artificial intelligence (AI) technologies, at the service of the modernization of commerce.

The choice of Vusion as the Group's new name upholds the central place of its Retail IoT Cloud platform developed over the past few years to support retailers in the digital transformation of their physical stores.

VusionGroup is the global leader in digitalization solutions for commerce, and one of Europe's fastest-growing technology companies.

In 2024, VusionGroup strengthens its governance: among the new directors a representative of Bpifrance would be proposed, on behalf of the investment fund LAC1 which now holds 8.21% of the capital.

Thierry Gadou, Chairman and CEO of VusionGroup, declares:

"Our Group has evolved significantly in recent years, moving from a pioneer and leader in ESLs to a diversified Group covering a wide range of solutions for the digitalization of commerce. Our flagship product – the ESL – is reaching a phase of massive adoption and is becoming a mainstream technology. We are now positioning ourselves in new related, high-potential markets, which will expand the digital transformation of commerce through computer vision, sensors, data, and AI. VusionGroup is already a leader in these areas, at the forefront of global innovation. Our portfolio of solutions is bolstered by the Vusion software platform, so the Group's new name emerges organically to embody the company's new direction. Our mission remains the digitalization of physical commerce, but our scope now encompasses a broader range of solutions to accomplish our objectives."

Today, the Group has 18 subsidiaries and its own sales offices, as well as more than 350 international partners.

For 30 years, VusionGroup has been supporting the growth of its long-standing customers at home (Leclerc, Intermarché, Système U, Monoprix, Carrefour, etc.) and abroad (MediaMarktSaturn, NorgesGruppen, Salling Group, etc.), as well as numerous international brands (Walmart, Colruyt, JYSK, Kiwi, Dansk, Fairprice, Muticedi, SPAR, PAM, Rewe, T-Mobile, Coop, Euronics), i.e. a total of more than 350 distributors worldwide.

Group's headquarters

Europe: France

Logistics

Europe: France and Austria

Americas: United States and Mexico

Subsidiaries and sales representative offices (1)

Europe: France, Austria, Germany, Croatia, Denmark, Spain, Italy, Ireland, the Netherlands, the United Kingdom and Sweden

Americas: United States, Canada and Mexico

Asia: Australia, Hong Kong, Singapore, Taiwan, and Japan

Research and Development Centers

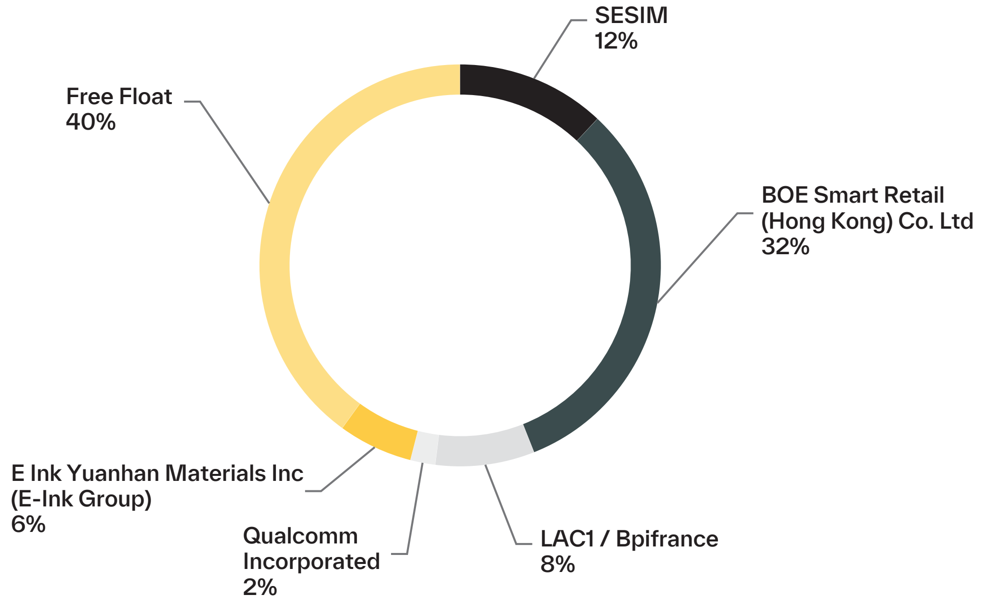
IoT: France, Austria, Germany, Croatia and Taiwan

Software: France, Germany and Ireland

(1) In 2024

Shareholding

Figures rounded to March 30, 2024



VusionGroup is listed on the Paris stock exchange (Euronext).

Its main direct and indirect strategic shareholders are:

- BOE Smart Retail (Hong Kong), which in turn holds 32% of the capital and voting rights of the Company;
- SESIM, the French holding company owned by the management and employees of VusionGroup, which itself holds 12% of the Company's capital and voting rights;
- LAC1, an investment fund managed by Bpifrance as the main shareholder, which holds 8% of the Company's share capital and voting rights; and
- E Ink, the owner of the global patents for e-Paper technology (6% of the Company's capital and voting rights).
- Qualcomm, an American company specializing in semiconductors and wireless technologies, which holds 2% of the Company's share capital and voting rights.

Free float (about 40%) is made up of numerous investment funds, family offices, and individuals in France, Germany, Switzerland, Austria, the United Kingdom, the United States, and Japan.

An entrepreneurial and long-term vision

The strong participation of management and employees in the Company's capital guarantees an entrepreneurial and long-term vision, as well as an alignment of interests between shareholders and management.

Shareholder value creation

A solid and sustainable company

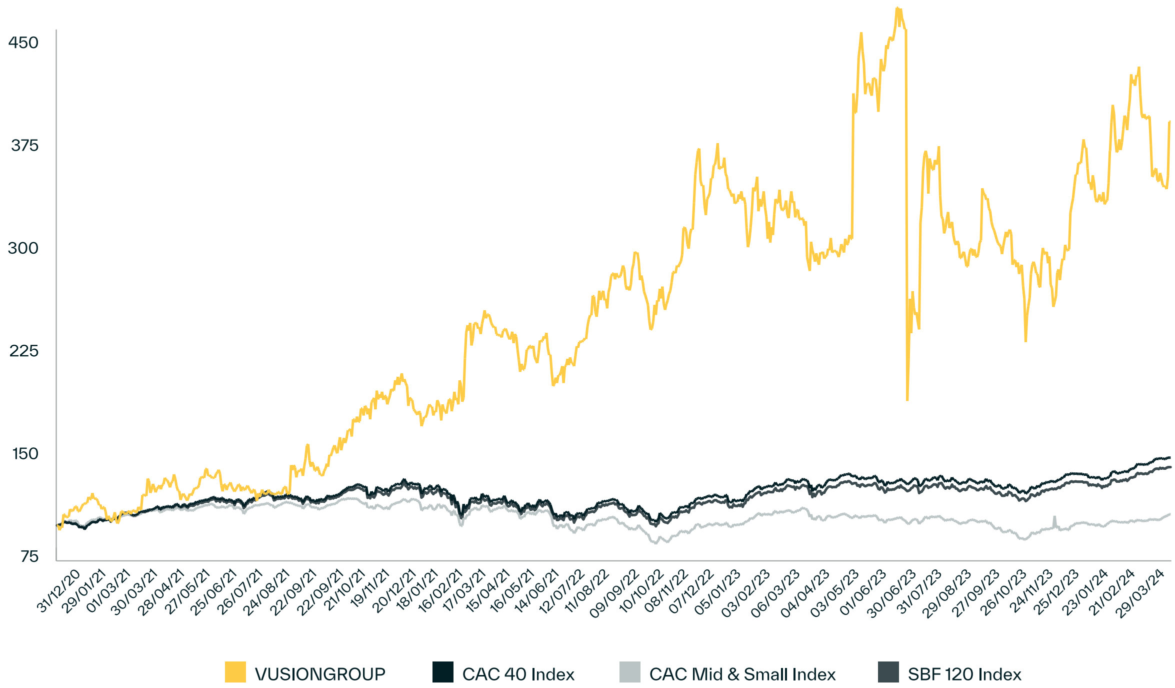
Beyond its unique shareholder strength and the long-term support of a major global manufacturer, VusionGroup has a solid financial position with, at the end of December 2023, equity of €277 million, and a positive net cash position. This solid situation, combined with a positive stock market performance, guarantees the Company's long-term investment and financing capacity.

The overall performance of the Company also depends on its performance in the capital market. The Group intends to remain listed on the stock market and is committed to creating value for investors:

- search for long-term growth potential (through innovation and geographic expansion);
- development of a high-performance business model to constantly improve recurrence and profitability, based on:
  - the increase in the recurring revenue mix from high value-added solutions on the installed base of digital labels (itself growing rapidly thanks to the expansion-based policy),
  - the continuous improvement of the operating ratio (expenses as a % of revenue) thanks to the effects of scale, the achievement of critical mass in new regions, and productivity gains linked to the digitization of the Company's processes,
  - the continuous optimization of industrial costs,
  - improvement in the liquidity of the VusionGroup share through a free float increase;
- search for international investors (Europe, the Americas, Asia).

Stock market information

VusionGroup share price (base 100) (EPA: VU) between December 2020 and March 2024



Dividend distribution policy

At the next General Meeting on June 19, 2024, the company will propose paying shareholders a dividend of €0.30 per share.

2024 financial calendar

Event	Date
FY 2023 Sales	January 24, 2024
FY 2023 Audited Results	March 27, 2024
2024 Q1 Sales	April 25, 2024
General Meeting	June 19, 2024
2024 H1 Sales	July 25, 2024
H1 2024 Audited Results	September 12, 2024
2024 Q3 Sales	October 28, 2024

Vision & Mission

Technology supporting retailers, consumers and brands

Physical retail is the world's largest industry. It alone accounts for more than 20% of global GDP and employment. It is therefore one of mankind's activities that has a sizeable impact on our societies. However, it faces critical challenges: food security, food waste management, the carbon footprint of physical retail, and the impact of logistics and packaging operations. Today, consumers aspire to a new, positive, omnichannel, sustainable, transparent, secure, and fair retail environment that respects personal data.

Against this backdrop, it is imperative to put technology at the service of individuals and consumers. Retailers can now harness the power of IoT, Cloud and AI technologies to transform physical stores into high-value, data-driven digital assets that are increasingly automated, connected to consumers and suppliers, and able to deliver efficient and seamless services thanks to transparent, omnichannel and personalized information, while guaranteeing the integrity and confidentiality of personal data. The digitization of physical stores helps accurately analyze in-store events in real time, ushering in a new era of enhanced collaboration between suppliers and retailers to improve efficiency, transparency, security and resilience of the entire chain.

As the world's leading physical retail technology player, **VusionGroup's primary objective is to help retailers to achieve their digital transformation.**

Solutions
VusionGroup

Vusion Cloud
IoT Platform

SES imagotag
Electronic Shelf Labels

Captana
Computer Vision / AI

Memory
Retail Intelligence

Engage
In-Store Retail Media

PDi digital
Industrial IoT

VusionCloud
IoT Platform

Bring your store into the future of retail

VusionCloud is a fully secure Cloud platform enabling retailers to effectively manage, deploy, and maintain their IoT in-store: monitoring and management of ESLs, sensors, and any other IoT deployed in-store, from anywhere and at any time. Close monitoring capabilities for millions of devices at once – from tracking asset shipments to streamlining warranty and RMA* processes – VusionCloud streamlines operations at minimal cost. VusionCloud offers security, scalability, and reliability while keeping costs under control for retailers with a SaaS-based model.

Unlimited development prospects
VusionCloud is built on an elastic model for greater scalability – allowing retail businesses to expand their IoT infrastructure as they grow, easily and quickly.

Improving IoT sustainability
Thanks to the Asset Management module, VusionCloud helps to optimize and extend the lifespan of ESLs and IoT deployed in stores.

Optimized security
State-of-the-art Cloud security that meets the most demanding market standards (ISO 27001, ISO 9001 certifications).

* Return merchandise authorization

SES imagotag
Electronic Shelf Labels

Pioneer and world leader in ESL

SES-imagotag solutions transform physical stores into real digital assets. The state-of-the-art ESLs developed by the Group allow retailers to be more agile, responsive, and accurate in all pricing operations. Smart labels can display relevant information in addition to pricing – like product ratings, customer reviews, and nutritional information for shoppers as well as management data, delivery information, and stock levels for personnel.

One-click pricing and promotion automation

Leveraging a central management platform, ESLs enable retailers to update pricing and promotions at the store or chain level for fast, error-free, and hassle-free pricing management.

Interactions with consumers and optimization of operations

ESLs make it possible to share enriched information on products such as their origin or customer reviews, and to launch activation campaigns for consumers. In addition, labels display data directly on the shelf, enabling in-store teams to access operational information for faster and smoother management.

Easy integrations

ESLs are easy to install and leverage existing in-store network infrastructures to ensure fast turnaround times, facilitate systems maintenance, and lower retailers' carbon footprints.

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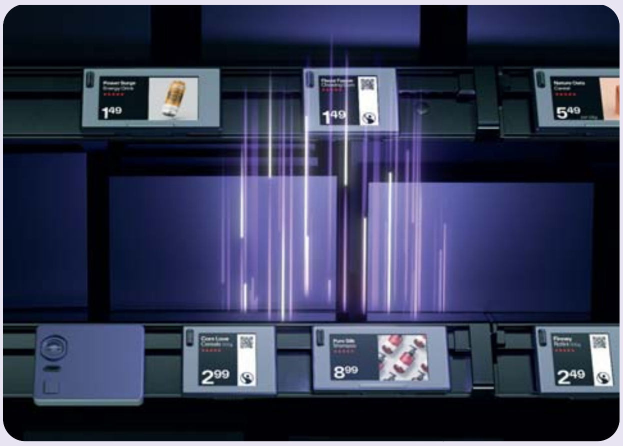
EdgeSense™

VusionGroup reinvents the shelf-edge with EdgeSense



EdgeSense™ - Digital shelf system

In 2024, VusionGroup also launched EdgeSense, a system for digitalizing in-store shelves based on a Bluetooth Low Energy (BLE) protocol, offering excellent in-store connectivity and interoperability.

EdgeSense consists of digital shelves and battery-free displays, using a single power source per shelf, thus drastically reducing the carbon footprint of traditional ESLs

Thanks to the BLE standard developed in conjunction with Qualcomm and the Bluetooth SIG, EdgeSense also offers precise in-store geolocation as well as the ability to interact naturally with other nearby Bluetooth devices, allowing real-time interaction with in-store teams and consumers.

Captana
Computer Vision / AI

Drive your store with AI and Computer Vision

Captana sensors (GDPR compliant) provide stores with visibility on each product on the shelf at any time. Delivering real-time shelf monitoring data and analysis, Captana enables a more efficient store management, increasing revenue and gross profit margin with AI-enabled retail forecasting and better product availability. The Captana platform is designed to easily integrate with existing store processes and tools to enable retailers to deploy the solution quickly and on a large scale.

AI for store efficiency
Captana's AI-powered insights provide both in-store productivity and retail task management to improve on-shelf availability (OSA), increase unit sales, and reduce waste.

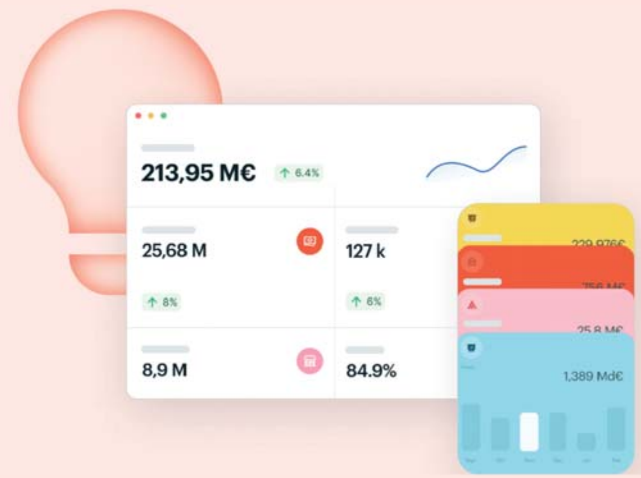
Easy and smooth integration
Our technologies have been designed to easily connect to existing infrastructures and ERPs* for easy integration into the retailers' existing processes.

From data to action
Captana provides real-time store reports and shares them with the teams in order to quickly correct stock-outs and merchandising errors.

* Enterprise Resource Planning

Memory
Retail Intelligence

Optimize your strategic decisions with AI



Memory is a Retail Intelligence solution that enables stores to make decisions based on real data to optimize product assortments, pricing strategies, and in-store operations. Retail Intelligence makes data more powerful by transforming information into informed decision-making tools. From workflows to product category management to in-store staffing and inventory rotation, this solution has a positive impact on the bottom line.

Data: the cornerstone of understanding retail
Partnering with industry leaders, we leverage tens of millions of households' shopping behavior for a precise view of product consumption and performance.

Identification of data optimization opportunities
Through the combination of various data sources, we identify opportunities to optimize assortments, provide predictive scenarios, and offer recommendations to increase business performance.

Development of action plans
Catering to brands' needs, we support your marketing, sales, and logistics discussions through decision-making and action-oriented tools.

Engage
In-Store Retail Media

Deliver impactful messages at the shelf

Our Engage marketing platform enables retailers and brands to gain visibility among consumers via impactful digital campaigns in physical stores. This solution improves revenues by reaching customers right at the shelf with compelling calls to action. Insightful reporting allows you to optimize and adjust campaigns in real time, so retailers can turn foot traffic into financial uptick and brands can achieve higher returns on ad spend.

Launch of dynamic campaigns in store

Interaction with shoppers via digital content delivered at the shelf, on schedule, automatically.

Real-time monitoring

Measurement of the real-time impact of campaigns and the generation of real-time 360° insights for understanding customer behaviors.

Point of sale traffic monetization

Benefit from retail media ad spend and foot traffic to create an additional revenue stream at the shelf.

PDi digital
Industrial IoT

Smart inventory management

PDI Digital's sepioo® is an IoT-based solution that enables businesses to automate and digitize their processes, eliminating the need for manual and paper-based operations. With the combination of a SaaS platform and IoT devices, sepioo® provides the backbone for smart inventory management systems and digital signage.

A comprehensive IoT inventory solution

PDI Digital's sepioo® combines a SaaS platform and IoT devices into one seamless solution that automates and digitizes industrial processes.

Assets localization in real time

Access real-time geolocation data with GPS precision, indoor and outdoor, and unlock location-based triggers for your workflows (distance traveled, perimeter).

Impact across all economic sectors

From manufacturing and logistics to healthcare and automotive sectors, sepioo® is a flexible solution for a wide range of industries.

Legislative and regulatory environment

The Group's activities are subject to various regulatory provisions under European Union law and national regulations applicable in the countries where it operates.

Within the European Union, the regulations applicable to certain areas relating to the Group's activities are relatively harmonized between the various Member States in which the Group operates.

The following developments are intended to provide an overview of the main regulations applicable to the Group's activities.

Intellectual property regulations

In the various countries where it operates, the Group is required to comply with the diverse regulations protecting intellectual property, particularly with regard to counterfeiting. Counterfeiting infringements may be committed by third parties against products, copyrights or patented industrial processes. The registration and protection of trademarks is governed by national, European and international regulations.

At the European level, Directive (EU) 2015/2436 of the Parliament and of the Council of December 16, 2015 reconciling the laws of the Member States on trademarks, as amended, and, as regards the creation, registration and protection of a trademark at the European Union level, by Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017 on the European Union trademark, as amended. In accordance with these provisions, trademarks can be registered with the European Union Intellectual Property Office (EUIPO) in order to obtain protection throughout the European Union *via* a filing and single review procedure. The protection granted is for a period of 10 years and is renewable. Directive 2001/29 of the European Parliament and of the Council also harmonized certain aspects of copyright and neighboring rights in the information society, so that the mere display for sale or listing of protected trademarks could be made punishable.

At the national level, trademarks can be registered with a competent national authority designated at the level of each State, such as the National Institute of Industrial Property (INPI) in France, and thus obtain national protection within the country in which registration is sought. In France, the filing of a trademark at the national level gives rise to a period of six months during which priority is granted to extend the protection abroad, thus giving the applicant time to assess the commercial potential of their trademark and decide on the foreign countries in which they wish to obtain protection. Infringement of copyright protection is punishable by Articles L.335-2 and L.335-3 of the French Intellectual Property Code. Similar national regulations are applicable in the other countries in which the Group operates.

Within the European Union, owners of previously registered trademarks may file an opposition to the new registration within three months of the publication of the application. Oppositions are upheld if the new trademark and the goods or services sold under it are identical or similar to those of the trademark forming the opposition. The registered trademark must be available throughout the European Union and must not be subject to any justified opposition. If necessary, the application can be transformed into different national applications for the targeted countries.

At the international level, the registration and protection of trademarks is organized through multilateral agreements, and mainly by the Madrid System for the international registration of trademarks (the **"Madrid System"**), governed by a multilateral agreement concluded on April 14, 1891, in Madrid (as amended, the "**Madrid Arrangemen**t"), and a protocol relating to the Madrid Arrangement concerning the international registration of trademarks of June 27, 1989. The Madrid System makes it possible to protect a trademark in a large number of countries by obtaining an international registration, the effects of which may extend, at the choice of the applicant, to some or all of the member States of the Madrid System. After a national or European registration, a filing can be made with the World Intellectual Property Office (WIPO), a specialized agency of the United Nations, through a national authority, enabling protection to be obtained in the territory of the member States of the Madrid System, chosen for renewable periods of ten years.

The owner of a trademark may prohibit any third party from using the trademark for commercial purposes without its prior consent, obtain damages in the event of infringements and issue injunctions to stop abuses of protected trademarks.

Environmental regulations

As part of its various activities, the Group is required to comply with environmental regulations.

These regulations include the provisions on the removal and treatment of end-of-life electrical and electronic equipment, the regulation of which was harmonized at European level by Directive 2012/19/EU of the European Parliament and of the Council of July 4, 2012 on waste electrical and electronic equipment ("**WEEE**"). In order to comply with these regulations, the Group has implemented and offered collection and recycling programs for end-of-life products to its customers in Europe.

At the national level, Law no 2020-105 of February 10, 2020 on the fight against waste and the circular economy aims to combat planned obsolescence using a repairability indicator.

With regard to this regulation, the manufacturer is encouraged to design more repairable products and to provide information about the availability of spare parts.

The Group must also ensure that it complies with the environmental standards inherent to its equipment, including the regulatory toxicological requirements of Regulation 2006/1907/EC of December 18, 2006 known as REACH. In addition, the regulations impose specific requirements on electrical and electronic equipment, in particular under Directive 2011/65/EU of the European Parliament and of the Council of June 8, 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

Finally, the Group must comply with the occupational health and safety requirements: a specific policy about health and safety is disclosed online.

Regulations applicable to personal data

In the course of its business, the Group collects and processes information subject to personal data protection laws and regulations in Europe and in other regions where the Group operates. This processing of personal data is carried out on behalf of Group companies, in their capacity as data controllers, or on behalf of other Group companies in their capacity as subcontractors. This processing covers personal data collected in the course of the Group's activities, in particular data relating to Group employees, service providers and customers, and customers of physical stores that are themselves Group customers (in particular as part of the operation of the Group's VUSION platform, launched in 2018).

In Europe, Regulation 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of data ("**GDPR**") applies to the Group.

The GDPR established the new regulatory framework for the protection of personal data in Europe when it came into force on May 25, 2018. The GDPR applies to the processing, whether automated or not, of personal data carried out by any entity established in the territory of the European Union or to the processing carried out by an entity outside the European Union if the processing activities relate to goods or services made available to people within the European Union or to monitoring their behavior (targeting). Personal data is broadly defined as any information relating to an identified or identifiable natural person, directly or indirectly, regardless of the country of residence or nationality of that person.

In accordance with the GDPR, the Group must comply with several essential rules, including the following:

- personal data must be processed in a lawful and transparent manner, ensuring fairness to the persons whose personal data are processed ("lawfulness, fairness and transparency");
- there must be specific purposes for processing the data and the Group must indicate these purposes to the data subjects when it collects their personal data ("purpose limitation");
- the Group may only collect and process such personal data as are necessary to achieve these purposes ("data minimization");
- the Group must ensure that personal data are accurate and kept up to date with regard to the purposes for which they are processed, and correct them where necessary ("accuracy");
- the Group must ensure that personal data is not kept longer than necessary to achieve the purposes for which it was collected ("retention limitation");
- the Group must put in place appropriate technical and organizational measures that guarantee the security of personal data, including protection against unauthorized or unlawful processing and against accidental loss, destruction or damage, using appropriate technology ("integrity and confidentiality").

Depending on the breaches, non-compliance with the provisions of the GDPR may result in the imposition of penalties of up to €20 million or 4% of annual worldwide revenue, it being specified that the higher of the two amounts shall be taken into account.

The GDPR offers Member States of the European Union the possibility of making local adaptations. France has made use of this option under the law of June 20, 2018, reforming Law no 78-17 of January 6, 1978 relating to data processing, files and privacy (the "French Data Protection Act"). Therefore, in addition to the GDPR, local data protection laws in the countries in which the Group is established or offers services, in this case the French Data Protection Act, must be taken into account.

For example, in order to comply with the GDPR regulation, all teams with access to and working on the cloud as part of the VUSION platform operating European stores are located entirely in Europe.

Strategy

VusionGroup's market: the digitalization of physical commerce

VusionGroup is a specialist in the digitalization of physical stores and connected ESLs.

The market for electronic labels is booming, with an estimated potential of around 10 billion units and a current penetration rate of less than 8% (around 800 million ESLs).

The Group has formalized its strategy and its development ambition in the "VUSION-27" plan presented to the market in November 2022. In financial terms, the VUSION-27 plan's objective is for VusionGroup to generate revenue of €2.2 billion and achieve EBITDA of more than 22%.

The strategy implemented to achieve the objectives of the VUSION-27 plan is based on several key priorities:

Growth and Leadership: VusionGroup aims to retain and expand its position as the Global leader in Cloud IoT for retail and industry. The top-line objective is to reach 1 billion connected IoT devices, and revenue of €2.2 billion (for an estimated CAGR of 30%, with 40% of sales generated in the United States) by 2027.

Customer First: Deliver outstanding customer value, experience and ROI, for a net promoter score (NPS) of 70.

Value-added software, services, and non-ESLs solutions (VAS): Develop revenue generated by the Cloud, software solutions, and services offered by the Group to reach €650 million.

Top Operational Performance: Achieve an efficient business and operating model through fully digitized operations and a superior supply chain, leading to an EBITDA margin of 22%.

Positive Impact: Make a proven and quantifiable contribution to a low-carbon and positive retail sector, as recognized by top ESG ratings, and be a great place to work for our employees.

Technology leadership, innovation and differentiation

VusionGroup is recognized worldwide for its cutting-edge technology, particularly in terms of highly reliable and very low-power communication protocol, e-Paper and TFT digital display technologies for physical retail, and IoT Cloud solutions featuring high scalability and security (smart labels, sensors and connected cameras), artificial intelligence applied to image recognition, and collaborative online services.

The Group invests 5 to 10% of its revenue in R&D (software, hardware, IT, industrialization). Approximately 30% of VusionGroup's workforce is part of the R&D department, with engineers and technicians spread over seven specialized research centers (software/cloud, display, radio and IoT, computer vision & data) located in Europe (France, Germany, Austria, Ireland, and Croatia), Asia (Taiwan), and the United States.

This major R&D effort is guided by the ambition to provide the best possible response to the increasingly demanding requirements of the retail sector:

- absolute reliability of prices;
- increased responsiveness of adjustment and multi-channel synchronization;
- commercial and marketing performance and quality of on-shelf displays;
- interactivity with consumers and improvement of the in-store experience;
- accuracy, quality and responsiveness in inventory management and linear availability;
- in-store employee productivity and focus on motivating and high-value-added tasks;
- development of e-commerce and in-store order preparation;
- drastic reduction in operating costs;
- growing cybersecurity challenges related to the digitization of points of sale.

The result of several years of development and consolidation of technological start-ups (Imagotag, Market Hub, Findbox, PDi, Memory, Belive.ai), the Vusion platform effectively responds to these challenges.

The Vusion platform

The Vusion Retail IoT Cloud platform helps retailers accelerate their digital transition and transform their physical stores into true digital, automated, and data-driven environments connected to consumers and suppliers.

- Vusion improves the agility and accuracy of prices and ensures the omnichannel synchronization of prices, product information, and marketing campaigns.
- Vusion optimizes the productivity and accuracy of order preparation and the restocking of products on shelves.
- Vusion eases the workload of in-store staff by automating low value-added processes and allows them to focus on customer service and merchandising.
- Vusion monitors the shelves in real time and connects them to the Cloud, providing precise, real-time information on the availability of products on the shelves, their location, and compliance with merchandising plans, while reducing inventories, stock-outs, and waste.
- Lastly, Vusion provides consumers with better, more transparent, and reliable product information, as well as a smooth shopping experience thanks to product search, in-store guidance, and pay-per-label features.

Vusion: Innovative technology protected by an active intellectual property policy

An industrial Cloud and high availability. The Vusion platform helps large retailers benefit from all the “elastic” power of the Cloud to deploy very quickly and manage a large number of stores and digital labels over time at a much lower cost than any other architecture and with peak performance.

For example, the ability to simultaneously update all prices for a retailer that has 1,000 stores (e.g., “Black Friday” scenario for 10 million ESLs), guaranteed in less than two hours.

The VusionGroup Cloud is already a success at scale, now with more than 17,000 stores and 82 million labels fully managed in the VusionCloud.

In accordance with GDPR legislation, all teams with access to and working on the Cloud operating in European stores are located entirely in Europe.

A highly secure and ultra-efficient communication protocol

The IoT transmission technology developed by VusionGroup is based on highly secure electronic chips produced by two recognized semiconductor giants (Texas Instruments and Silicon Labs) associated with VusionOS/VusionOX enabling very fast transmission speeds (hypermarkets can be updated in under an hour) with very low energy consumption. Each tag has a unique, tamper-proof encryption key and end-to-end transactions are secure. The protocol developed by VusionGroup guarantees that there will be no interference with other HF/Wi-Fi networks.

An in-store infrastructure that is both extremely light and robust. Servers and Core Appliances are no longer required in stores, eliminating any single point of failure (SPOF). The only active elements are the Access Points (AP), which are mutually redundant. Each ESL is “seen” by several APs, guaranteeing that hardware failures in stores have no effect on operations. Redundancy and the absence of a SPOF thus contribute to the solution's maximum availability.

Pooling of ESL and Wi-Fi infrastructure

VusionGroup has established close partnerships with Cisco-Meraki, Aruba, Mist (Juniper), Extreme Networks, Lancom, and Huawei, enabling the integration of VusionGroup's protocol on their Wi-Fi devices, eliminating the additional costs related to cabling, the installation, maintenance, and operation of infrastructure specific to ESLs. Skills are also pooled with those already required to operate Wi-Fi. As a result, operating and investment costs are significantly reduced.

> **VusionGroup specializes in smart and connected digital labels and IoT solutions**

Unrivaled expertise in color e-Paper technology. Since the acquisition of PDi in Taiwan in 2016, VusionGroup has been the pioneer of color e-Paper developments in close collaboration with our partner (and shareholder) E Ink, and carried out the vast majority of deployments using BWR (Red) and BWY (yellow) labels, which helped major retailers to effectively and efficiently distribute their commercial and promotional policies.

The widest range of e-Paper graphic labels comprising 20 formats, including labels for extreme environments (for freezers and resistant to liquids, perfumes, and high temperatures).

A high-speed and multi-color flashing light with the widest angle (180°) and the greatest visibility distance for genuine and truly effective visual assistance for picking up ("pick to light") and restocking merchandise.

The EasyLock security system is tried and tested in the market with more than 100 million ESLs now secured in stores.

The smart Eco-Design ensures that the electronic labels designed by the Group can be easily repaired and recycled. Since 2016, nearly 7 million ESLs have been collected and refurbished. This program and all of the Group's eco-design efforts are detailed in the ESG report found in this document.

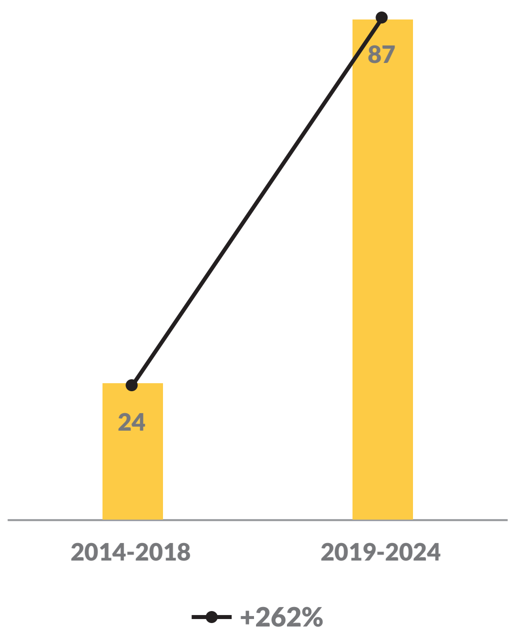
Intellectual property

Innovation supporting retail has been the mission and DNA of VusionGroup since its creation nearly 30 years ago by a retailer passionate about technology. Since the beginning of the decade, innovations have picked up pace: the first geolocated label, the first NFC smart label, the first color labels, the first cloud platform, the first "infra-less" integration (Cisco), the realogram, detection of stock-outs, pay-to-tag, etc. R&D expenses have been constantly increasing in recent years and explain the Company's position as the undisputed world leader and its strong global market share.

VusionGroup supports this activity with a rigorous patent filing policy to secure its customers' long-term investments and protect them - given the size of the patent portfolio in the IoT field - from possible intellectual property appeals when the market becomes a mass market.

The Group has, in total, more than 712 active patents in 18 countries, divided into 137 different families that cover all of VusionGroup's technological expertise (displays, IoT, radio, artificial intelligence, etc.).

Number of patent families filed by VusionGroup since 2014



Geographic expansion and leading position in strategic markets

Global presence

In 2023, VusionGroup was a truly global company with around 90% of its revenue generated internationally.

VusionGroup is the only player in its sector to have strengthened its international presence through its numerous subsidiaries (in the United States, Canada, Mexico, Australia, Japan, Taiwan, Hong Kong, Germany, Ireland, Austria, Croatia, Italy, Spain, Netherlands, United Kingdom, and Denmark), in addition to its network of international strategic partners.

VusionGroup's objective is to be a leader both globally and in all of its priority markets, as it has high potential. Its priority target is currently the top 350 global retailers, but the Group is also developing, through a product offering and specific partnerships, a strategy dedicated to small and medium-sized retail chains, which will be an important driver of long-term profitable growth.

As part of the Vusion'27 plan, the Group ambitions to reach sales of €2.2 bn by 2027 (30% CAGR), with half coming from Europe (€1.1 bn), €0.9bn from North America and €0.2 bn from the rest of the world.

Leading references

VusionGroup has more than 350 major distribution groups among its customers, half of which are in the Top 100 worldwide and around 40% in the Top 250 (based on the Deloitte Top 250 Global Powers of Retailing 2021).

In particular, VusionGroup works with the most successful global retailers, leaders in their respective markets, such as Walmart, Edeka, Rewe, Casino, Leclerc, Colruyt, Coop, Dansk, Spar, MediaMarktSaturn, etc.

VusionGroup stands out for its exceptional references in terms of **large-scale deployment**, with more than a dozen brands that have equipped more than 1,000 stores with the SES-imagotag solution.

350
retail chains are customers of VusionGroup

50%
of the top 100 companies according to Deloitte's ranking*

40%
of the top 250 companies according to Deloitte's ranking*

* Deloitte Top 250 Global Powers of Retailing 2021 Ranking.

Industrial and competitive superiority

Thanks to its long-term strategic partnership with BOE, VusionGroup has been able to develop the first largely automated and above all vertically integrated (film-to-ESL) global mega-factory of digital labels.

In addition, the Group has developed an efficient industrial base in Vietnam with its partner Jabil, in particular to serve the American market, and is working on an industrial system located in North America.

VusionGroup combines this industrial advantage with its advantage of scale, thanks to its position as world leader and its high market share, to guarantee its customers the highest level of competitiveness and quality.

High quality of design and industrialization:

- **quality of components:** VusionGroup chooses components that are strictly selected for their performance and homogeneous quality, and only works with well-known and very financially sound companies to avoid any risk of supply disruption and therefore component changes;
- **component safety:** the safety of the solution proposed by VusionGroup also involves the intrinsic safety included in its components, for example, the integrated circuits (IC) supplied by Texas Instruments and Silicon Labs, which use a unique and dynamic encryption key for each ESL and guarantee end-to-end security of all information;
- **industrial tests:** 25% of VusionGroup's production equipment investments are made in test equipment. Radio and electronic tests, shock and vibration resistance tests, aging in climatic chambers, LED tests, etc.;
- **product quality certifications** by major organizations such as TÜV for the battery consumption profile, the light emission power of LEDs, etc.

All ESLs are tested individually at the end of the production chain (50 functional and technical test points).

Best TCO* on the market:

The total cost of ownership of an electronic label solution must be assessed in relation to the cost of acquiring the equipment, as well as its durability, its maintenance cost and the cost of the radio and IT infrastructure required to operate it at a target level of performance (speed and reliability).

The Vusion solution optimizes all of these cost items and guarantees the best TCO on the market:

- the best prices on the market for a premium quality label;
- another significant source of savings, the Cloud reduces IT infrastructure costs for operations and maintenance, while offering a much higher rate of service and much more flexibility and responsiveness for the implementation of changes;
- the integration of the V:IoT protocol in Wi-Fi equipment makes it possible to pool Wi-Fi and ESL's infrastructures, making our solution literally “infra-less,” which also generates significant savings in Capex (AP acquisition costs and cabling costs) and Opex (maintenance costs for a single infrastructure instead of two and easier operation/supervision);
- the EasyLock mounting system provides the best protection for ESLs on the market and will reduce breakage, loss and theft by about 3% per year compared to a traditional solution.

In total, the Vusion solution has a TCO that is at least 25% lower than any other solution on the current market.

* Total cost of ownership is the cost of purchasing an asset plus operating costs over its useful life.

Leading global partner ecosystem

For several years, the Group has been strengthening its cooperative ties with its partners (Microsoft, Qualcomm, SAP, E Ink, Aruba, Cisco-Meraki, Lancom, Mist, Panasonic, Proximus, T-Systems, Telefónica, etc.).

This powerful global ecosystem of technology and business partners facilitates and accelerates the adoption of VusionGroup's digital solutions by retailers worldwide.

Resolute environmental, social and societal ESG policy

The mission of VusionGroup is to help the digital transformation of physical retail; it must benefit as many stores as possible around the world, but also consumers by meeting the highest standards to satisfy them and protect them. This digitization must also benefit the economy and society at large: better meet consumer expectations, stimulate employment, build better cities (by curbing the erosion of stores), produce less waste, increase food traceability and security, and finance the transition to more sustainable agriculture.

These challenges have been presented and structured in our roadmap for positive retail:

- make physical stores a digital asset first. Contribute to the adoption of digital technologies by physical stores and sustain the economic health of the sector;
- protect the environment by making the digital transformation of commerce low-carbon and sustainable: aiming to reduce the carbon footprint of our solutions and contribute to reducing that of our customers thanks to the many use cases enabling the avoidance of additional issues;
- while aligning itself with the guiding principles of the OECD and the United Nations in terms of human rights, the fight against corruption and compliance with competition law.

In 2019, the Group announced its roadmap for positive retail and the formation of a group of ambassadors to promote a 21st century approach to sustainability, transparency, and consumer protection in global retail. Its members are presented on the next page:

Members of the VusionGroup International Advisory Board

Peter Brabeck-Letmathe (Chairman), Chairman Emeritus and former Chairman and CEO of Nestlé and Vice-Chairman of the World Economic Forum. Former member of the Boards of Directors of Roche, L'Oréal, Crédit Suisse, Exxon Mobil and Salt Mobile SA.

Dr Viviane Reding, Member of the European Parliament, three times European Commissioner, and former Vice-President of the European Commission, she is recognized for enshrining the right to data protection (GDPR) in the European Constitution.

Franck Moison, former Vice-Chairman of Colgate Palmolive, with a career in the consumer goods sector; member of the Boards of Directors of UPS, Hanes Brands and the Business School of Georgetown University and EDHEC (France).

Prathibha Rajashekhar, Senior Vice President, Innovation & Automation, Walmart US. Prathibha is at the forefront of Walmart US's supply chain innovation and automation strategy to modernize it. Since joining Walmart in 2011, she has held various positions in merchandising including, most recently, Vice President of Sourcing and Private Brands at Sam's Club.

Mark Ibbotson, Senior Advisor at McKinsey and former Executive Vice President of Central Operations for Walmart US, and COO of Asda, one of the UK's leading food retailers.

Frank Blake, former Chairman and CEO of The Home Depot, a world leader in DIY; former member of the Board of Directors of General Electric; former Deputy Secretary of Energy for the United States.

Dr h.c. Candace Johnson, serial entrepreneur in the satellite and space industry, co-founder of SES*, Société Européenne des Satellites, Loral-Teleport Europe, Europe Online, Kacific/OWNSAT, Founding Vice-Chairwoman of NorthStar Earth and Space and member of the Board of Directors, Chairwoman of the Advisory Board of Seraphim Space and member of the Investment Advisory Committee (Listed company on the London Stock Exchange) and Member of the Executive Board of the ICC (International Chamber of Commerce). Founding President of the German Association of Private Telecommunications Operators (VATM) and the Global Telecom Women's Network (GTWN). Co-founder of the Global Board Ready Women (GBRW) initiative. President emeritus of EBAN (European Business Angels Network).

Hélène Ploix was previously the Chairwoman of Pechel Industries; former Special Advisor to the French Prime Minister and former Deputy Chief Executive Officer of Caisse des Dépôts et Consignations. Ms. Ploix has held numerous Director positions at the International Monetary Fund (IMF) and the World Bank; former member of the Boards of Directors of BNP Paribas, Publicis, and Lafarge, she is currently Chair of Sogama and Director at Thermcross. She is a member of the French Academy of Technology.

* One of the main satellite owners and operators in the world, listed on the Euronext stock exchange (SESG).

Physical retailers must adapt quickly to the new digital world and VusionGroup is an ideal partner to support them, as well as the brands, in order to make the most of the fourth industrial revolution."

Peter Brabeck-Letmathe
International Advisory Board Chairman

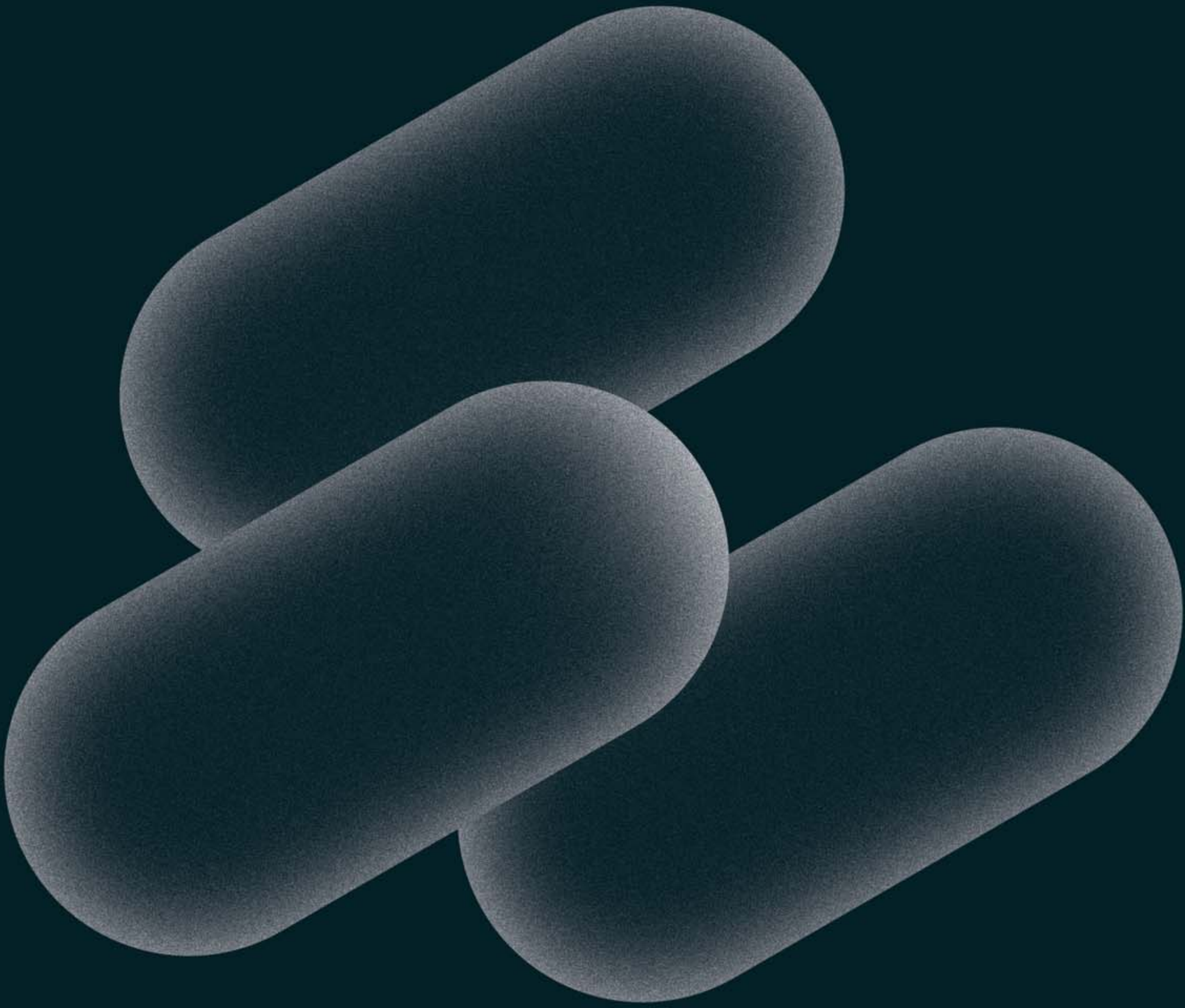
Rigorous governance supporting an ambitious sustainable growth strategy

The Group pursues a rigorous and high value-added corporate governance approach, which is presented in detail in this universal registration document and whose key points are as follows:

- the Group's activity is overseen by a Board of Directors, chaired by Mr. Thierry GADOU, whose main mission is to define the Group's strategic priorities while ensuring long-term sustainable value creation by considering the social and environmental challenges of its activities;
- corporate governance also comprises an Audit Committee chaired by Ms. Hélène Ploix, a Nomination and Remuneration Committee chaired by Ms. Candace Johnson, and, since mid-December 2023, a Strategy and ESG committee, chaired by Peter Brabeck-Letmathe.
- the roles of Chief Executive Officer and Chairman are not separate due to:
  - a) the desire to continue pursuing the strategy driven by the Chairman and CEO for nearly ten years,
  - b) the desire to continue the dialogue with the market, and
  - c) the relationship of trust between the Chairman and CEO and the management of the majority shareholder and the other strategic shareholders.

Important governance principles:

- annual reassessment of regulated agreements entered into and authorized during the year or in previous years, in particular to ensure compliance regarding competitiveness and fairness of shareholder and supplier relations;
- Group policy concerning professional and pay equality based on inter-professional gender equality indicators. The ESG policy is subject to strengthened governance with:
  - a) detailed monitoring of the diversity and gender policy as well as social, societal and environmental commitments by the ESG, Nomination and Remuneration Committee (until December 13, 2023, then by the Strategy and ESG Committee from December 13, 2023),
  - b) high value-added oversight by the International Advisory Committee, some members of which are internationally recognized and prominent authorities on ESG policy and governance.
- proportion of independent directors of 60%, higher than the proportion recommended by the AFEP-MEDEF Code (at least half);
- Peter Brabeck-Letmathe named Vice-Chairman of the Board of Directors and Lead Independent Director.



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Risk factors and uncertainties

2.1 Risk factors and associated risk management measures

The Global Management Board regularly monitors:

- the identification of the Company's risks that could have an impact on its business, image and financial results;
- actions to reduce or control them.

Twice a year, during the half-yearly and annual financial statements, the Audit Committee reviews and assesses:

- significant risks that could affect the Group's activities;
- the appropriateness of the procedures implemented to deal with them.

The Audit Committee's findings and conclusions are presented to the Board of Directors, which approves the main risk factors included in this Universal Registration Document (URD).

Pursuant to European Regulation No. 2017/1129 of June 14, 2017, the risk factors are:

- presented by type (strategic, operational, etc.);
- assessed on a net criticality basis after assessing their severity and probability of occurrence, and taking into account the action plans put in place (see "Risk management").

Within each risk category, the risk factors that the Company deems the most significant and the most critical at the date of this Universal Registration Document are mentioned first.

Summary of the main risk factors

The following table classifies the main and specific risks to which VusionGroup is exposed into three categories:

(1) strategic risks,

(2) operational risks and

(3) legal, financial, and compliance-related risks.

For each category, the risks are indicated in decreasing order of importance, according to a four-level scale: critical, high, moderate and low.

Risk categories	Risk factors	Type of risks identified	Net criticality
Risks associated with the Group strategy	Market competitiveness	Loss of price competitiveness of our products	*High*
	Economic environment	Slower growth in our main markets (decrease in consumption)	*Moderate*
	Geopolitical tensions	Industrial and logistical reorganization due to geopolitical tensions	*Moderate*
	Climate and decarbonization	Adaptation to climate change and evolution of the business model (decarbonization)	*Low*
	Products and services	Delayed deployment of new services/solutions for our customers	*Moderate*
	Technological disruption	Major technological disruption in one of our products or solutions	*Moderate*
Operational risks	Cyber attacks	Cyber attacks and data theft	*High*
	Component sourcing	Failure of the supply chain Failure of significant suppliers	*High*
	Quality	Quality of products or services: manufacturing or functional defects	*High*
	Customer dependency	Growth and dependence on major clients	*High*
	Technology skills attraction	Attracting and retaining technical/technological skills	*Low*
	Commercial forecasts	Impairment of inventories due to innovation or erroneous business forecasts	*Moderate*
	Key personnel	Loss of key personnel	*Moderate*
	Ethics and compliance	Corruption: non-compliant internal or third-party behavior	*Moderate*
	Health crisis	Health crises and consequences for the organization	*Moderate*
Legal, financial, and compliance related risks	Intellectual property	Patent/trademark infringement by third parties	*High*
	Disputes	Litigation and investigations	*Moderate*
	Currency	Risks related to exchange rate	*Moderate*
	Liquidity	Liquidity risk	*Moderate*

The main risks specific to the Vusion Group, as well as their negative impacts and the measures implemented to manage them, are described below.

2.1.1 Risks associated with the Group strategy

2.1.1.1 Loss of competitiveness of our products

The Group faces intense competition from international players, mainly from Asia, seeking to acquire market share by charging very competitive prices.

The Group must remain at the forefront of innovation in terms of product design and components with the best quality/cost ratio.

In this context of significant technological change, the Group's business and financial results could suffer substantially from the absence or inadequacy of the financial resources or skills necessary to preserve the differentiation and added value of its products.

These competitive pressures, affecting, in particular, the selling prices of equipment, could erode the Group's sales and profitability and undermine its outlook.

Consolidation of the various market players, particularly among industrial assemblers or component suppliers, could change the competitive landscape of the electronic shelf label industry and lead to pressure on prices, costs and margins.

Competitive risk management

The Group applies a strategy to prevent these risks based on several key areas:

- Active and global competitive monitoring: ongoing efforts to improve industrial competitiveness and reduce costs have been made, based in particular on strong purchasing expertise and a leadership strategy regarding market share maximizing economies of scale;
- Significant investments in R&D and innovation (see section 2.1.1.6) that aim to establish strong differentiation and add value, reinforced by an active policy in terms of filing and defending the Group's intellectual property;
- Support from Chinese subcontractors, in addition to the Group's European, American and Taiwanese R&D centers to be as close as possible to the ecosystem of Chinese suppliers (product design);
- Focus on targeted markets where our differentiation strategy through services can play out favorably and where we aim at a significant market leadership and market share;
- Lastly, the Group is developing close ties, along with capital ownership, with key players in the value chain (BOE technology, E Ink group…), in order to deepen its cooperation and converge its interests with these key players.

2.1.1.2 Slower growth in our main markets

According to the forecasts of the International Monetary Fund in January 2024, global growth is expected to slow for the third consecutive year, going from 2.6% last year to 2.4% in 2024.

Growing geopolitical tensions could create new risks in the short term. The medium-term outlook has worsened for many developing countries due to:

- slower growth in most major economies;
- the sluggishness of global retail;
- more restrictive financial conditions for decades.

If the current economic environment were to deteriorate, this could have a material adverse effect on the Group and its business, financial position, results and outlook.

Changes in demand for products offered by the Group are generally linked to changes in macroeconomic conditions, in particular changes in gross domestic product in the countries where the Group markets its products and services. Periods of recession or deflation, potential increases in customs barriers and other trade restrictions by certain countries may dampen demand, the growth of the global economy and, consequently, the Group's business.

Moreover, insofar as a significant portion of the Group's products are assembled by External Manufacturing Services (EMS) located in China, the increase in customs barriers could lead to a contraction in exports of the Group's products to certain regions of the world.

In addition, during periods of economic recession, some of the Group's customers are likely to experience financial difficulties that could lead to payment delays or even arrears.

The strategy of having a geographically diversified portfolio proved its relevance during the health crisis, with some regions remaining very dynamic while others were severely affected by the crisis, enabling the Group to maintain strong overall growth.

The Group was able to record revenue growth of 29% during the fiscal year ended December 31, 2023.

In order to reduce its exposure to risk, in particular when regional dependence becomes significant, in 2023 the Group undertook a regional rebalancing of activity between the Americas and Europe, seeking to limit the risk of exposure to the global economic slowdown due to:

- a better macroeconomic situation in the USA than in the rest of the world;
- the very low penetration rate of IoT solutions in American stores;
- the recent winning of major contracts with American retail leaders, thus launching a strong equipment dynamic.

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Economic risk management

- Monitoring the global economic environment and in particular the countries in which the Group markets its products and services
- Geographical diversification of the business portfolio
- Establishment of a global network of specialized correspondents (lawyers, tax specialists) to monitor regulatory changes in trade restrictions
- Supply Chain diversification strategy in Asia (China and Vietnam) and the Americas (Mexico), minimizing the impact of customs duties applied in the United States on products manufactured in China.

2.1.1.3 Industrial and logistical reorganization due to geopolitical tensions

Major geopolitical events can generate:

- adverse effects on the safety of our activities;
- significant economic disruptions;
- failures in our organization.

The criticality of these disruptions depends on the location of the geopolitical events.

The identified subjects for consideration are:

- the safety of the Group's employees;
- supply and logistics scheduling difficulties, both in terms of available capacities and available transport routes;
- cyber risks (see 2.1.2.1);
- payment risks in relation to customers located in the affected area;
- a slowdown in commercial growth in this same region.

Due to the situation in Ukraine and the Middle East, the Group has not planned any significant commercial development in this region.

The land routes connecting Asia to Europe cross China, Kazakhstan, Russia, Ukraine and Poland and the shipping route crosses the Red Sea disrupted by the Houthis attacks. Organizational (logistical) disruptions are therefore the main effect of the Ukraine crisis and the crisis in the Middle East.

Risk management associated with geopolitics events

- Constant monitoring of the difficulties that service providers may face by the managers of the Supply Chain and Logistics Departments;
- Alternative shipping and land routes identified:
  - in the context of the Ukraine and Middle East crises, the Group has planned alternative routes through the Baltic States with the help of its logistics service providers and in coordination with its insurance broker. It has also carefully managed the number of trucks per convoy;
  - other shipping routes remain operational as long as passage through the Red Sea remains impracticable;
  - the Group has inaugurated new modes of land transport by rail, further diversifying its transport options from China.

2.1.1.4 Adaptation to climate change and the evolution of the business model (decarbonization)

Year after year, the Group has strengthened its commitment to contribute to a decarbonized world and to develop solutions for more sustainable and responsible retail.

Climate-related risks and opportunities have been put into a timeline for the Group with a deadline set for 2030.

The main risks identified are:

- **in the short term,** all current transactions (choice of a supplier, participation in a customer call for tenders, etc.) lead to an assessment and/or publication of indicators, ratings or certifications acknowledging that Adaptation to Climate Change Group;
- **in the medium term,** in the context of a more sustainable economy, potential new regulations imposing a global or regional carbon pricing system would be a significant challenge that would have direct financial repercussions for the Group;
- **in the long term**, if the global ecological transition does not happen apace, rising temperatures and water scarcity could have a direct impact on the Group's upstream supply chain, its organization (e.g. subcontracting and storage locations, and R&D centers), its data centers and their energy supply.

Risk management related to changes in the business model

The Group has pledged the following commitments within the context of its climate strategy (see section 4):

1) Promote positive retail, thanks to its products;
2) Decarbonize its solutions and reduce its carbon footprint (low-carbon equipment with a commitment to reduce its carbon intensity by at least -52% by 2030). In 2023, the Group launched a new solution, EdgeSense, whose carbon footprint is, depending on the configuration chosen, 30% to 50% lower than that of a traditional installation;
3) Enable the avoidance of additional GHG emissions through the use of our in-store solutions, whether or not coupled with other applications (to combat food waste, etc.);
4) Structure its own label recycling channel, giving them a “second life” and thus promoting a circular economy. In 2023, 1.9 million labels were recycled.

The Group takes part in numerous assessments of its ESG action plan by specialized rating agencies and continuously works to improve it.

These benchmarks and comparisons make it possible to assess the effectiveness of the Group’s strategy in terms of the fight against climate change.

A specific communication, dedicated to the Group's social, societal and environmental responsibility is developed on the Group's website.

The Group closely monitors changes in regulations to anticipate their implementation and potential effects, and thus has:

- established an environmental management system that received ISO 14001 certification in 2022;
- introduced a systematic audit of the majority of its industrial suppliers, through the “EcoVadis responsible purchasing” program, which ensures compliance with international environmental standards (see in particular section 4);
- analyzed its compliance with the European taxonomy regulation (see section 4) as part of the first stages of the implementation of the CSRD regulation.

The Group initiated an analysis of the climate risks that its major sites in the value chain could face.

Risk management associated with the climate and more frequent and extreme natural events and disasters

The safety of the Group's employees is little affected because they are mainly located in geographical areas that are not subject to extreme natural disasters. The planned measures therefore focus on business continuity, in terms of services thanks to the Cloud platform and production of equipment (IoT devices).

1) Strategies to continue the activity of our Cloud platforms have been implemented with the support of the Group's subcontractors and partners, allowing us to provide these services from different sites. Since 2023, the Group has been ISO 27001 certified.
2) Suppliers of components and electronic labels also have their own supply chains and could potentially encounter similar problems. The Group initiated mitigation measures in 2021, thanks to its active multi-sourcing policy and the opening of a third label assembly site in the Americas.
3) The effective analysis of the resilience of the Group's business model and its adaptation to the impacts of climate change will be key elements in responding to the risks of natural disasters. The Group has already assessed the climate risks at its main storage sites. In 2024, it is extending this study to assembly subcontracting sites as well as R&D centers, in order to:
   - examine the exposure to climatic hazards of these sites;
   - assess the resilience of operations;
   - assess potential impacts on the business plan;
   - identify priority action levers;
   - develop its climate change adaptation strategy;
   - support change.

The climate risk analysis strategy is developed according to the TCFD reporting standards in section 4.

2.1.1.5 Delayed deployment of new services and solutions for our customers

Certain services and solutions (Computer Vision, Data Analytics, Industrial Solutions, etc.) could be subject to marketing delays which could in turn affect projected revenue due to their later adoption by customers. Due to the significant share that these solutions and services represent in the Group's growth plan and their strong contribution to the operating margin, this delay would have an impact on the Group's revenue and EBITDA.

Managing the risk of delayed deployment of new services and solutions

The Group applies a strategy to prevent these risks based on several key areas:

- Significant investments in its historical ESL business by improving their margins thanks to revenues from software and related services;
- New matrix organization guided by "ranges and lines of products and services" to promote the launch of new lines;
- Support for investment in R&D and commercial activity to facilitate the prioritization of projects and their deployment.

2.1.1.6 Major technological disruption in one of the Group's products or solutions

Certain technological innovations introduced by competitors or new entrants could make it possible to meet the expectations of the Group's customers in a more efficient or cost-effective manner, and thus weaken the Group's financial and business position.

Technology risk management

In order to maintain its advantage in terms of technological advances, the Group is constantly innovating and bringing new solutions to the market.

Thus, it:

- conducts an active global technology watch in areas related to its business: digital display technologies, radio protocols, connected objects, computer vision, artificial intelligence, etc.;
- invests significant amounts in R&D and intellectual property (see section 5 "Investments");
- makes acquisitions of patents or companies with missing and significant technologies (Imagotag, Findbox, PDI, MarketHub, In The Memory, Belive.ai); or
- establishes strategic technological partnerships to benefit from a strong ecosystem (Microsoft, SAP, Google, Blue Yonder, Qualcomm, BOE, Eink, etc.).

The Group's intellectual property policy and protective measures are detailed in section 2.1.3.

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2.1.2 Operational and technical risks

2.1.2.1 Cyber attacks and data theft

Gaining visibility, the Group is more exposed to the risks of computer attacks, for example: ransomware, data theft, identity theft, denial of service, etc. The occurrence of one of these events could have a negative impact on its operational activity, its commercial offering and, therefore, on its performance.

The evolution of the methods used by hackers, such as the use of social engineering or phishing coupled with new technologies easily available on the darknet (EvilProxy, etc.), for example, expose the Group to new threats and a growing number of players. Computer attacks and intrusion attempts, which are becoming more and more structured and targeted, can affect the Company as well as its customers and private or public partners.

More generally, system failure could lead to:

- loss or leakage of confidential or commercial information;
- operational delays; or even
- discredit the Company's reputation by blocking solutions for the Group's customers;

which would generate additional costs that could harm the Group's strategy or image.

Despite the procedures put in place by the Group, it cannot guarantee hedging against these technological and IT risks and could encounter difficulties in the normal course of business should one of these events occur. This could have a detrimental impact on its business, results, financial position and ability to achieve its objectives.

Risk management related to the security of information systems

As part of its transformation towards the distribution of digital solutions, the Group has implemented a series of organizational, operational and technical measures to protect its various solutions:

- Regular audits and intrusion tests by the Information Systems Department to assess its maturity in terms of securing the networks, and the systems and applications necessary for the continuity of the Group's business.
- Implementation of an information security management system (ISMS) enabling the continuous implementation of an action plan adapted to the risks identified and aligned with the expectations of ISO 27001. Certification was obtained in early 2023.
- Investment in various analysis and security tools guaranteeing the security of its systems and data. In conjunction with its internal control and security policy, these organizational, functional, technical and legal security measures are subject to regular checks.
- Regular IT hygiene awareness training for employees.

Data security risk management

The Information Systems and Research and Development Departments are responsible for data security:

- Establishment of classification rules and strict procedures for defining and allocating access to data, ensuring their confidentiality (principle of least privilege);
- Using leading Cloud hosting solutions to ensure a high level of availability;
- Regular backups on various media;
- Training of all employees and IT and R&D stakeholders in development rules and best practices to ensure that solutions comply with the "Privacy by Design" and "Security by Design" rules.

2.1.2.2 Supply chain failure

The Group relies on a good supply of electronic components and screens in order to carry out industrial scheduling with its industrial assembly subcontractors.

The causes of supply chain failure are multiple:

- failure of one or more suppliers in components or screens;
- following social movements;
- unforeseen stock-outs;
- quality defects;
- export restrictions or sanctions;
- health crisis; geopolitical situation;
- more generally, any disruption in supply, in particular, due to possible tensions on the supply of electronic components;

and which could have a detrimental impact on the Group's business, results, financial position, or prospects.

The cost of components represents a substantial portion of the Group's purchases consumed. These amounted to €579.3 million for the fiscal year ended December 31, 2023; the Group recorded a variable cost margin of €201.9 million for the fiscal year ended December 31, 2023.

A substantial increase in the cost of components due, in particular, to a contraction in the Group's supply or a concentration of suppliers could, therefore, have a significant impact on the Group's variable cost margin. More generally, it could have a material adverse effect on its business, financial position, results and prospects if it were not in a position to pass it on to its customers within a reasonable time.

In addition, supply also depends on smooth and timely supply chain and logistic flows. The failure or delay of a service provider or any tension in the logistics chain, due to:

- social movements;
- disruptions in the availability of resources or means of transport, particularly containers, strikes, export restrictions, health crises, or maritime shipping routes;

could result in the Group's inability to deliver to its industrial subcontractors or customers and result in additional costs or even order cancellations that could have a detrimental impact on its business, results, financial position, or prospects.

Management of component sourcing risk

- Multiple sources of supply policy: the Group ensures that its industrial forecasts are consistent with commercial forecasts in order to prevent any risk of component shortages;
- Diversification of sources and suppliers of components;
- Component requirements optimization policy by reconciling industrial and commercial forecasts;
- Multimodality of logistics flows from Asia (air transport, maritime transport and land transport - Silk Road - by truck and train).

2.1.2.3 Failure of significant suppliers

The Group has outsourced all of its equipment production (ESL, digital screens, Digital Shelf System, cameras, etc.) to several leading industrial partners specializing in the assembly of electronic products (External Manufacturing Services or EMS), including BOE, shareholder of around 32% of the share capital.

In the event of an increase in demand or if the Group needs to replace an existing EMS, it cannot be certain of the existence or availability of additional production capacity on acceptable terms. Similarly, the use of new production units may lead the Group to:

- experience production delays; and
- to bear additional costs due to the time it will have had to spend training new EMSs in the Group's methods, products, quality control, environmental footprint and health and safety standards.

In addition, production by one or more EMS could be interrupted or delayed, temporarily or permanently, due to economic, social, or technical problems, in particular:

- the insolvency of an EMS;
- the failure of production sites; or
- an interruption of the production process due to social movements beyond the control of the Group, or due to health crises such as the Covid-19 pandemic.

Any delay or interruption in the production of the Group's products could have a material adverse effect on its business, results, financial position, or its ability to achieve its objectives.

Risks related to supplier dependency:

- Production management based on first-tier subcontractors
- Possible switching of production capacities thanks to the diversified location of factories in Asia or Mexico

2.1.2.4 Quality and safety of products or services: manufacturing or operating defects

The Group may occasionally be confronted with a manufacturing or operating defect or an assembly of defective components in one of the Group's products and systems. If applicable, this could lead to liability claims of varying importance that could damage the Group's reputation and have significant financial consequences. In this context, the Group has been, may or may be required to carry out recall campaigns or to adapt or replace the equipment in question.

These complaints may harm the reputation and quality image of the products concerned and the Group. In addition, the costs and financial consequences associated with these claims would likely have a material adverse effect on the Group's business, results, financial position and ability to achieve its objectives.

Risk management associated with manufacturing or functional defects

- The drafting of design data sheets by the R&D and Industrial Purchasing Departments that the Quality Department ensures are respected as part of a test program (at the end of production in particular);
- Monitoring focused on new product launches;
- Traceability policy for all production batches allowing, where necessary, targeted product recalls.

2.1.2.5 Growth and dependence on major clients

Although the Group's revenue is distributed among a large number of customers, some of them account for a substantial portion of its revenue.

For the fiscal year ended December 31, 2023:

- the Group's top ten customers represented more than 68% of the Group's consolidated revenue.

The loss or contraction of the activity of one or more of these customers, a concentration of players in the sector in which they operate, or the failure of one of these customers, could reduce revenue by the same proportion. This could have a material adverse effect on the Group's business, financial position, results and outlook.

Please note that the 2027 strategic plan includes several major deals to be signed with a limited number of key customers, likely to trigger a higher customer dependency ratio.

Risk management related to customer dependency

- Maintaining a geographically diversified customer portfolio;
- Regular monitoring/specific review of major customers;
- Researching new business sectors to equip with our solutions.

2.1.2.6 Attracting and retaining technical and technological skills

Vusion is a growing and diversifying Group, offering new ways of using display solutions, managing stores and using available data on prices and products.

The Group's strategic plan for 2027 aims to make the Group a leader in omnichannel electronic signage solutions. In this perspective, and in the context of a competitive and evolving technological industry, attracting, developing and retaining the necessary skills is an important issue.

The Group must respond to qualitative and quantitative challenges in terms of talent management:

- strengthen its pool of technical skills (and especially in the field of software engineering) to support growth and enable the delivery of new value-added services on a global scale;
- identify, attract, train, retain and motivate qualified personnel;
- build leadership capabilities at all levels to support its continued growth and transformation;
- on-board new employees effectively, particularly in the context of acquisitions.

This involves anticipating and planning the acquisition and development of the skills that will drive the Group's future success and ensure its proper development. The risk is not having them in time to support the Group's strategy.

If the Group fails to meet these human resource challenges, this could have a material adverse effect on its business, financial position, results, or outlook.

Programs and initiatives are implemented to prevent this risk

- A people review to precisely define the need for new skills with regard to the current pool of skills;
- A partnership with universities and schools in Europe (France and Austria in particular) to maintain a pool of young talent;
- The development of an employer brand, for example with an increased use of social networks;
- Regular and close monitoring of each employee's objectives and managerial assessments (two per year) and sharing of the value in the form of long-term or specific Group compensation plans in the event of acquisitions;
- The Chairman and CEO regularly explains and comments on the Group's strategy during regular video-conferences;
- An e-learning platform.

2.1.2.7 Impairment of inventories due to innovation or erroneous sales forecasts

Due to long supply cycles for production and transport, the Group may build up large inventories to ensure acceptable delivery times for its customers. If the sales forecasts used for production orders given to assemblers are subject to last-minute adjustments by customers, the Group may find itself with customer-specific inventories that are difficult to sell to other customers.

Similarly, the introduction of new equipment ranges may lead to accelerated obsolescence of certain standard products still in stock.

In both cases, this could lead to the impairment of the Group's inventories and therefore negatively impact its income (see also section 6 for a description of the Group's inventory impairment rules).

Risk management

The finance team, in collaboration with the logistics and industrial scheduling teams:

- for non-standard products: ensures the relevance of production orders before they are sent to assemblers to avoid producing products that are difficult to sell to other customers;
- for standard products: regularly reviews safety inventory levels to avoid overstock, thanks to the integrated SAP ERP.

In addition, the turnover rates of inventory items are regularly analyzed, at the time of:

- permanent inventories via our information systems;
- biannual physical inventories.

Slow rotations are the subject of campaigns:

- of a commercial nature known as "stock push"; or
- of an industrial nature known as "rework";

to facilitate their disposal.

For product references that cannot be covered by these targeted campaigns, the Finance Department records provisions for the impairment of inventory with low turnover, as described in section 6 of the consolidated financial statements for the year ending December 31, 2023.

2.1.2.8 Loss of key personnel

The Group's success depends to a certain extent on the continuity and skills of Mr. Thierry GADOU, Chairman and CEO, and his management team.

In the event of an accident or the departure of one or more of these executives or other key employees, their replacement could be difficult and could hamper the Group's operational performance.

More generally, competition for the recruitment of senior executives in the Group's line of business is fierce and the number of qualified candidates is limited.

The Group may not be able to:

- retain some of its executives or key employees; or
- attract and retain experienced managers and key employees in the future.

In addition, in the event that its executives or other key employees join a competitor or create a competing business, the Group could lose some of its know-how and the risk of losing customers could increase. These circumstances could have a material adverse effect on the Group's business, financial position, results and outlook.

Risk management associated with the loss of key personnel

- In addition, the Nomination and Remuneration Committee regularly reviews the succession plan for key managers, including the Chairman and CEO.
- Since 2012, the Group has pursued a policy of retaining management teams through performance share plans (free shares). These plans have helped to ensure good stability in the management team.
- The Group also announced the nomination of two members of the executive committee as Deputy CEOs in order to support the Chairman and CEO in the management and transformation of the Group for the execution of the Vusion'27 strategic 5-year plan.

2.1.2.9 Corruption: non-compliant internal or third-party behavior

In the course of its business, the Group may be exposed to risks related to corruption, particularly in some of the emerging countries in which it operates. The Group ensures that all of its employees act in accordance with applicable laws and regulations and the values of integrity and respect for internal and external standards that form the basis of its culture.

However, it cannot guarantee that its employees, suppliers, subcontractors or other business partners will comply with the strict requirements to which it is subject or the regulations in force.

Any behavior that contravenes these values or applicable regulations could seriously engage the Group's liability and have repercussions on its reputation. This could have a material adverse effect on its business, financial position, results, or prospects.

Corruption risk management

- A code of business ethics and conduct and a supplier code of conduct, published on our website, formalize the rules of behavior expected in the Group from all employees, suppliers, subcontractors and our network of partner-distributors.
- To ensure that any suspected breach of our Code of Ethics is reported and investigated, the Code of Ethics is signed every year by each employee and a whistleblowing process is available to our employees, with the option of anonymity.
- To assess the ethics of a majority of our suppliers, a supplier code of conduct signature campaign is organized annually by the "Industrial Purchasing" Department as well as an EcoVadis evaluation campaign (see section 4).

2.1.2.10 Health risks and consequences on the organization

New pandemic situations or extraordinary events could lead to a disruption of the Group's activity, due to:

- its subcontracting chain;
- failures in its internal organization;

The experience gained during the Covid-19 pandemic was a real crisis management exercise that should enable the Company to react quickly to events with similar consequences.

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Health risk management

The Group demonstrated, during the last pandemic, the robustness of its digital organization and its communication tools: lockdown periods were managed smoothly and without failures.

- Emphasis on remote working and inter-team communication supported by an internal social network and collaborative platforms;
- Company information systems configured to ensure business continuity (whether the support functions are physically on our premises or not - SAAS, for example);
- Prevention of risks related to isolation, risks related to hyper connection, management of the autonomy and integration of new employees, monitoring of activity and maintenance of the collective and prevention of musculoskeletal disorders.

2.1.3 Legal and compliance related risks

2.1.3.1 Infringement of patents or trademarks by third parties

The counterfeiting risk, whether suffered or active, is the number one risk that the Group must face in terms of intellectual property.

Counterfeiting infringements may be committed by third parties against products, copyrights or patented industrial processes. It can:

- have an immediate effect on the Group's revenue and income; and
- harm the reputation and quality image of the products concerned.

In addition, given:

- the period during which patent applications are not made public, the Group could involuntarily commit infringement;
- the increasingly short development time frames, patent applications filed by third parties and known only at the time of their publication could affect ongoing developments or even products recently launched on the market.

This situation would affect the project margin and force the Group to:

- modify the product by increasing the research and development costs of the project; or
- negotiate rights to use the patented element.

Lastly, the Group may be subject to claims from patent trolls, particularly in the United States and Russia and in the field of new technologies. The occurrence of counterfeiting, of which the Group is the victim or which is attributable to it, could have a substantial adverse effect on its reputation, business, financial position, results and outlook.

In accordance with applicable accounting standards and following the risk analysis carried out at the date of this Universal Registration Document, no provision has been recognized in the consolidated financial statements at December 31, 2023.

Counterfeiting risk management

- An entity dedicated to intellectual property with the assistance of external experts. It was strengthened in 2023 by the recruitment of a lawyer who coordinates all disputes and actions relating to the Group's intellectual property in the United States;
- Registration of the Group's trademarks and patents and respect for third-party rights through prior and systematic research of prior art
- Protection of the Group's trademark and patent interests for any litigation or action relating to intellectual property, managed in-house or *via* specialized firms

As of December 31, 2023, the Group had filed 710 patents corresponding to 137 patent families.

2.1.3.2 Risk related to VusionGroup's status as a listed company and financial communication

As VusionGroup shares are admitted to trading on the regulated market of Euronext Paris, the Company is subject to all European and French stock market regulations, particularly those relating to financial reporting, including (EU) Regulation no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse and Directive 2004/109/EC of the Parliament and of the Council of December 15, 2004 on the harmonization of transparency obligations concerning information on issuers whose securities are admitted to trading on a regulated market. More specifically, the Company is subject to ongoing disclosure obligations, including the publication of any insider or periodic information, including the production of annual and half-yearly consolidated financial statements.

Although the Company takes great care to ensure the quality, completeness, and accuracy of information, particularly financial information, published in the industry, it could be subject to destabilization or disputes relating to its communications, which could be extremely detrimental to the Company's reputation and stock market price.

In July 2023, the Group was the subject of a destabilization campaign led by a short seller accusing it of double-counting circular revenue and overvaluing revenue and income in the consolidated financial statements for the year ended December 31, 2022. The Group has firmly refuted these erroneous and misleading allegations relating to the accounts certified without qualification by its Statutory Auditors, and it has initiated the relevant legal actions; the Company's share price has, nevertheless, been significantly impacted.

2.1.3.3 Litigation and investigations

The Group is, or is likely to be, involved in various legal proceedings and litigation in the course of its business and may be subject to tax and administrative audits.

Information on litigation proceedings that could have, or have had in the recent past, a material impact on the Group's financial position, business, or results is provided in section 6 Financial note number 10, to the consolidated financial statements.

To the Company's knowledge, no other administrative or legal proceedings that could have a significant impact on the financial position of the Company and/or the Group have been brought against the Company (or any of its subsidiaries, if relevant).

The method of provisioning and accounting for liabilities complies with the accounting rules in force described in section 6 of this report.

Provisions for litigation are established:

- upon receipt by the Group of a summons; and
- based on the risk assessment made in conjunction with the Group's external consultants.

Lastly, the Group has not made any significant commitments resulting in an off-balance sheet commitment other than those appearing in section 6 Financial note number 25 "Off-balance sheet commitments" to the consolidated financial statements.

2.1.4 Financial risks

2.1.4.1 Risks related to exchange rate

The Group conducts some of its sales in euros, while most of its production costs are denominated in US dollars (USD). The Group is thus exposed to fluctuations in the euro/US dollar exchange rate that could have an impact on the Group's financial position (see also Note 26 to the consolidated financial statements).

Risks related to exchange rate

- The practice of "netting" currency flows as the Group's business grows in the USA, supplemented by the signature of contracts in Europe but denominated in USD. These actions provide a natural hedge and gradually balance sales invoiced and expenses denominated in USD.
- The implementation of foreign exchange hedging lines, for the part that is not naturally hedged: the Group, in collaboration with its banks and financial partners, enters into currency hedging contracts to limit exposure to exchange rate fluctuations when possible.

2.1.4.2 Liquidity risk

Liquidity risk is the risk of not having the necessary funds to meet commitments when they fall due. It concerns:

- the risk that assets cannot be sold quickly under satisfactory conditions if necessary; and
- the risk of early repayment of liabilities or non-access to credit on satisfactory terms.

The Group cannot guarantee the availability of adequate financing at the appropriate time, which could impair its development capacities and thus have a material adverse effect on its business, financial position, results, or outlook.

See also Notes 11 and 21 to the Group's consolidated financial statements.

Liquidity risk management

- Frequent communications with the Group's investors and shareholders: at the end of 2023, the Group expanded its circle of partner banks and maintained its relationship with private debt investors to be able to address any future liquidity needs more easily.
- The amount of financial debt at less than one year is lower than that of the cash balance.

2.2 Insurance program and internal control

2.2.1 Insurance policy

The Group is implementing an insurance policy *via* a leading broker to obtain external insurance coverage for the Group (global scope). This will make it possible to cover the risks to which the company and its employees are exposed and which can be insured at reasonable rates. The Group believes that the nature of the risks covered and the guarantees offered by this insurance are in line with the practice adopted in its sector.

The Group's insurance program with leading insurers includes the following insurance policies:

- **Civil liability:** Civil and professional liability insurance covering the liability that the Group may incur during the course of its business;
- **Cybercrime:** Insurance against digital risks covering the damage suffered by SES or the liabilities that the Group may incur as a result of a breach of its information systems or a theft or data leak;
- **Fraud:** Insurance against fraudulent acts to insure the Group's financial losses as a result of a fraudulent or hostile act perpetrated by an employee of the insured party (internal fraud) or by a third party (external fraud);
- **Property damage:** Damage insurance covering the Group's assets worldwide against accidental risks such as fire, natural disasters and other similar risks;
- **Goods transported:** Insurance covering risks during transport and storage, covering valuables against theft during transport and/or storage;
- **Civil liability of corporate officers**;
- **Repatriation costs** for personnel travelling abroad.

2.2.2 Internal control and risk management policy

2.2.2.1 Definition and objectives of internal control

Risk management is a comprehensive system that:

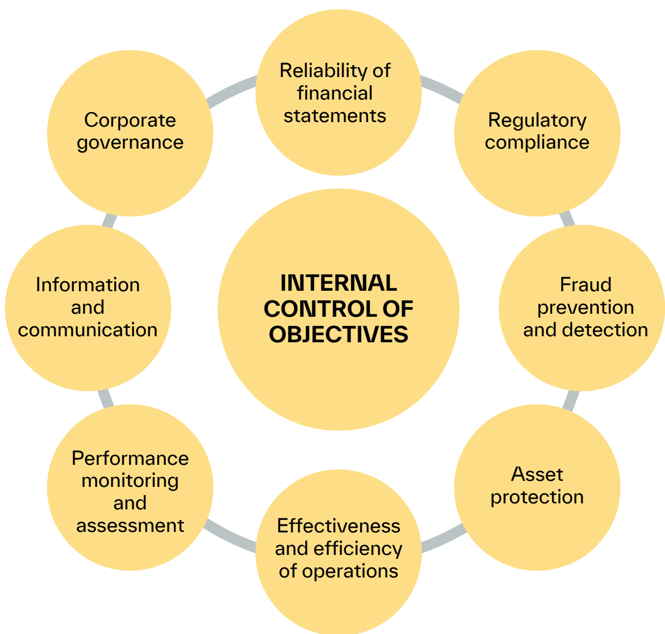
- identifies, assesses and manages risks of all kinds; and
- maps and addresses these risks *via* action plans.

Internal control is an integral part of the risk management system.

The Group defines internal control as a set of measures, methods and procedures designed to provide reasonable assurance regarding the achievement of several fundamental objectives.

The internal control objectives within the Group are designed to protect the interests of shareholders and other stakeholders.

These objectives include:



1. **The reliability of financial information**

   Ensuring that financial statements are prepared and presented with:

   • accuracy and compliance with generally accepted accounting principles and international financial standards;

   • transparency vis-à-vis investors and regulators.

2. **Regulatory compliance**

   Ensuring that the Group's activities are in line with:

   • applicable laws and regulations;

   • specific financial market standards;

   • the rules established by the stock market regulatory authorities.

3. **Fraud prevention and detection**

   Protecting the Group's assets and reputation by implementing processes designed to prevent and detect internal and external fraud.

4. **Protecting the Group's assets**

   Ensuring the implementation of security barriers and safeguards for tangible and intangible assets in order to protect the Company's assets against loss, abuse, or other threats.

5. **The effectiveness and efficiency of operations to achieve the Group's objectives:**

   • without wasting resources;

   • with an efficient use of resources;

   • with operations carried out efficiently.

6. **Performance monitoring and assessment**

   Providing a basis for the performance monitoring and assessment of operations and activities, with an early warning system for significant deviations from adopted plans and budgets.

7. **Information and communication**

   Contributing to informed decision-making at all levels of the Company by ensuring that internal control systems promote smooth and effective internal and external communication.

8. **Corporate governance**

   Strengthening the supervision of activities and controls within good governance practices, in particular the role of management and the Board of Directors.

2.2.2.2 Reference frameworks

The Group's internal control system is based on the reference framework proposed in 2007 by the French Financial Markets Authority (AMF - *Autorité des marchés financiers*), supplemented by its application guide, and updated on July 22, 2010.

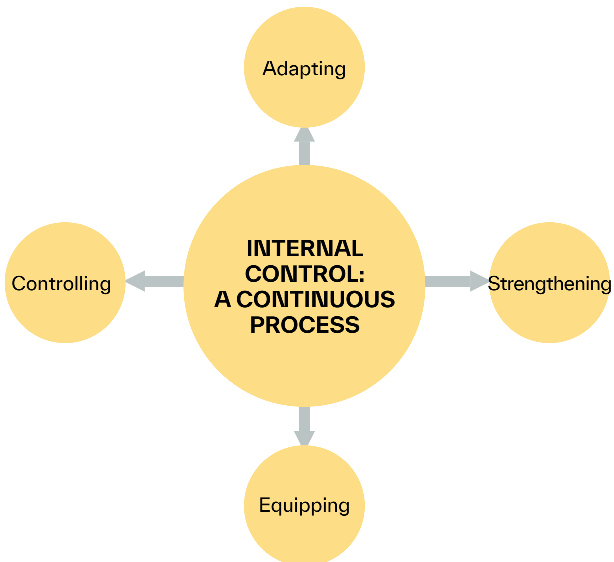
This reference framework covers risk management and internal control systems, and addresses the processes for managing and preparing accounting and financial information as well as risk management and internal control procedures.

This reference framework is itself consistent with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework. The Group took into account that the COSO 2017 refers to the update by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) of its risk management framework, officially entitled "Enterprise Risk Management - Integrating with Strategy and Performance". This is an advanced iteration of the previous ERM (Enterprise Risk Management) model from 2004. This framework provides a structured approach to help the Group identify, assess and manage strategic, operational, financial and compliance risks.

The 2017 version emphasizes the importance of integrating risk management into the organization's overall strategy and performance. The idea is to explicitly link the risk to the creation of value and performance within the company. The COSO 2017 framework aims to provide a more coherent vision that is more aligned with the Group's strategic decision-making and the achievement of its objectives.

2.2.2.3 A continuous improvement process

In 2023, the Group continued to improve its internal control system, in particular:



1. Strengthening the internal control structure and establishing expertise to manage the system.
2. Modifying the accounting organization to increase the segregation of tasks and the associated control environments.
3. Establishing new business review committees to strengthen the existing control structure.
4. Further developing the ethics program with the implementation of awareness campaigns on the risks of fraud from top management.

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2.2.2.4 Organization of the internal control system and its players

2.2.2.4.1 Strategic players involved in the Company's internal control

The Audit Committee

It ensures that:

- the financial statements are prepared independently and are properly audited;
- foreign exchange, liquidity and debt risks are correctly anticipated.

The Audit Committee is kept informed of matters relating to risk management.

The risk assessment and treatment approach is the subject of a specific annual discussion with the members of the Committee and the Statutory Auditors, during which the mapping of major risks, as well as the associated action plans are reviewed.

The ESG, Nomination and Remuneration Committee

(This Committee became the Nomination and Remuneration Committee on December 13, 2023) - It determines the compensation policy that is allocated or attributable to the Chairman and ensures:

- the application of best ethical practices in the management of the Group's business: anti-corruption compliance plans (Sapin II law) and GDPR as well as the gifts and hospitality policy, the company and supplier code of conduct;
- the implementation and monitoring of processes for identifying potential conflicts of interest and whistleblowing.

The Board of Directors

The Board of Directors meets several times a year in order to study management's proposals in terms of debt, hedging of foreign exchange risks and any acquisitions. The budget forecasts are also presented as well as their successive revisions during the year.

The Management Board (GMB and thematic committees on retail, finance, and supply chain)

In order to ensure the adequate supply of finished products and solutions required by the market and to effectively anticipate business volumes and profitability, the thematic committees as well as the GMB meet every week to:

- analyze the portfolio of commercial opportunities, the chances of success and the potential timetable of these projects;
- review major contracts in order to maintain their profitability and the sale price offered based on the costs to be incurred by the Company.

Industrial Purchasing Department

It is responsible for:

- purchasing components and raw materials needed to manufacture products;
- negotiating industrial assembly subcontracting.

It plays an important role in the internal control system due to the financial flows involved.

The organization implemented by the Group enables:

1. the centralized management of purchases, in order to manage strict management rules (calls for tenders, purchase requests, approvals, etc.) and optimize inventories;
2. supplier management, in particular through performance indicators, supplier reviews and audits on operational aspects (quality, supply chain, etc.) but also on ethical, social and environmental responsibility and compliance aspects in line with the Group's ESG objectives.

The Group Legal Department

Its mission is to:

- ensure compliance with applicable regulatory and legal frameworks in the various countries where it operates;
- protect the Group's assets (particularly intellectual assets) and activities;
- protect its interests.

Its main missions are:

1. legal assistance for transactions, on all types of regulations, drafting and updating of standard contracts (purchase of goods and services, conditions of sale, promotional operations, etc.), management of the law firms consulted, management of pre-litigation disputes and litigation;
2. protection of intellectual property rights in collaboration with the R&D Departments for patents and marketing for trademarks; legal watch;
3. coordination and alignment of the insurance program with the Group's activities;
4. participation in the Group's acquisition strategy;
5. tax and customs aspects are monitored and procedures are drafted and reviewed by the Legal and Tax Departments: justification of the tax schemes chosen, customs classifications, etc.;
6. dealing with aspects relating to environmental regulations in close collaboration with the Operational Departments responsible for the eco-design of products, packaging and used equipment recovery processes;

The Information Systems Department (ISD)

Due to the growing importance of technology in the business world, the contribution of the ISD to internal control has become indispensable and it continues to evolve with the emergence of new technologies and threats.

The ISD plays a vital role in the Group's internal control system. The ISD's contribution to internal control includes the governance of information systems, data security, business continuity and the integrity of IT systems.

The Information Systems Department, therefore, works closely with other departments, services, or organizations to create a holistic and effective internal control system.

The Group wishes to highlight the following key points that contribute to internal control:

1. Information systems governance
   - The ISD ensures that the information systems are aligned with the Group's strategic objectives.
   - It establishes policies and procedures for the management and efficient use of IT resources.
   - It assesses the performance of the information systems and their ongoing adequacy with the Group's needs.
2. Information security
   - The ISD implements filtering rules, analysis tools and controls to protect information assets against internal and external threats.
   - It manages user authentication, access rights, cryptography and protection against all kinds of malware.
   - It organizes safety training and awareness campaigns for personnel.
3. IT risk management
   - The ISD identifies and assesses risks associated with information systems, including cybersecurity and business continuity risks.
   - The ISD implements a continuous improvement plan for its tools and processes to ensure the reduction of these risks.
   - It participates in the development of incident response and disaster recovery plans.
4. Data integrity and reliability
   - It ensures that the data stored and processed by the information systems is accurate, complete and accessible when necessary.
   - It ensures that the information systems provide reliable data for decision-making and the preparation of financial statements.
5. Operational control support
   - The ISD develops and maintains systems that support other internal controls, such as order, inventory and invoice management systems.
   - It ensures that systems are configured to prevent or detect unauthorized or unusual transactions.
6. Regulatory compliance
   - The ISD helps ensure that information systems comply with legal and regulatory requirements, including those relating to data confidentiality and privacy.
7. Audit and monitoring
   - It facilitates internal and external IT audits.
   - It implements monitoring tools and dashboards for the continuous monitoring of IT systems and operations.

2.2.2.4.2 Accounting and financial control components

The Group's Finance Department is responsible for the Accounting and Management Shared Service Centers (SSCs) and managing them.

This organization, centralized in France, helps to improve the Group's level of internal control by:

- sharing best practices;
- standardizing procedures;
- the positive effect of the work of the SSCs on the segregation of duties.

It contributes to the proper management of accounting and financial internal control and aims to ensure:

1. the compliance of the published accounting and financial information with the applicable rules;
2. the reliability of the published financial statements and of the other information communicated to the market;
3. the preservation of assets;
4. the prevention and detection of fraud and accounting and financial irregularities.

Each month, the management control consolidates all the information from a single, centralized management tool and prepares dashboards for the Group's Management Board and management. These dashboards include appropriate analyses of significant discrepancies and trends.

Delegations of authority are established within the Group in order to define the scope of responsibilities, according to the skills, resources and proximity to the operations necessary for decision-making. Thresholds and rules are established and defined for each manager and included in the delegations of authority to enable efficient and fluid decision-making while addressing the Group's challenges and risks.

Thus:

1. contractual commitments are subject to managerial delegations;
2. the expenditure commitment policy, based on a purchase order process authorized for certain buyer profiles only, including levels of commitments and delegations, is applied within our information systems;
3. the bank accounts of all subsidiaries are grouped together in a single telematic portal enabling the Group's Finance Department to control cash flows and validate payment campaigns.

The Finance Department thus ensures direct internal control over the quality of the financial statements, the Group's profitability and the use of available cash.

In addition to the expense procedures, the management of financial resources is subject to a monthly analysis in order to ensure:

1. the Group's liquidity;
2. hedging of foreign exchange risks;
3. monitoring banking relationships including managing the customer risk hedging strategy.

For the Group, internal control is an essential mechanism for good governance, risk management and the reliability of financial reporting. Its effective implementation makes it possible to:

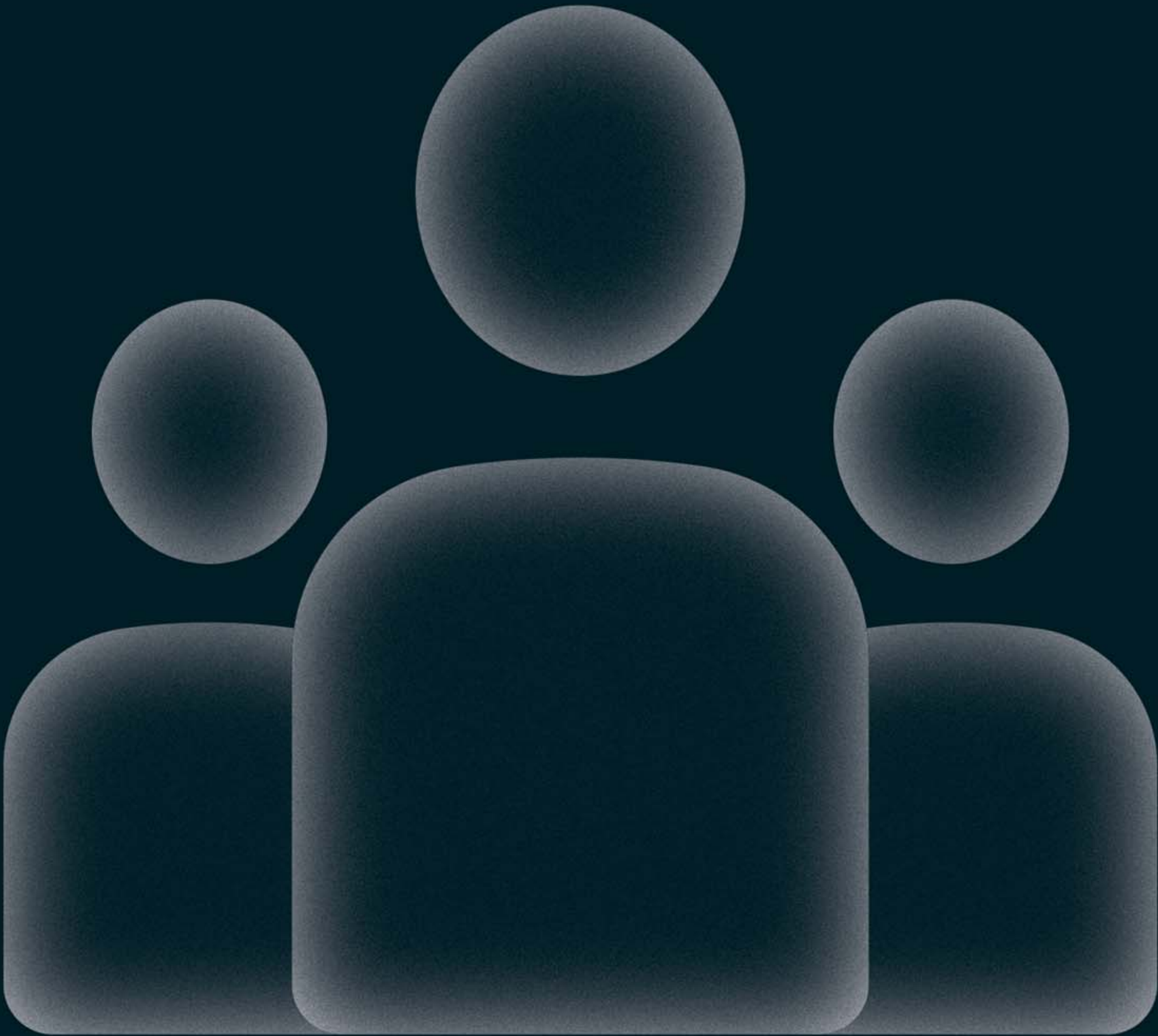
- comply with legal and professional regulations;
- build the confidence of shareholders, investors and other stakeholders.

The rapid evolution of technologies and business environments has made it essential to integrate information systems into internal control processes.
Thus, the Group's ability to adapt and update its internal control system in the face of new risks and changing conditions is an essential component of its organizational resilience and long-term success.

The internal control procedures decided by the Group, which are both robust and well organized, contribute significantly to:

- the protection of the Company's assets;
- fraud prevention and detection;
- the promotion of operational effectiveness and efficiency.

The active involvement of all levels of the Group's management and staff is decisive for the effectiveness of the internal control system.



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Corporate Governance

Dear Shareholders,

This report of the Board of Directors covers the financial year ended December 31, 2023. Approved on April 23, 2024, it presents information about the various aspects of the functioning of the Company's governing and management bodies[1], in particular:

- the composition of the Board;
- the application of the principle of balanced representation of women and men on the Board;
- the preparation and organization of the work of the Board of Directors; and
- General Management's operating methods and the limitations placed by the Board of Directors on the powers of the Chairman and CEO (Articles L.225-37-4 and L.22-10-10 of the French Commercial Code).

It explains the compensation policy of the corporate officers for the previous fiscal year[2].

This report details:

- gender diversity targets within the governing bodies, as well as the actual gender diversity in the top 10% of senior positions (Article L.22-10-10 2° of the French Commercial Code);
- the specific terms and conditions relating to shareholder participation in General Meetings (GM) and of the current delegations of authority granted by the General Meeting in the area of capital increases;
- the list of the offices and positions held in any company by each corporate officer;
- all regulated agreements; and
- a procedure for evaluating current agreements entered into under normal conditions (Articles L.225-37-4 and L.22-10-10 of the French Commercial Code).

Lastly, this report lists and sets out the information concerning the elements likely to have an impact in the event of a public offering[3].

Corporate Governance

The Company pursues a corporate governance compliance approach.

It has updated its Articles of Association to take into account changes in the share capital and the resolutions voted on at the General Meeting of June 23, 2023. It also updated the internal rules of the Board of Directors and its Committees on December 13, 2023. These internal rules define the organizational arrangements and the functioning of the Company's Board of Directors in addition to the legal and statutory provisions in force. They are part of the recommendations aimed at ensuring compliance with the fundamental principles of corporate governance, in particular the AFEP-MEDEF Corporate Governance Code for listed companies to which the Company refers.

In accordance with Article L.22-10-10 of the French Commercial Code, the Company refers to the AFEP-MEDEF Corporate Governance Code for Listed Corporations (revised in December 2022).

The AFEP-MEDEF Code is available on the MEDEF website (http://www.medef.com).

The Company considers that it complies with the current AFEP-MEDEF Code.

3.1 Management bodies

In accordance with Article L.225-51-1 of the French Commercial Code, the Company's General Management is assumed, under its responsibility, either by the Chairman of the Board of Directors or by another natural person nominated by the Board of Directors and with the title of CEO.

Under the conditions defined by the Articles of Association, the Board of Directors chooses between these two General Management operating methods.

In accordance with Article L.225-37-4, 4° of the French Commercial Code, it is specified that the Chairman of the Board of Directors assumes General Management

3.1.1 Chairman and CEO

In the best interest of the Company, the Board of Directors has decided that the General Management of the Company is exercised by the Chairman of the Board of Directors. The duties of Chairman of the Board of Directors and CEO are therefore combined, with the greatest respect for the respective prerogatives of the various corporate bodies.

This governance method corresponds to the Company's operating and organizational methods.

In accordance with the provisions of the French New Economic Regulations Law (called the NRE Law in French), the possibility of separating the functions of Chairman of the Board of Directors from those of CEO is provided for in the Company's Articles of Association.

3.1.1.1 Nomination

At its meeting of January 13, 2012, the Board of Directors nominated Mr. Thierry Gadou as CEO with immediate effect and for an indefinite period.

At its meeting of January 18, 2012, and in accordance with

(1) In accordance with the provisions of the last paragraph of Article L.225-37 of the French Commercial Code.
(2) Pursuant to Articles L.22-10-8 and L.22-10-9 respectively of the French Commercial Code, as amended by the French Pacte Law of May 22, 2019 (after recording pursuant to Order no. 2020-1142 of September 16, 2020).
(3) In accordance with Article L.22-10-11 of the French Commercial Code (after recording pursuant to Order no. 2020-1142 of September 16, 2020)..

Article 12 of the Company's Articles of Association, the Board of Directors nominated Mr. Thierry Gadou as Chairman of the Board of Directors for the duration of his term of office as a director. As the Chairman is eligible for re-election (Article 12 of the Company's Articles of Association), the Board of Directors renewed Mr. Thierry Gadou's term as Chairman of the Board of Directors every three years; the last time at its meeting of June 23, 2023 for the duration of his term of office as a director, i.e. until the end of the annual Ordinary General Meeting called to approve the financial statements for the fiscal year 2025 and to be held in 2026.

The General Meeting of June 23, 2023 renewed the term of office of Mr. Thierry Gadou as a director for a period of three years, i.e. until the Ordinary General Meeting called to approve the financial statements for the 2025 fiscal year and to be held in 2026.

In his capacity as executive corporate officer, Mr. Thierry Gadou does not hold any other directorships in listed companies outside the Group, including foreign ones.

Commitment to a minimum number of shares to be held in registered form

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors has set a minimum number of shares that Mr. Thierry Gadou must hold in registered form until the end of his duties.

- The Board of Directors meeting of December 21, 2017 noted the considerable investment made by Mr. Thierry Gadou as a shareholder of the Company and his holding commitments. It therefore decided to fix the minimum number of performance shares (free shares) held directly at 20,000 until the end of his duties as Chairman and CEO.
- The bonus share plan set up pursuant to the authorization of the Extraordinary General Meeting of June 29, 2020 (Resolution 24) specified that the corporate officers benefiting from shares undertake, in accordance with Article L.225-197-1 II of the French Commercial Code, to retain 30% of the shares received on each delivery date until the end of their term of office for whatever reason.
- The bonus share plan set up pursuant to the authorization of the Extraordinary General Meeting of June 23, 2023 (Resolution 17) specified that the corporate officers benefiting from shares undertake, in accordance with Article L.225-197-1 II of the French Commercial Code, to retain 20% of the shares received on each delivery date until the termination of their duties for whatever reason.

3.1.1.2 Responsibilities

The duties of the Chairman of the Board of Directors are to:

- approve the documents prepared by the Company's internal services;
- convene, chair, organize and direct the work of the Board of Directors;
- ensure that the directors are able to fulfill their duties and ensure that they have the information and documents they need to do so;
- ensure that the representatives of the employee representative bodies are regularly convened and have the information and documents they need to successfully perform their duties.

The CEO is vested with the broadest powers to act in all circumstances on behalf of the Company. They exercise their powers within the limits of the corporate purpose and subject to the powers expressly granted by law to Shareholder Meetings and the Board of Directors.

He represents the Company in its dealings with third parties. The Company is bound by the actions of the CEO, including those that do not fall within the corporate purpose, unless it proves that the third party knew, or should have known, given the circumstances, that the act exceeded this purpose (it being excluded that only the publication of the Articles of Association is sufficient to constitute this proof).

3.1.1.3 Limitations

In accordance with Article L.22-10-10 3° of the French Commercial Code, it should be noted that the limitations to the powers of the Company's Chairman and CEO, as defined by the Board of Directors in its internal rules, as an internal measure that does not apply to third parties.

In addition to the legal provisions relating to the control of related-party agreements mentioned in Article L.225-38 of the French Commercial Code, the Board of Directors, acting by a simple majority of its members present or represented, must give its prior authorization to:

- the adoption or modification of the Group's annual budget;
- the annual update or modification of the Group's business plan;
- any commitment or investment (excluding advances on repayments) of more than €10,000,000 made by the Company or one of its subsidiaries, not included in the annual budget;
- any new loan or borrowing, in any form whatsoever (including bonds, credit facilities, leases), and any guarantee or surety, in each case by the Company or any of its subsidiaries, that is not provided for in the annual budget and (i) for which the unit amount is greater than €10,000,000 or (ii) which increases the Group's total indebtedness, guarantees and sureties outstanding by an amount greater than €10,000,000;
- the acquisition or sale by the Company or one of its subsidiaries of a stake in a company for an amount greater than €10,000,000, unless such a transaction is between members of the Group;
- any delegation of authority relating to the issue or buyback, or the issue or repurchase, of shares or securities giving access to the capital or voting rights of the Company;
- any distribution of dividends, interim dividends, issue premiums or reserves by the Company;
- any merger, spin-off, reorganization, dissolution, liquidation, partial contribution of assets, business lease, sale of business assets or transfer of key assets of the Company or any subsidiary whose revenue has increased represented, during the last financial year, more than 5% of the consolidated annual revenue of the Company, unless such a transaction is between members of the Group; and
- the appointment, compensation or dismissal of an executive corporate officer of the Company.

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3.1.2 The Vice-Chairman and Lead Director

3.1.2.1 Nomination

The Company's internal rules provide that the Board of Directors, on the proposal of the Nomination and Remuneration Committee, may appoint a Vice-Chairman and Lead Director from among its natural person members other than the Chairman.

In the event of a combination of the functions of Chairman of the Board of Directors and Chief Executive Officer, the Board of Directors is required to appoint a Vice-Chairman and Lead Director.

The term of office of the Vice-Chairman and Lead Director is equal to his term of office as Director.

The Vice-Chairman and Lead Director may be re-elected. The Board may dismiss him or her at any time.

At its meeting of December 13, 2023, the Board of Directors appointed Mr. Peter Brabeck-Letmathe as Vice-Chairman and Lead Director for the duration of his term of office as Director, i.e. until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2025 and to be held in 2026.

3.1.2.2 Responsibilities

The Vice-Chairman and Lead Director is called upon to replace the Chairman:

- in the event of temporary incapacity, for the duration of the incapacity;
- in the event of death, until the election of the new Chairman.

More generally, the Vice-Chairman and Lead Director chairs the meetings of the Board of Directors in the absence of the Chairman.

The position of Vice-Chairman and Lead Director is performed by an Independent Director within the meaning of the AFEP-MEDEF Code. The Vice-Chairman and Lead Director shall:

- ensure, in coordination with the Chairman, the Board of Directors' ongoing commitment and implementation of the best corporate governance standards;
- ensure that the directors respect their duty of independence. If this duty is not respected by one of the members of the Board, the Vice-Chairman and Lead Director should draw the Board's attention to this failure;
- in coordination with the Chairman, take note of the questions, comments and suggestions made by shareholders not represented on the Board of Directors on corporate governance issues and ensure that they are answered. He makes himself available to communicate with them, in coordination with the Chairman, and keeps the Board of Directors informed of these contacts;
- in coordination with the Chairman, oversee the management of relations between the Board of Directors and the Company's shareholders, in particular on corporate governance issues;
- prevent and manage, in coordination with the Chairman, conflicts of interest in order to (i) collect declarations of conflicts of interest from the directors, (ii) inform the Board of Directors of any potential conflict of interest that has been brought to its attention by a director, (iii) ensure that the director does not attend the discussion and does not take part in the vote of the deliberation, or does not participate in the deliberation of the Board of Directors for which he/she has a potential conflict of interest, (iv) ensure, in conjunction with the Secretary of the Board, that information and documents relating to the conflicting subject are not sent to the director who has a potential conflict of interest, or, in the absence of a declaration of conflict of interest, to the director for whom there are serious grounds to believe that he/she has a potential conflict of interest, and (v) inform the Board of Directors of this lack of transmission.

The Vice-Chairman and Lead Director reports on his or her actions to the Board of Directors. He or she may meet, in coordination with the Chairman, with the main executives and managers of the Company and its subsidiaries, and has access to all the documents and information that he or she deems necessary for his or her duties.

3.1.3 The Management Board

3.1.3.1 Composition of the Global Management Board (GMB)

Reporting to the Chairman and CEO, the Management Board is made up of about 30 regional division heads (Americas, Europe and Asia Pacific), brand/product division heads (SES-imagotag, VusionCloud, Captana, Memory, Engage, PDi), and central departments and support department heads (R&D, purchasing and manufacturing, logistics, quality, DAF, Human Resources, information systems, ESG, customer service). They meet on a monthly basis to coordinate and discuss the current course of business as well as management priorities for the Group.

The management body consisted of six women and 25 men as of December 31, 2023.

Lastly, the Group's Executive Committee draws up strategy and major budgetary guidelines and decisions, which are submitted to the Board of Directors for approval.

3.1.3.2 Gender Diversity Policy

Article L.22-10-10 2° of the French Commercial Code requires the inclusion of gender diversity targets within the governing bodies, in particular the GMB, as well as the actual gender diversity in the top 10% of high-responsibility positions.

The Diversity & Inclusion program undertaken by VusionGroup for several years shows the Group's desire to build a diverse, equal, and committed team over the long term.

With women accounting for 33% of the total workforce in 2023 compared to 30% five years ago in 2018, the Vusion group is showing clear progress and is above the average of technology companies.

Supported by a proactive recruitment strategy, women represented 34% of new recruits in 2023, despite the low representation of women in engineering schools and IT training courses.

In 2023, 28% of women held positions with managerial responsibilities compared to 22% in 2020.

28% of women (compared to 26% in 2022 and 20% in 2021) were represented in the top 10% of senior positions within the Company.

Admittedly, within the governing bodies, VusionGroup is still far from parity with only 19% of women in the Global Management Board at the end of 2023. This ratio is mainly due to the history of past acquisitions, companies founded and managed by men, as well as the level of representation of women in technology.

This is why the Group has implemented very concrete actions to promote access by women to management positions:

1) identifying women in the Group who have the potential to access roles that are in the Company's top 10% most senior positions in the short and medium term;
2) giving them access to certification training programs created by the Women Initiative Foundation in partnership with the best schools around the world to promote women in business;
3) introducing a mentorship program with Executive Committee members, alongside individual development plans, to fast-track this group of women to senior positions;
4) implementing a parent support policy.

These proactive policies are reflected in encouraging figures, and already 50% of managers under the age of 35 are women. VusionGroup is committed to building future parity.

In addition, the "**Professional gender equality**" index, calculated on the VusionGroup SA scope, reached the ratio of **93**/100 as detailed in the table below:

	2023	Maximum indicator score (2023 calculation)
Remuneration gap (%)	38	40
Difference in individual increase rates (in % or equivalent number of employees)	20	20
Difference in individual increase rates	15	15
% of employees who received a raise in the year following their maternity leave	15	15
Number of employees of this gender underrepresented among the top 10 highest paid employees	5	10
TOTAL	**93**	**100**

This entire diversity policy is detailed in section 4.5.3 of this report.

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3.2 The Board of Directors

Membership of the Board as of December 31, 2023

50%	50%	61.25 years	4	16	87.5%
independent members	women	middle-aged	citizenship	meetings	attendance rate

Non independent Directors 4

Thierry GADOU
Chairman

Independent Directors 4

Georges YAO

Cenhui HE

Fangqi YE

8

directors and 1 non-voting board member

1

Non-Voting Director

Johnson LEE

Peter BRABECK-LEMATHE
Vice-Chairman and Lead Director

Candace JOHNSON

Franck MOISON

Hélène PLOIX

Audit Committee · Nomination and Remuneration Committee · Strategy and ESG Committee · Chairmanship · Member

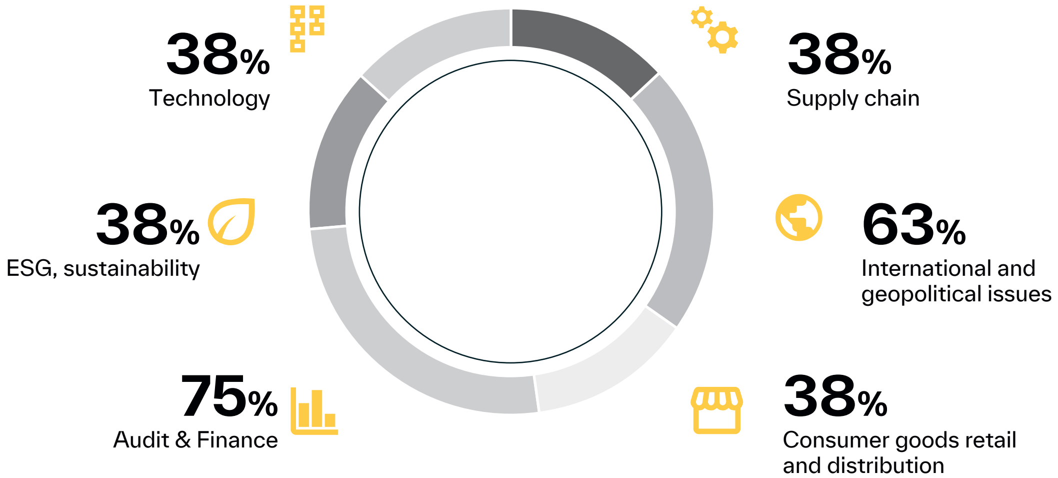
Board Committees

Audit Committee	Nomination and Remuneration Committee	Strategy and ESG* Committee
3 members	**3** members	**5** members
66% independent	**100%** independent	**80%** independent
100% attendance	**100%** attendance	attendance: **N/A**
6 meetings	**4** meetings	No meeting in 2023

* Committee created on December 13, 2023

Skills mapping

The responsibilities within the Board of Directors are distributed as follows:



3.2.1 Membership of the Board as of December 31, 2023

At December 31, 2023, the Board was composed of eight directors, including four independent directors, and one non-voting board member. The Company therefore complies with the AFEP-MEDEF Code recommendation that the proportion of independent directors be at least half, in companies with dispersed capital and without controlling shareholders.

	Age	Gender	Citizenship	Number of mandates in listed companies	Independence	Date of first appointment	Term of office	Years attending the Board	Individual Board attendance rate	Skills	Committees: Audit	Committees: Nomination and Remuneration	Committees: Strategy and ESG
Thierry Gadou	57	M	France	0	-	01/18/2012	OGM 2026	11 years and 11 months	100%	Technology, ESG, Audit & Finance, Supply Chain, Global & Geopolitics, Retail/CPG			Member
Peter Brabeck-Letmathe	79	M	Austria	0	Yes	11/28/2022	OGM 2026	1 year and 1 month	100%	ESG, Audit & Finance, Global & Geopolitics, Retail/CPG			Chairmanship
Georges Yao	45	M	China	0	-	12/20/2017	OGM 2024	6 years	100 %	Technology, Supply Chain			
Hélène Ploix	79	F	France	1	Yes	02/06/2018	OGM 2026	5 years and 10 months	100%	Audit & Finance, Global & Geopolitics	Chairmanship	Member	Member
Fangqi Ye	54	F	China	0	-	02/06/2018	OGM 2024	5 years and 10 months	0%	Audit & Finance			
Candace Johnson	71	F	USA	0	Yes	08/31/2012	OGM 2026	11 years and 6 months	100%	Technology, ESG, Supply Chain, Global & Geopolitics		Chairmanship	Member
Franck Moison	70	M	France	2	Yes	06/29/2020	OGM 2026	3 years and 6 months	100%	Audit & Finance, Global & Geopolitics, Retail/CPG	Member	Member	Member
Cenhui He	36	F	China	0	-	06/02/2020	OGM 2026	3 years and 6 months	100%	Audit & Finance	Member		
Johnson Lee	45	M	China	1	Non-Voting Director	06/22/2018	Board of Directors post General meeting 2024	5 years and 6 months					

Technology | Retail/CPG | ESG | Audit & Finance | Supply Chain | Global & Geopolitics | Chairmanship | Member

Changes in the composition of the Board of Directors during the 2023 fiscal year

	Appointment/Co-option	Renewal	Departure
Board of Directors	Mr. Xiangjun YAO*	Thierry GADOU Hélène PLOIX Candace JOHNSON Franck MOISON Peter BRABECK-LETMATHE Cenhui HE	Mr. Rangui CHEN
Audit Committee		Hélène PLOIX Franck MOISON Cenhui HE	
ESG, Nomination and Remuneration Committee*		Candace JOHNSON Franck MOISON Hélène PLOIX	

* This Committee will become the Nomination and Remuneration Committee as of December 13, 2023.
* Mr. Yao was appointed for the first time on December 21, 2017. He resigned on November 28, 2022, and was co-opted again on May 5, 2023.

The representatives of the Works council have nominated as representatives to the Board of Directors, as of December 31, 2023:

- Mr. Jérôme Cheval
- Ms. Emmanuelle Benferhat
- Ms. Sandra Pereira
- Mr. Alexandre Rame

3.2.1.1 The Chairman

In accordance with the Company's Articles of Association, the Chairman of the Board of Directors is nominated by the Board of Directors from among its members, for a term set by the Board of Directors and which may not, in any event, exceed the term of their duties as a director. The Chairman is eligible for re-election (Article 12 of the Articles of Association).

57 years old
French

Appointment date
January 13, 2012

Term of office expiry date
General Meeting 2026

Thierry GADOU
Chairman & Chief Executive Officer

Skills

Biography

Thierry Gadou, an engineering graduate of Mines de Paris, began his career in management consulting, notably at the international firm Deloitte Consulting, of which he was a Partner between 1997 and 2000. He was then the co-founder and Chairman of Hubwoo, a high-tech company listed on Euronext Paris, which within five years he made into one of the world's leading digital marketplaces specializing in electronic procurement solutions for large companies (SAP partner).

Between 2007 and 2011, Thierry Gadou managed Atos Consulting, the IT organization and management consulting arm of the ATOS Group.
In January 2012, he joined VusionGroup (SES-imagotag) as CEO and Chairman.

Current terms of office

- SESIM SA, France, Chairman of the Board of Directors [SESIM, a French holding company owned by the management, employees and certain directors of VusionGroup, holds 12% of the share capital and voting rights of VusionGroup SA]

Appointments expired in the last five years

- BOE Smart Retail (Hong Kong) Co, Director;
- Market Hub Technologies Ltd, Director (term of office not expired, but Market Hub Technologies Ltd is now wholly owned by VusionGroup SA, formerly SES-imagotag SA)

Technology · Retail/CPG · ESG · Audit & Finance · Supply Chain · Global & Geopolitics

3.2.1.2 Directors

(i) Nomination

According to the articles of association, the members of the Board of Directors are nominated by the General Meeting of Shareholders for a term of three years.

The duties of the directors end following the Ordinary General Meeting called to approve the financial statements for the previous fiscal year and held in the year in which their term of office expires (Article 11 of the Articles of Association). During their directorships, directors are nominated, renewed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

However, in the event of vacancies due to the death or resignation of one or more directors, the Board of Directors may, between two General Meetings, make provisional nominations under the conditions provided for by law and subject to ratification at the next General Meeting. Directors nominated to replace other directors only exercise their duties during the remaining term of office of their predecessor.

(ii) Co-option and ratification

Mr. Xiangjun Yao having resigned from his duties as director, Mr. Peter Brabeck-Letmathe was co-opted until the Ordinary General Meeting of the Company called to approve the financial statements for the fiscal year ended December 31, 2022, and to be held in 2023.

The Ordinary General Meeting held on June 23, 2023 (Resolution 20) ratified the co-option of Mr. Peter Brabeck-Letmathe until the Company's Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2022 and to be held in 2023.

Mr. Rangui Chen having resigned from his duties as director, Mr. Xiangjun Yao was co-opted until the Ordinary General Meeting of the Company called to approve the financial statements for the fiscal year ended December 31, 2022, and to be held in 2023.

The Ordinary General Meeting held on June 23, 2023 (Resolution 27) ratified the co-option of Mr. Xiangjun Yao until the Company's Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2023 and to be held in 2024.

(iii) Renewal

In view of the change in the Articles of Association relating to the age limit of directors, the Ordinary General Meeting held on June 23, 2023 carried out the following renewals:

- Mr. Thierry Gadou as director (Resolution 21);
- Ms. Cenhui He as director (Resolution 22);
- Ms. Hélène Ploix as independent director (Resolution 23);
- Ms. Candace Johnson as independent director (Resolution 24);
- Mr. Franck Moison as independent director (Resolution 25);
- Mr. Peter Brabeck-Letmathe as independent director (Resolution 26);

for a period of three years, i.e. until the Ordinary General Meeting called to approve the financial statements for the 2025 financial year and to be held in 2026.

(iv) Directors' Independence

In accordance with the provisions of the AFEP-MEDEF Code, a member of the Board of Directors who has no relationship of any kind whatsoever with the Company, its group or its management that could compromise the exercise of his or her freedom of judgment is independent.

The Board ensures that the proportion of independent members within the Board and on the committees it establishes complies with the provisions of the AFEP-MEDEF Code. Thus, the Board will ensure that the proportion of independent members among its members is at least half as long as the Company has no controlling shareholder.

On the occasion of each renewal or appointment of a member of the Board and at least once a year before the preparation by the Board of the report on corporate governance, the Board assesses the independence of each of its members (or candidates). During this assessment, the Board, after consulting the Nomination and Remuneration Committee, examines on a case-by-case basis the qualifications of each of its members (or candidates) with regard to the criteria set out below, the specific circumstances and the situation of the interested party in relation to the Company. The conclusions of this review are brought to the attention of the shareholders in the corporate governance report and, where applicable, to the General Shareholders' Meeting when the members of the Board of Directors are elected.

The assessment of the independence of each member of the Board of Directors takes into account the following criteria:

- not be an employee or executive corporate officer of the Company, an employee, an executive corporate officer or a member of the Board of Directors or Supervisory Board of any company that consolidates it, or of a company that it consolidates and not have been within the last five years;
- not be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee nominated as such or an executive corporate officer of the Company (currently or for less than five years) is a member of the Board of Directors;
- not be a client, supplier, business banker, investment banker or significant advisor to the Company, or to its Group, or for whom the Company or its Group represents a significant part of the business (nor be directly or indirectly related to such a person); the assessment of the significance or otherwise of the relationship with the Company or the Group is discussed by the Board, and the criteria that led to this assessment are explained in the universal registration document;

- not have a close family tie with a corporate officer of the Company;
- not have been a Statutory Auditor of the Company during the previous five years;
- not have been a member of the Board of Directors for more than 12 years.

For the members of the Board holding ten percent or more of the share capital or voting rights of the Company, or representing a legal entity holding such a stake, the Board, on the basis of the report of the Nomination and Remuneration Committee, decides on the qualification independence, taking into special account the composition of the Company's share capital and the existence of a potential conflict of interest.

The Board may consider that a member of the Board, although fulfilling the above criteria, should not be qualified as independent in view of his or her particular situation or that of the Company, with regard to his or her shareholding or for any other reason, and vice versa.

Each member qualified as independent shall inform the Chairman, as soon as he/she is aware of it, of any change in his/her personal situation with regard to these same criteria.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors considered that the four Independent Directors in office at December 31, 2023, met all the independence criteria set out in the AFEP-MEDEF Code.

With regard to Ms. Ploix, who represented a shareholder investment fund (Pechel Industries) from April 27, 2011, until the withdrawal of this fund from the Company's share capital in December 2017 and who was then appointed as Independent Director from the time of the General Meeting of Shareholders on February 6, 2018 (Resolution 6), the Board of Directors confirmed her independence with regard to the aforementioned independence criteria, noting her high level of experience and her analytical soundness and relevance which she expressed freely and independently at Board meetings.

Regarding Mr. Peter Brabeck-Letmathe, the Board noted that he held, through The Glasshouse SA, which he controls, a stake of approximately 1.7% in the Company, and a stake of approximately 4.5% in SESIM (which itself holds approximately 12% of the Company's share capital and voting rights). The Board also noted that Mr. Brabeck-Letmathe is currently Chairman of the Company's International Advisory Board, a position he has held since its creation in 2019 and for which he is not remunerated.

The Board noted that, based on the information provided, the value of Mr. Brabeck-Letmathe's investment in SESIM and the Company was very limited compared to the overall value of his portfolio and therefore did not affect his independence and that his duties on the International Advisory Board were not compensated. The Board also noted that the International Advisory Board acted fully independently of the Company's management and regularly challenged the management's proposals concerning the Group's strategy to achieve the best possible result.

In view of the above, the Board therefore considered, on the recommendation of the Nomination and Remuneration Committee, that Mr. Brabeck-Letmathe was independent according to the independence criteria set by the AFEP-MEDEF Code.

Criteria/Independent Directors	Peter BRABECK LETMATHE	Candace JOHNSON	Hélène PLOIX	Franck MOISON
Criteria 1: Employee and corporate officer during the previous five years	✓	✓	✓	✓
Criteria 2: Cross directorships	✓	✓	✓	✓
Criteria 3: Significant business-related relationships	✓	✓	✓	✓
Criteria 4: Family ties	✓	✓	✓	✓
Criteria 5: Statutory Auditor	✓	✓	✓	✓
Criteria 6: Length of directorship greater than 12 years	✓	✓	✓	✓
Criteria 7: Non-executive corporate officer status	✓	✓	✓	✓
Criteria 8: Significant shareholder status	✓	✓	✓	✓

(1) The tick mark ✓ indicates that an independence criterion is met and ✖ that an independence criterion is not met.

(v) Diversity policy applied to members of the Board of Directors and principle of balanced representation of women and men on the Board of Directors

In accordance with the provisions of Law no. 2011-103 of January 27, 2011 regarding the balanced representation of women and men on boards of directors and supervisory boards and workplace equality, and in accordance with amended Article L.225-17 of the French Commercial Code, the Board of Directors must be composed in an effort to achieve a balanced representation of women and men.

Articles L.225-18-1 and L.22-10-3 of the French Commercial Code stipulate that:

- the proportion of directors of each gender may not be less than 40%; and
- when the Board of Directors is composed of no more than eight members, the difference between the number of directors of each gender may not be greater than two,

without threshold conditions for companies whose shares are admitted to trading on a regulated market.

The composition of the Board of Directors complies with the legal provisions relating to the balanced representation of women and men on boards of directors and supervisory boards and professional equality.

In fact, during the 2023 fiscal year, the composition of the Company's Board of Directors, with four men and four women, complied with these provisions.

In addition, and in accordance with Article 22-10-10 2° of the French Commercial Code and Article 7.2 of the AFEP MEDEF Code, the Company has adopted a diversity policy applied to the members of the Board of Directors with regard to criteria such as age, gender, nationality or qualifications and professional experience of each member.

This diversity policy aims to:

i. ensure the complementarity of the skills of the Directors;

ii. maintain an adequate level of independence of the Board with regard to the structure of its shareholding. It also places particular Corporate governance emphasis on diversity within the Board of Directors and its committees.

In addition, the main qualities expected of a Director are:

- experience with regard to the Company;
- personal commitment to the work of the Board;
- understanding of the economic and financial world;
- the ability to work together while respecting each other's opinions;
- the courage to assert a minority point of view;
- the sense of responsibility towards shareholders and other stakeholders;
- integrity.

The Ordinary General Meeting of June 29, 2020 and then the Ordinary General Meeting of June 23, 2023 nominated new directors and renewed others. This provided an opportunity to apply the policy and further enriched the diversity of the Board, particularly with regard to age and professional skills. In addition, and in accordance with the conclusions of the Board's assessment, detailed in section 3.2.2.2 of this report, the decision to appoint new independent directors was taken in 2023.

Over the course of the past fiscal year, the profiles of the directors therefore reflect diversity on several levels in compliance with the diversity policy of the Company:

- the members of the Board, including the non-voting board member, are between 35 and 79 years old, for an average age of 61.25 years;
- there is a mix of experience, including creating companies and investment funds, holding management roles and chairing international groups or operational units at international groups (technology, CPG marketing, finance, etc.), and members of the Boards of Directors of listed international groups;
- the various nationalities brought together on the Board make it possible to analyze the issues submitted from a cultural or geopolitical angle (Asian, European, and North American points of view);
- the male/female ratio ensures gender diversity: four women out of eight members.

The profile of each member of the Board of Directors present on December 31, 2023 is summarized in the boxes below.

79 years old
Austrian

Appointment date
November 28, 2022

Term of office expiry date
General Meeting 2026

Share ownership
direct holding: 0
indirect holdings through The GlassHouse SA: 1,445,086 SESIM* shares and 275,435 Vusion shares

Peter BRABECK-LETMATHE
Vice-Chairman and Lead independent Director

Skills

Biography
Peter Brabeck-Letmathe was appointed Chairman Emeritus of Nestlé SA on April 6, 2017, after leading the Group from 1997 to 2017, first as Chairman and Chief Executive Officer until 2005, then as Chairman and Chief Executive Officer and, since 2008, Chairman of the Board of Directors.
A graduate in Economics from the University of World Trade Vienna, he joined the Nestlé Group in 1968. He spent a significant part of his career in Latin America before being transferred to Nestlé's international headquarters in Vevey as Senior Vice-President. Appointed Executive Vice-President and member of the Management Board in 1992, he was in charge of the Strategic Business Units, Marketing and Sales, as well as Corporate Communications.
He has received several awards, including the Austrian Cross of Honor for services rendered to the Republic of Austria, "La Orden Mexicana del Águila Azteca" (Mexico), "La Orden Francisco de Miranda" (Venezuela), and the Schumpeter Prize for his exceptional contribution to disruptive innovation. The University of Alberta (Canada) conferred upon him an honorary Doctorate of Law. And, recently, Mr. Brabeck-Letmathe was inducted into the Hall of Fame of the American Advertising Federation.

Current terms of office

- Chairman of the Geneva Science and Diplomacy Anticipator (GESDA) Foundation
- Chairman of the Biologique Recherche Advisory Committee
- Vice Chairman of the Foundation Board of the World Economic Forum
- Chairman of the Verbier Festival Foundation Board
- Chairman of the International Advisory Board of the San Telmo Business School

Appointments expired in the last five years

- Chairman of the Board and independent director of Formula One Group
- Director on the Boards of Directors of the following groups: Roche, Credit Suisse, L'Oréal, Exxon Mobil Corporation and Salt Mobile SA
- Founder and Chairman of the Board of a public/private partnership, "2030 Water Resources Group", an offshoot of the World Bank

* SESIM, a French holding company owned by the management, employees, and some directors of VusionGroup, which itself holds 12% of VusionGroup SA's capital and voting rights.

Technology   Retail/CPG   ESG   Audit & Finance   Supply Chain   Global & Geopolitics

71 years old
American

Appointment date
August 31, 2012

Term of office expiry date
General Meeting 2026

Share ownership
direct holding: 0
indirect holdings:
19,267 SESIM* shares

Candace JOHNSON
Independent Director

Skills

Biography

Candace Johnson is a world-renowned entrepreneur and venture capitalist in infrastructure, space, networks and innovation. She is the founder/co-founder of the biggest network of satellite systems in the world, SES (Société Européenne des Satellites), Loral-Teleport Europe, Europe Online and Oceania Women's Network Satellite (OWNSAT). Ms. Johnson is also founding Chairwoman of VATM, the Association of Private Telecom Operators in Germany and founding Chairwoman of the Global Telecom Women's Network (GTWN). In 2012, she was part of a group of committed women who created the Global Board Ready Women (GBRW) initiative. After chairing EBAN (European Business Angels Network) for four years, during which time she had the honor of helping to found ABAN (African Business Angels Network) and Rising Tide Europe, she became its Chair Emeritus. She was decorated by the Luxembourg government with the Commander of the Order of Merit and the Officer of the Oak Leaf Crown and awarded Officer of the Federal Order of Merit by the German government. Ms. Johnson has received numerous Lifetime Achievement awards for her work from such prestigious organizations as the World Communication Awards, Women in Aerospace and the International Women's Alliance. She holds an honorary doctorate from the Polytechnic University of Hong Kong, an MA with distinction from the Sorbonne and Stanford, and an undergraduate degree from Vassar College.

Current terms of office

- NorthStar Earth and Space, Montreal Canada, Founding Vice Chair and Member of the Board of Directors;
- Seraphim Space Ltd, UK, Chair of the Advisory Board and Member of the Investment Advisory Committee (company listed on the London Stock Exchange);
- OWNSAT Oceania Women's Network Satellite, Singapore, Director;
- International Chamber of Commerce (ICC), Director and Vice Chair of the Policy Commission.

Appointments expired in the last five years

- EDHEC, Director.

70 years old
French

Appointment date
June 29, 2020

Term of office expiry date
General Meeting 2026

Share ownership
direct holding: 4,948
indirect holdings:
192,678 SESIM* shares

Franck MOISON
Independent Director

Skills

Biography

Franck Moison is the former Vice-Chairman of the Colgate Palmolive Group (New York, 2016-2019).
Mr. Moison joined Colgate France in 1978 and has progressed in various international commercial functions. After serving as Chief Executive Officer in France and Italy, he was promoted to Chairman of Central Europe and Russia, then Chairman of Western Europe and South Pacific. In 2007 he was appointed Global Chairman of R&D Marketing and Supply Chain in New York. In 2010 he was appointed Chief Operating Officer, emerging countries.
He is a graduate of EDHEC and has an MBA from the University of Michigan.

Current terms of office

- Member of the Board of Directors of:
  - UPS (NYSE listed);
  - Hanes Brands (NYSE listed);
- Chairman of the International Business Advisory Committee EDHEC;
- Georgetown School of Business, USA

Appointments expired in the last five years

- SomaLogic, Boulder USA: member of the Board of Directors and Chairperson of the Remuneration Committee

* SESIM, a French holding company owned by the management, employees and certain directors of VusionGroup, holds 12% of the share capital and voting rights of VusionGroup SA.

Technology   Retail/CPG   ESG   Audit & Finance   Supply Chain   Global & Geopolitics

79 years old
French

Appointment date
February 6, 2018

Term of office expiry date
General Meeting 2026

Share ownership
direct holding: 5,000 shares
indirect holdings: 154,142 SESIM* shares

Hélène PLOIX
Independent Director

Skills

Biography
Until the end of December 2021, Hélène PLOIX was a partner of Pechel Industries Partenaires, a private equity fund that she created in 2004 and Chair of Pechel Industries a holding company. Formerly, she was Deputy Chief Executive Officer of Caisse des Dépôts et Consignations and, as such, Chair of CDC Participations. Previously, she served as executive director of the International Monetary Fund and of the World Bank; as special advisor to French Prime Minister Laurent Fabius and as Chair of Banque Industrielle et Mobilière Privée (BIMP). Ms. PLOIX was Chair of the Board of Fidelity Emerging Markets Fund Ltd. until end of December 2022, and Director of Ferring Pharmaceuticals (unlisted, Switzerland), and Chair of its Audit Committee until 30 June 2023. She is Non executive Chair of Sogama Crédit Associatif, and a Director of Thermcross. She is a member of the Académie des Technologies. She holds an MBA from INSEAD, a master's degree in public administration from the University of California at Berkeley (USA), and the diploma from the Institut d'études politiques de Paris, in France.

Current terms of office
- Sogama Crédit associatif, France, Chairwoman of the Board
- Thermcross, Director
- Helene Ploix sarl, Manager

Appointments expired in the last five years
- Chairwoman of the Board of Pechel Industries;
- Chairwoman of the Board and partner at Pechel Industries Partenaires.
- Fidelity Emerging Markets Fund Ltd. (LSE listed company) Chairwoman of the Board until December 2022.
- Ferring Pharmaceuticals SA, Switzerland, Director and Chairwoman of the Audit Committee Until June 30, 2023.

* SESIM, a French holding company owned by the management, employees and certain directors of VusionGroup, holds 12% of the share capital and voting rights of VusionGroup SA.

46 years old
Chinese

Appointment date
December 21, 2017*

Term of office expiry date
General Meeting 2024

Share ownership
0

Xiangjun YAO
Director

Skills

Biography
Mr. Yao joined the BOE Technology group in 2001 and has, since then, held several positions including Director of Investor Relations, Chief Financial Officer, Director of Strategy, CEO of Smart Business Group.
Mr. Yao is currently Executive Vice Chairman of BOE Group, Chairman of BOE Ewin Technology Co., Ltd., Chairman of the Board of BOE Smart Retail (Hong Kong). Co., and Chief Executive Officer of H.629.1 Digital Art Display International Standard Industry Alliance.
Mr. Yao has been actively involved in the development of the BOE Group, which has become a leader in the solid-state display industry. He has played a part in many strategic initiatives in IoT innovation, such as "smart manufacturing," "smart vehicles," "smart retail" and "smart energy." He has also steered BOE Ewin to the leading position in digital distribution of works of art.
Mr. Yao is trained as an accountant and holds a Master of Management Studies degree from Beijing Technology and Business University.

Current terms of office
- Executive Vice Chairman of BOE Technology Group Co, Ltd (BOE)
- Chairman of BOE Ewin Technology Co., Ltd. (BOEYT)
- Chairman of the Board, BOE Smart Retail (Hong Kong) Co

Appointments expired in the last five years
- AIP BG CEO, BOE Technology Group Co., Ltd. (BOE).

* Mr. Yao was appointed for the first time on December 21, 2017, then resigned on November 28, 2022, before being co-opted again on May 5, 2023.

Technology | Retail/CPG | ESG | Audit & Finance | Supply Chain | Global & Geopolitics

54 years old
Chinese

Appointment date
February 6, 2018

Term of office expiry date
General Meeting 2024

Share ownership
0

Fangqi YE
Director

Skill

Biography
Ms. Ye has more than 25 years of experience in the management of investment projects and in the audit field. She is currently Deputy Director of Investments at BOE Technology Group Co, Ltd.

Current terms of office

- BOE Smart Retail (HK) Co, Ltd, Director;
- BOE Yiyun Technology Co, Ltd, Director;
- Yunnan Invensight Optoelectronics Technology Co, Ltd, Director;
- BNJ Technology Co, Ltd, Director;
- Beijing BOE Songcaichuangxin Co, Ltd, Director.

Appointments expired in the last five years

- Vice Chairwoman of BOE Technology Group Co, Ltd

36 years old
Chinese

Appointment date
June 29, 2020

Term of office expiry date
General Meeting 2026

Share ownership
0

Cenhui HE
Director

Skill

Biography
Biography: A graduate of Renmin and Beijing universities, Ms. He joined the BOE group in 2012, where she holds several positions in the financial field. She is now manager of the finance department of BOE Innovation Investment Co; Ltd.

Current terms of office

- Director of BOE Smart Retail (Hong Kong)

Appointments expired in the last five years

None

Technology Retail/CPG ESG Audit & Finance Supply Chain Global & Geopolitics

3.2.1.3 Non-voting board members

The Annual General Meeting of June 28, 2011 decided to amend the Company's Articles of Association to include non-voting members on the Board of Directors. As a result, the Board of Directors may nominate one or more non-voting members, chosen from among shareholders or non-shareholders, natural or legal persons.

The non-voting members carry out a general and permanent assignment for the Company to assist the Board of Directors. However, they may not, under any circumstances, interfere in the management of the Company, nor replace its legal bodies. Non-voting members may take part in Board meetings as observers in an advisory capacity. As part of their duties, they may present the observations they deem necessary to the Board of Directors.

Their term of office is set by the Board of Directors and may not exceed three years. Non-voting members are always eligible for re-election. The Board of Directors may, at any time, terminate their term of office without having to justify themselves. In the event of the death, resignation or termination of office of a non-voting member for any other reason, the Board of Directors may replace them for the remainder of their term of office.

As part of the strategic alliance with E Ink and its equity investment in the Company, the Company has undertaken to nominate a non-voting member selected by E Ink to the Board of Directors.

The Board of Directors meeting of June 22, 2018 nominated Mr. Johnson Lee, Chairman of E Ink, and named by E Ink, as a non-voting member on the Board of Directors for three years. It then reappointed Mr. Lee for a term of three years, until June 2024.

45 years old
Chinese

Appointment date
June 29, 2020

Term of office expiry date
Board on 19 June 2024

Direct shareholding
0

Johnson LEE
Non-Voting Director

Skills

Biography
Mr. Johnson Lee is currently CEO of E Ink Holdings Inc. Mr. Lee joined the company in 2006 when it entered the electronic paper industry through the acquisition of Philips' e-Paper business. He was initially Director of Research and Development and held various positions within the organization, including development of the e-Paper business, until his appointment as Chairman and CEO in December 2019. Mr. Lee has also been President of Transcend Optronics, the e-Paper module manufacturing arm of E Ink, since 2010. In addition, Mr. Lee has served as President of Hydis Technology since 2012 and has led Hydis throughout the transition from a manufacturing company of LCD screens to a business model based on licenses.

Current terms of office

- E Ink Holdings Inc, Chairman
- E Ink Corp. (MA, USA) Chairman of the Board of Directors
- EIH related parties, Chairman and Director
- ICM Communications Inc., Director
- Shin Lung Natural Gas CO. Director
- Foongtone Technology, Director
- Yilong Gas Co, Ltd, Director
- SigmaSense LLc, non-voting board member

Appointments expired in the last five years

- Zhengqi Investment Co, Ltd, Chairman of the Board
- Netronix Inc. (listed), Supervisor
- BoardTeck Electronics Corp. (listed) Director

Technology   Retail/CPG   ESG   Audit & Finance   Supply Chain   Global & Geopolitics

3.2.2 Responsibilities and work of the Board of Directors

3.2.2.1 Responsibilities of the Board of Directors

It has the powers granted to it by law, the Company's Articles of Association (in particular, Article 11-6) and the internal rules of the Board of Directors approved at the meeting of December 13, 2023.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors acts in the corporate interest of the Company and promotes the creation of long-term value by considering the social and environmental challenges of its activities. It proposes, if necessary, any changes to the Articles of Association that it considers appropriate.

The Board's primary responsibility is to define strategic guidelines.

In accordance with the law, it has the following main responsibilities:

- it nominates and dismisses the executive corporate officers;
- it sets their compensation;
- it chooses its organizational and governance methods;
- it controls management; and
- it ensures the quality of the information provided to shareholders and the markets.

The Board obtains information about market developments, the competitive environment and the main challenges facing the Company, including in the area of social and environmental responsibility (ESG). It regularly examines, in line with the strategy it has defined, the opportunities and risks (financial, legal, operational, social and environmental), and the measures taken as a result. To this end, it receives all the information necessary to fulfill its responsibilities, in particular for executive corporate officers.

The Board of Directors has set up three committees whose role is to assist the directors in their thought processes:

- the Audit Committee;
- the Nomination and Remuneration Committee; (formerly ESG, Nomination and Remuneration Committee until December 13, 2023);
- the Strategy and ESG Committee (since December 13, 2023).

3.2.2.2 Main work of the Board of Directors

Pursuant to Article L.22-10-10 1° of the French Commercial Code, the conditions for the preparation and organization of the Board's main work carried out during the 2023 fiscal year are set out below.

Organization of Board meetings and attendance at meetings

In accordance with Article 11-2 of the Company's Articles of Association, the Board of Directors is convened by the Chairman by all means, at least five days in advance. In the event of an emergency, the notice of meeting must be delivered no later than the day before the meeting, by all means. In any event, the notice of meeting may be verbal and without delay if all Board members agree and are present or represented.

In accordance with Article 11-3 of the Company's Articles of Association, any director may participate and vote at meetings of the Board of Directors by videoconference and by any other means of telecommunication and teletransmission, including the Internet. The method chosen must enable his or her identification and guarantee his or her effective participation under the conditions provided for by the regulations in force and in accordance with the terms and conditions provided for in the Board of Directors' internal rules.

Any director unable to attend a Board meeting may give a written mandate to another director to represent him or her under the conditions provided for by law and regulations.

The presence of at least half of the members of the Board is required for the deliberations to be valid.

In accordance with Article 11-4 of the Company's Articles of Association, decisions are taken by a majority vote of the members present or represented. In the event of a tie, the Chairman of the meeting has the casting vote, except in the case of a proposal to appoint the Chairman of the Board of Directors.

In addition to the Board's mandatory meetings (closing of the annual and half-yearly financial statements), there are also meetings that are held for business purposes.

During the 2023 fiscal year, the Company's Board of Directors met as often as necessary and held 16 meetings.

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The Board of Directors met to discuss the following topics:

Financial information, budget and financial commitments	• approval of press releases • review and approval of the financial statements and interim financial statements • proposal for the allocation of profit (loss) for the period and approval of the dividend distribution policy • implementation of the share buyback program and approval of a specific share buyback program in 2023 • approval of performance criteria for performance share plans (free shares) and resulting capital increases • approval of proposed debt scenarios • presentation of half-year and annual results and the 2024 budget • drafting of the forward-looking documents provided for in Articles L.232-2 et seq. of the French Commercial Code • review and approval of sureties and guarantees granted by the Company • review and approval of the criteria for granting share subscription warrants
Risk review	• review of risk factors and section 2 of the Universal Declaration Document • review and approval of press releases issued in response to activist funds
Compensation	• implementation of a performance shares plan and related performance criteria • approval of the compensation of Mr. Thierry Gadou • breakdown of compensation paid to independent directors
Governance	• approval of the minutes of the various Boards • convening of meetings and setting of the agenda and draft resolutions to be presented to the meetings • nomination and/or co-option of members of the Board, the Audit Committee, the Nomination and Remuneration Committee, the Strategy and ESG Committee • decision to appoint two additional independent directors and to create the position of Lead director and Vice-Chairman of the Board • report on the Board's self-assessment and review of the independence of certain directors • approval of the internal rules of the Board of Directors, the charter of the Nomination and Remuneration Committee, the Audit Committee and the Strategy and ESG Committee • annual reassessment of regulated agreements • annual review of the current agreements entered into under normal conditions • approval of the report on corporate governance
ESG	• professional equality and equal pay policy, supervision of the mentoring campaign organized to increase the number of women in management positions • approval of the statement of non-financial performance (section 4 of the Universal Registration Document) and the Company's climate strategy • approval of the Code of Ethics and the Conflict of Interest and Ethics Alert procedure

The Board regularly heard from the Statutory Auditors. It has also heard and deliberated on the reports on the work of the two standing committees of the Board of Directors: the Audit Committee and the Nomination and Remuneration Committee.

It invites the Statutory Auditors to all meetings to examine or approve the annual or half-year financial statements.

The Chairman of the Board chaired the Board of Directors' meetings.

The representatives of the working council have nominated as representatives to the Board of Directors:

- Mr. Jérôme Cheval;
- Ms. Emmanuelle Benferhat;
- Ms. Sandra Pereira;
- Mr. Alexandre Rame.

Board Information

Upon their nomination, each member of the Board may receive additional training on the specificities of the Company and the companies it controls, their business lines and their sector of activity.

During Board meetings, the directors receive, in due time except in an emergency, all the documents and information necessary for the performance of their duties. Any member of the Board who has not been able to deliberate in full knowledge of the facts has a duty to inform the Board of Directors and to request the information essential to the performance of his or her duties.

The Board may interview the Company's main executives, who may be required to attend Board meetings, with the exception of Board meetings or deliberations devoted to the presentation of the work of the Nomination and Remuneration Committee on their compensation and the Board's setting of this compensation.

The Board and the Committees may also hear experts in the fields falling within their respective areas of expertise.

Outside of meetings, the directors regularly receive all important information about the Company.

To ensure the presence of directors, the Board of Directors sets a schedule of meetings at the beginning of the year.

Meeting Minutes

The Secretary of the Board, nominated at each meeting, prepares the minutes of the meeting. The Chairman signs them and the attendance sheet, or submits them to the next Board meeting for approval. They are transcribed in the register of minutes after they are signed by the Chairman and a director.

Board's assessment

SCOPING | **INVESTIGATION** | **FEEDBACK**

2022 and 2023 INTERNAL ASSESSMENT

Objectives

The assessment of the operation of the Board, the various committees, and their respective members is launched by the Chairwoman of the Nomination and Remuneration Committee by means of an online questionnaire.

This questionnaire, sent to all Board members, containing 46 questions, addresses issues of independence and individual skills as well as the level of participation of its members, their diversity of profiles, as well as the clarity and density of discussions, issues relating to the preparation and proper functioning of the Board, the quality of information relating to investments, relations with main suppliers, etc.

This questionnaire also includes sections dedicated to specific questions on existing committees and their respective chairmanships, as well as on the assessment of the role of the Chairman of the Board.

Recommendations

2022

- Improve the attendance of certain members
- Increase the number and proportion of independent members
- Improve diversity (age, nationality)
- •Strengthen certain skills: technology, ESG, geopolitics, retail, and e-commerce
- Creation of an ESG Committee or inclusion of sustainability in the scope one of the existing committees
- Need for reflection on the succession planning of the CEO
- Need to verify the relevance of the CEO's compensation through a comparative study carried out by an independent firm. Same for the compensation of Board and committee members

2023

- Need for a succession plan extended to Board members and key managers
- Assessment of the merits of separating the functions of Chairman and Chief Executive Officer
- Improve the Board's knowledge of managers
- Increase the time dedicated to the Board's strategic reflection
- Continue to increase the number and proportion of independent members (need for two new members)
- Rejuvenate the Board
- Strengthen certain skills: technology, finance/audit, ESG, United States, retail

Implementation

2022

- November 2022: nomination of a new independent director (Mr. Peter Brabeck-Letmathe)
- Resignation of two directors representing the main shareholder (BOE)
- The number of independent directors increases from 33% to 50% of the Board (4 out of 8)
- Addition of ESG to the missions of the Nomination and Remuneration Committee
- Independence ratio of committee members: 67% (audit) and 100% (ESG, nominations and remuneration)
- Discussion of the CEO succession plan and identification of potential successors
- Performance of a compensation benchmarking study for the CEO

2023

Decisions taken by the Board on December 13, 2023, on the recommendations of the ESG, Nomination and Remuneration Committee following the Board's assessment

- In 2024, recruit two new independent directors, including:
  - an independent director for the Audit Committee
  - an independent director with US/Tech/retail expertise
- Creation of a Strategy and ESG Committee composed exclusively of independent directors and the CEO
- Planning of 2024 Committees and Boards with more time dedicated to hearing key managers
- Decision to have an assessment of the Board and its committees carried out by an independent third-party expert in 2024

EXTERNAL ASSESSMENT FROM 2024 FISCAL YEAR

3.2.3 Board committees

3.2.3.1 Membership and mission of the Strategy and ESG Committee

On December 13, 2023, the Company created the Strategy and ESG Committee and, at that same meeting, approved the rules of procedure of this specialized committee. Prior to December 13, 2023, ESG responsibilities were addressed by the ESG, Nomination and Remuneration Committee.

The Strategy and ESG Committee is in charge of examining the Group's overall strategy and monitoring the inclusion of social and environmental responsibility issues in the definition of the Group's strategy and its implementation.

I. Membership

Strategy and ESG Committee

80% independence rate

(Committee created in December. No meeting in 2023)

40% women

No meeting in 2023

Composition

Mr. Peter BRABECK-LETMATHE
Chairman

Mr. Franck MOISON
Member

Ms. Hélène PLOIX
Member

Ms. Candace JOHNSON
Member

Mr. Thierry GADOU
Member

As the Strategy and ESG Committee is a committee of the Board of Directors, its members are nominated by the Board of Directors on the proposal of the Nomination and Remuneration Committee. This Committee is composed of five members of the Board of Directors, at least three (3) of whom are appointed from among the independent members of the Board of Directors.

The term of office of the members of the Committee coincides with that of their term of office as director.

The Chairman of the Strategy and ESG Committee is appointed from among the independent members of the Board of Directors.

As of December 31, 2023, the Strategy and ESG Committee was composed of the following:

- Chairman: Mr. Peter Brabeck-Letmathe (Independent Director);
- Mr. Thierry Gadou (Director);
- Mr. Franck Moison (Independent Director);
- Ms. Hélène Ploix (Independent Director);
- Ms. Candace Johnson (Independent Director).

This composition therefore meets the above-mentioned recommendations.

In addition, the governance method for sustainability issues is described in section 4.2.4 of this report.

II. Mission

The Strategy and ESG Committee monitors the Group's overall strategy as well as the Group's societal, environmental and climate-related projects, and the preparation of the Board of Directors' decisions on environmental, social and climate-related issues. The Committee ensures that the Group meets the societal and environmental challenges related to its activity in the most appropriate way possible.

In this context, the Committee's responsibilities include:

a. reviewing the Group's medium- and long-term strategy and its implementation, including action plans and monitoring, through clearly defined key performance indicators;

b. ensuring that environmental, social and societal responsibility issues (such as diversity and non-discrimination policies and compliance and ethics policies) are taken into account in the Group's strategy and its implementation, particularly in terms of climate strategy;

c. examining the non-financial performance statement in social and environmental matters provided in Article L.22-10-36 of the French Commercial Code;

d. ensuring the preparation of non-financial information in compliance with regulatory and legal requirements, and reviewing the non-financial communication policy;

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

f. examining and assessing the relevance of the Group's commitments and strategic guidelines in terms of social, societal, environmental and climate issues, with regard to the challenges specific to its business and its objectives, and monitoring their implementation.

The Strategy and ESG Committee regularly reports on the performance of its duties to the Board of Directors and immediately informs it of any difficulties encountered.

III. Operations

The Strategy and ESG Committee may validly deliberate either in meetings or by telephone or videoconference, under the same conditions as the Board, when convened by its Chairman or the Secretary of the Strategy and ESG Committee, provided that at least half of the members take part in its work.

Notices of meeting must include an agenda and may be sent verbally or by any other means.

The Chairman of the Strategy and ESG Committee chairs its meetings.

The Committee makes its decisions by a simple majority of the members attending the meeting, each member having one vote.

The Committee meets as often as necessary and, in any event, at least once a year.

Joint meetings or working sessions may be organized by the Board of Directors between the various Board Committees on cross-functional topics, particularly in terms of social, societal, environmental and climate responsibility. In particular, the Strategy and ESG Committee and the Audit Committee may work together to monitor the preparation of the Group's non-financial information. The Strategy and ESG Committee and the Nomination and Remuneration Committee may be required to work jointly on the assessment of the non-financial performance criteria of the variable remuneration of the Group's executive corporate officers.

The Committee prepares specific minutes for each of its meetings, signed by its Chairman and at least one of its members. They accurately reflect the discussions and deliberations that take place during each of its meetings.

This Committee, created on December 13, 2023, did not meet during the 2023 fiscal year.

3.2.3.2 Membership and responsibilities of the Audit Committee

Pursuant to Article L.823-19 of the French Commercial Code, the Company created a committee in 2009 specializing in monitoring issues relating to the preparation and control of accounting and financial information.

The Company is guided by the AFEP-MEDEF Corporate Governance Code revised in December 2022 and the recommendations of the French Financial Market Authorities *(Autorité des Marchés Financiers – AMF)* on the Audit Committee.

The Board of Directors amended and updated the internal rules of this specialized committee at its meeting of December 13, 2023.

I. Membership

Audit Committee

66% independence rate

100% attendance rate

66% women

6 meetings in 2023

Composition

Ms. Hélène Ploix
Chairwoman

Mr. Franck Moison
Member

Ms. Cenhui He
Member

As the Audit Committee is a committee of the Board of Directors, its members are nominated by the Board of Directors on the proposal of the Nomination and Remuneration Committee and from among the directors (excluding those in management positions).

The members of the Committee must have specific financial and/or accounting expertise.

In accordance with the AFEP-MEDEF Code, the Audit Committee is composed of at least two-thirds independent directors and does not include any executive corporate officers.

The term of office of the members of the Audit Committee coincides with that of their term of office as director.

As of December 31, 2023, the Audit Committee was composed of the following:

- Chairwoman: Ms. Hélène Ploix (independent director);
- Mr. Franck Moison (Independent Director);
- Ms. Cenhui He (director).

This composition therefore meets the above-mentioned recommendations.

II. Mission

The AFEP-MEDEF Code specifies that the main task of the Audit Committee is to:

- review the financial statements and ensure the relevance and consistency of the accounting methods adopted for the preparation of the Company's consolidated and separate financial statements;
- monitor the process of preparing financial information;
- monitor the effectiveness of internal control and risk management systems.

The Audit Committee is responsible for monitoring issues relating to the preparation and control of accounting, financial and non-financial information and for ensuring that the risk monitoring and operational internal control system are effective, to facilitate the Board of Directors' control and verification duties in this area.

The responsibilities the Audit Committee are therefore as follows:

Financial and non-financial information	• monitoring the process of preparing financial and non-financial information • monitoring the press release preparation process; review and approval of press releases issued in response publications of activist funds • verifying the accounting translation of significant events or complex transactions that have an impact on the Company's financial statements • ensuring the implementation of corrective actions in the event of dysfunction
Control and review of the consolidated and separate financial statements	• reviewing the Company's annual and half-year financial statements and related reports • preparing the review of the half-year and annual separate financial statements and the consolidated financial statements by the Board of Directors; • ensuring compliance with legal and regulatory obligations in terms of accounting and financial information • ensure that the accounting methods adopted for the preparation of the consolidated and separate financial statements are relevant and uniform.

Independence and objectivity of the Statutory Auditors	• examining the risks that could compromise the independence and objectivity of the Statutory Auditors
	• examining any question relating to the selection, renewal, dismissal and, more generally, responsibilities of the Statutory Auditors
	• meeting with the Statutory Auditors for each accounting close and as many times as it deems appropriate
	• requiring that the Statutory Auditors provide it each year with the following:
	  • their declaration of independence,
	  • the amount of fees paid to the Statutory Auditors network by the companies controlled by the Company, or the entity that controls it, for services other than the certification of the financial statements,
	  • information on the services performed for the certification of the financial statements.

Internal control and Risk management policy	• review of risk factors and section 2 of the Universal Registration Document • ensuring the existence and application of internal control and risk management; • examining the relevance, reliability and implementation of internal control, identification, hedging and risk management procedures • assessing the extent of any malfunctions or weaknesses communicated to it and informing the Board of Directors, if applicable • ensuring the identification and regular review of the strategic, operational and regulatory risks that the Company could face, their criticality and their respective remediation plan.
Compliance	• examining and monitoring the systems and procedures in place to ensure the dissemination and application of best practices policies and rules for ethics, competition, fraud and corruption issues and, more generally, compliance with regulations in force • annual review of the criteria for determining current agreements entered into under normal conditions • annual review of related-party agreements, within the meaning of Article L.225-38 of the French Commercial Code

III. Operations

In accordance with the principle of independence, the members of the Audit Committee attend Committee meetings on their own. The Chairman and CEO may attend Committee meetings at the invitation of the Chairman of the Audit Committee.

The Chief Financial Officer (and possibly their main assistants), the head of internal audit, the external auditors or any other person deemed necessary may participate in the meetings of the Audit Committee. Specifically, experts may be invited to present their work on cyber risks and other areas.

The Audit Committee meets at least twice a year in March and September, concerning the annual financial statements, the half-year financial statements and the management forecasts, respectively, and as often as it deems necessary.

Meetings are held prior to the Board of Directors' meeting.

The Audit Committee may validly deliberate either in meetings or by telephone or videoconference, under the same conditions as the Board, when convened by its Chairman or the Committee's Secretary, provided that at least half of the members take part in its work.

Notices of meeting must include an agenda and may be sent verbally or by any other means.

The Audit Committee prepares specific minutes for each of its meetings. They accurately reflect the discussions and deliberations that take place during each of its meetings. The minutes of the Board of Directors include a summary of the work of the Audit Committee and of the opinions and recommendations of the Audit Committee.

Over the past twelve months, the Committee has met on the following dates:

- March 7 and 29, 2023:
  - review of the 2022 annual financial statements, management planning documentation, recommendations to the Board of Directors on the preparation of the annual activity report;
  - procedure for assessing current agreements and first review of the 2022 annual financial statements
  - review of the risk factors;
  - review of fees other than audit fees charged by statutory auditors;
- July 8 and 9, 2023: review of press releases in response to allegations of activist funds;
- September 5 and 19, 2023:
  - review of the 2023 half-year financial statements, recommendations to the Board of Directors on the preparation of the half-year activity report;
  - review of the current agreements entered into under normal conditions;
  - forward looking management documents;
- November 24, 2023
  - review of internal control processes;
  - review of IFRS adjustments induced by the Walmart contract;
  - review of assignments other than financial reviews and audits carried out by audit firms;
- December 11, 2023
  - review of cyber risks and procedures for obtaining ISO 27001 certification;
- March 7 and 25, 2024 then April 23, 2024:
  - review of the 2023 annual financial statements, management planning documentation, recommendations to the Board of Directors on the preparation of the annual activity report;
  - review of fees other than audit fees charged by statutory auditors;
  - procedure for assessing current agreements and first review of the 2023 annual financial statements;
  - final review of the 2023 annual financial statements and notes to the financial statements, forward looking management documents.

3.2.3.3 Membership and responsibilities of the Nomination and Remuneration Committee

Scope of responsibilities:

The Board of Directors approved the rules of procedure of this specialized committee at its meeting of March 29, 2021.

The rules of procedure were extended to all ESG topics by the Board of Directors at its meeting of March 28, 2022.

Lastly, at its meeting of December 13, 2023, the Board refocused the missions of this committee on governance and remuneration, with ESG issues being entrusted to the new Strategy and ESG Committee.

I. Membership

Nomination and Remuneration Committee

100% Independence rate

100% Attendance rate

66% Women

4 Meetings (last 12 months)

Composition

Ms. Candace Johnson
Chairwoman

Ms. Hélène Ploix
Member

Mr. Franck Moison
Member

In accordance with the AFEP-MEDEF Code, the Nomination and Remuneration Committee is composed mainly of independent directors and does not include any executive corporate officers. Likewise, the Chairwoman of this Committee is an independent director according to the criteria of the AFEP-MEDEF Code.

At December 31, 2023, the Nomination and Remuneration Committee was composed of three independent directors:

- Chairwoman: Ms. Candace Johnson (Independent Director);
- Mr. Franck Moison (Independent Director);
- Ms. Hélène Ploix (Independent Director).

This composition therefore meets the above-mentioned recommendations.

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II. Responsibilities

The Committee is responsible for advising and making recommendations on the nomination and compensation of the members of the Board of Directors, the Chairman and CEO, and executives, as well as on the Company's overall compensation policy. Until December 13, 2023, the date on which a new committee specializing in strategy and ESG was created, this Committee was also responsible for assisting the Board of Directors on all issues related to social, environmental and corporate governance, sustainability information, and the integration of sustainability results into incentive schemes.

Here are the responsibilities of the Nomination and Remuneration Committee:

Nominations	• succession plan for the Chairman and CEO • appointment and dismissal of any other director or member of the Executive Committee, on the proposal of the Chairman and CEO • assessment of the Board of Directors • diversity policy applied to the Board of Directors • composition and functioning of the Board of Directors and its Committees • nomination of new directors, including in the event of a vacancy • director succession plan • compliance with corporate governance principles • definition of the "independence" of the Company and the list of independent directors • nomination of the members of the Audit Committee from among the directors, except those holding management positions
Compensation	• compensation of the Chairman and CEO: fixed, variable, and any grant of stock options or performance shares, as well as compensation and benefits of any kind • assessment of the annual performance of the Chairman and CEO and setting of his compensation for approval by the Board • compensation of the Company's directors • the Company's general policy on long-term incentive plans and related performance indicators
Environmental, Social, Governance (ESG)	• review of the non-financial social and environmental performance statement • ESG policies: the Committee validates and monitors the actions of the Company's ESG policy. It reviews the adequacy between the Company's strategy and ESG objectives (e.g. climate strategy)

III. Operations

The Committee meets at the request of its Chairman as often as necessary and, in any event, at least twice a year, prior to the meeting of the Board of Directors held to decide on the situation of Board members, with regard to the independence criteria adopted by the Company; and, in any event, prior to any meeting of the Board of Directors held to decide on the remuneration of the members of the Executive Management or on distribution of the annual total amount allocated by the General Meeting to remunerate Board members.

The Committee shall be convened with reasonable notice or without delay in the event of an emergency, by any means, including verbally. A quorum of at least half of the members present is required for a Committee meeting, including two independent members.

The Chairman of the Committee nominates a Committee Secretary.

Documents relating to meeting agenda items must be provided to members sufficiently in advance of the meeting.

The Chairman and CEO of the Company may attend all or part of the meetings, except when issues concerning the Chairman and CEO are discussed. Other persons invited by the Committee may also be present, in particular the Group's Human Resources Director, but also experts to present their work on climate risks, governance, etc.

Meetings of the Committee may be held in person, by telephone or by videoconference, using any means of exchanging documents (mail or electronic transfer). The method must enable sending of the agenda and preliminary documents to the members and the creation of the list of participants, and it must allow members to exchange their opinions and prepare the Committee's recommendations, proposals and conclusions.

The recommendations, proposals and conclusions of the Committee are decided by a majority of its members present and each member has one vote. In the event of a tie, the Chairman's vote prevails.

The minutes of meetings are prepared by the Committee Secretary for approval by the Chairman of the Committee and the other members of the Committee. Once approved, the Secretary keeps the minutes of the Committee meetings.

During the last twelve months, the Committee met on February 15, March 23, July 19 and November 16, 2023 and then on March 7 and 27, 2024 and April 22, 2024.

3.2.4 Conflicts of interest and declarations involving members of the administrative and management bodies

To the Company's knowledge, at the date of this report, there were no potential conflicts of interest between the duties to the Company, the members of the Board of Directors, the Chairman and CEO and their private interests. It should be noted that:

- BOE, the Group's main supplier and industrial partner, is also a shareholder and three directors were appointed on the proposal of BOE. When the partners are also shareholders, governance takes the form of an audit and review of regulated and current agreements between interested parties in order to preserve the competitiveness of business and industrial agreements in relation to economic market conditions. Moreover, members of the Board representing shareholder partners do not take part in these deliberations.
- A declaration of potential conflict of interest is completed each year by both the members of the Board of Directors and the members of the Global Management Board.

Summary of transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the 2023 fiscal year

The table below presents a summary (Article 223-26 of the AMF General Regulation) of the transactions referred to in Article L.621-18-2 of the French Monetary and Financial Code carried out during the 2023 fiscal year:

Person involved	Financial Instrument	Nature of the transaction	Transaction date	Location of the transaction	Unit price (in €)	Volume
SESIM [(1)]	Share	Acquisition	03/09/2023	Euronext Paris	105.6	28,571
Thierry Lemaitre	Share	Sale	05/03/2023	Euronext Paris	156.0	10,000
Hélène Ploix [(2)]	Share	Acquisition	06/27/2023	Euronext Paris	78.3	5,000

(1) Public limited company *(société anonyme)* related to Thierry Gadou, Chairman and CEO.
(2) Independent Director.

In addition, to the Company's knowledge, over the last five years:

i. no member of the Board of Directors or the Chairman and CEO of the Company has been convicted of fraud,

ii. none of the members of the Board of Directors or the Chairman and CEO of the Company has been involved in a bankruptcy, receivership, liquidation or placing under receivership,

iii. no indictment and/or official public sanction has been pronounced against a member of the Board of Directors or the Chairman and CEO of the Company by judicial or administrative authorities (including designated professional bodies); and

iv. none of the members of the Board of Directors or the Chairman and CEO of the Company has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from intervening in the management or conduct of the business of an issuer.

3.2.5 Deposits, advances and guarantees

In accordance with Article L.225-35 of the French Commercial Code, deposits, advances and guarantees in the name of the Company may only be granted after prior authorization by the Board of Directors. The latter may set an annual total amount or per commitment below which its authorization is not required.

However, the Law on the Simplification of Company Law of July 19, 2019 relaxed the conditions for granting guarantees by a parent company to the subsidiaries it controls within the meaning of paragraph II of Article L.233-16 of the French Commercial Code. The Board of Directors may now authorize, on a global and annual basis, and without limits on amounts, deposits, advances and guarantees to ensure the commitments made by the aforementioned companies.

The internal rules of the Board of Directors specify that any guarantee or surety not provided for in the annual budget must be subject to prior authorization, in each case by the Company or one of its subsidiaries, if (i) the unit amount is greater than €10,000,000 or (ii) it increases the Group's total indebtedness, guarantees and sureties outstanding by an amount greater than €10,000,000.

A summary of these deposits, advances and guarantees is provided in Note 19 to the separate financial statements.

3.2.6 Current agreements/regulated agreements

3.2.6.1 Procedure for assessing current agreements entered into normal conditions

Pursuant to Article L.22-10-10 6° of the French Commercial Code, this report describes the procedure implemented by the Company to regularly assess whether agreements relating to ordinary transactions entered into under normal conditions meet these conditions.

The Group has extended the review scope for all agreements entered into between related parties, whether or not they are unrestricted or regulated.

To this end, a procedure has been established to:

- qualify the so-called “free” agreements;
- regularly assess in-house whether these free agreements continue to meet these conditions;
- evoke the regulatory framework applicable to regulated agreements and provide details on the method used to qualify them.

The procedure for qualifying and assessing agreements is as follows:

- exhaustively look into the persons concerned;
- gather prior information from the Finance Department and the Legal Department before entering into and qualifying agreements;
- perform annual assessments/reassessments of free agreements;
- perform the control procedure for regulated agreements.

It is specified that persons directly or indirectly interested in one of these agreements cannot participate in this assessment.

The persons responsible are as follows:

- the Finance and Legal Departments are responsible for examining agreements on a case-by-case basis and proposing their qualification;
- each year, the Finance and Legal Departments review the free agreements in force and provide their conclusions.

These conclusions are presented to the Audit Committee, which must issue an opinion on the implementation of the procedure, its results and any observations.

The procedure will consist, during the two Audit Committees in charge of examining the half-year closings, examining the list of third-party transactions and agreements, verifying that they comply with the principle of the duration of the law and the principles set out by the OECD on Base Erosion and Profit Shifting (BEPS).

At the time of approval of the financial statements, the Audit Committee informs the Board of Directors of the implementation of the procedure and draws the necessary conclusions.

The criteria used by the Group to verify that the current agreements have been entered into under normal conditions are as follows:

- for each type of agreement, the Group has defined criteria for assessing the “current purpose” and the “normal terms and conditions” of the agreement;
- the Group justifies these criteria on the basis of market practices and the principles and rules in force (e.g.: the OECD, etc.).

The main agreements considered as current in the Group are:

- shared administrative services;
- financing transactions;
- licensing of intellectual property rights;
- facilities granted by an entity.

3.2.6.2 Regulated agreements and agreements between, on the one hand, a corporate officer or a shareholder and, on the other hand, a controlled company within the meaning of Article L.233-3 of the French Commercial Code

Agreements already approved by the General Meeting

Note that, in accordance with the provisions of Article R.225-30 of the French Commercial Code, the agreements listed below authorized by the Company's Board of Directors during previous years continued during the year ended December 31, 2023.

(i) Agreements approved during prior fiscal years whose application continued during the previous fiscal year

Date	Nature	Persons involved	Description	Period of validity	Amount	Interest for the Company
July 01, 2019	Exclusive manufacturing agreement with Chongqing BOE Smart Electronics System Co., Ltd	• BOE Smart Retail (Hong Kong) Co., Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co. Ltd; • Ms. Cenhui He, Director of both the Company and BOE Smart Retail (Hong Kong) Co. Ltd • Mr. Rangui Chen, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co until May 5, 2023, then Mr. Xiang Jun Yao, Director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd • Ms. Fangqi Ye, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd	Exclusivity agreement on three production lines at the Chongqing plant for a period of 4.5 years.	4.5 years	The total amount of the exclusivity right recognized for 2019 amounted to €14.7 million. The full amount of the contract was paid during the 2020 fiscal year.	The parameters that VusionGroup (formerly SES-imagotag) had to take into account in 2019 included President Trump's recent decision to lift specific customs duties on manufactured products in China, and also included volume projections over the next five years, not guaranteeing the use of the entire production capacity of the Chongqing BOE Smart Electronics System Co. Ltd plant. The Company has therefore decided to ensure the exclusivity of this production capacity, for an amount calculated using the valuation of the plant's supposed under-utilization.
December 22, 2021	Electronic label and component supply agreement with BOE Digital Technology Co., Ltd ("Framework Delivery and Quality Assurance Agreement")	• BOE Smart Retail (Hong Kong) Co, Ltd, which holds more than 10% of the Company and which is indirectly related to the Chinese JV BOE Digital Technology Co. Ltd (via its subsidiary BOE Intelligent IoT Technology Co. Ltd); • Ms. Cenhui He, Director of both the Company and BOE Smart Retail (Hong Kong) Co. Ltd • Mr. Rangui Chen, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co until May 5, 2023, then Mr. Xiang Jun Yao, Director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd • Ms. Fangqi YE, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd	A component supply subcontracting and industrial subcontracting agreement was signed with BOE Digital Technology Co. Ltd for an indefinite period. The agreement deals with the selection of component suppliers and of sub-contractors that assemble finished products (electronic labels). It defines delivery terms, incoterms, quality levels required and the price of every product that is sold.	Unspecified duration	USD 5,6 thousand in purchases by VusionGroup SA in 2023	The Board of Directors considers that the supply chain competitiveness for the electronic materials marketed by the Company will be strengthened by the negotiation capacity of this Chinese entity that is geographically and culturally linked to the component suppliers and assembly subcontractors for these materials. BOE Digital Technology Ltd is responsible for diversifying the sources of supply to as many suppliers as necessary, to ensure the most competitive prices.

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Date	Nature	Persons involved	Description	Period of validity	Amount	Interest for the Company
February 22, 2022	Cross licensing agreement with BOE Digital Technology Co Ltd,	• BOE Smart Retail (Hong Kong) Co. Ltd, which holds more than 10% of the Company and which is indirectly related to the Chinese JV BOE Digital Technology Co. Ltd (via its subsidiary BOE Intelligent IoT Technology Co. Ltd) • Ms. Cenhui He, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd • Mr. Rangui Chen, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co until May 5, 2023, then Mr. Xiang Jun Yao, Director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd • Ms. Fangqi Ye, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd	VusionGroup (SES-imagotag) grants BOE Digital Technology a license on its historical intellectual property to enable it to make improvements and developments (“improvements”). Consequently, BOE Digital Technology benefits from the right to use this intellectual property in order to improve and manufacture, or have manufactured electronic labels or components and semi-finished products (such as batteries and cables) (the “Improved products”). In return, BOE Digital Technology grants VusionGroup SA (SES-imagotag SA) the right to use the improvements and to manufacture and distribute the Improved Products (the “Cross-license”).	Unspecified duration	€0	The Company actively promotes the competitiveness of its supply chain by developing or improving new products, drawing on the know-how of several entities of the BOE group, whether in the technical or sourcing fields.
January 18, 2012	Subscription of the Chairman and CEO of the Company to the GSC corporate officer unemployment insurance	Mr. Thierry Gadou, Chief Executive Officer since January 13, 2012 and Chairman of the Board of Directors since January 18, 2012 (prior authorization by the Board of Directors on January 13, 2012).	Subscription by the Company of a GSC corporate officer unemployment insurance agreement for the benefit of Mr. Thierry Gadou.	0	€21 thousand	0

In 2022, VusionGroup divested from the capital of BOE Digital Technology Co. Ltd (China) by transferring the Group’s 51% stake in this joint venture in China in exchange for 9.5% of the Chinese technology company BOE-YiYun (8.9% today).

(ii) Agreements approved during the past fiscal year

Date	Nature	Persons involved	Description	Period of validity	Amount	Interest for the Company
Contract date: 08/19/2019 amendments signed on July 20, 2020, December 15, 2022, July 20, 2023 and November 30, 2023.	Industrial supply and subcontracting agreement ("Master Service Agreement") and amendments with Chongqing BOE Smart Electronics Systems Co. Ltd	• BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co., Ltd; • Ms. Cenhui He, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd • Mr. Rangui Chen, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co until May 5, 2023, then Mr. Xiang Jun Yao, Director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd • Ms. Fangqi Ye, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd • It is specified that Mr. Thierry Gadou has not been a director of BOE Smart Retail (Hong Kong Co) since July 2022.	Industrial supply and subcontracting contract for the production, assembly, testing and packaging of finished products (ESL). Amendment of July 20, 2020: Modification of the incoterms (FCA) and the duration of the so-called "MSA" agreement: per the terms of the amendment, a three-year renewal period starting January 26, 2020, and at the expiry of this period, tacit renewal for an indefinite period (except for termination by one of the parties at any time with 30 days' notice) By an agreement signed on December 15, 2022, Pdi Digital GmbH was included in the scope of this MSA: Pdi Digital GmbH is authorized to purchase the products of Chongqing BOE Smart Electronics System Co., Ltd., in accordance with the same terms and conditions as those set out in the MSA. During the 2023 fiscal year, two new amendments were signed: • by the amendment of July 20, 2023, to strengthen the disclosure requirements on the quality and technical features of components supplied by tier-two suppliers to the Chongqing plant (notification procedure); • by the amendment of November 30, 2023, to insert specific clauses concerning a new range of finished products intended to supply the North American market (warranty, exclusivity, epidemic failure and insurance clauses).	Undetermined	US $445 million in purchases by VusionGroup SA and US $0.2 million in sales of components by VusionGroup SA to Chongqing BOE Smart Electronic System Co.	This industrial supply and subcontracting contract provides the Company with an integrated production unit for critical size digital labels, which enhances the competitiveness of the products offered by the Group.

Date	Nature	Persons involved	Description	Period of validity	Amount	Interest for the Company
July 5, 2023	Exclusivity letter, for the benefit of VusionGroup SA (formerly SES-imagotag SA), with Fuzhou BOE Optoelectronics Co, Ltd	• BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of the Company's voting rights and an indirect interest in Beijing BOE Optoelectronics Technology Co. Ltd • Ms. Cenhui He, Director of both the Company and BOE Smart Retail (Hong Kong) Co. Ltd • Mr. Rangui Chen, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co until May 5, 2023, then Mr. Xiang Jun Yao, Director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd • Ms. Fangqi Ye, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd	Exclusivity letter in which Fuzhou BOE Optoelectronics Co, Ltd undertakes to develop products related to the 2.06 labels for the benefit of VusionGroup for a period of three years, which may be extended by VusionGroup. The intellectual property of these developments will remain the exclusive property of Fuzhou BOE Optoelectronics Co. Ltd.	3 years	N/A	This agreement was signed in order to rely on the research teams of Fuzhou BOE Optoelectronics Co. Ltd for product development, for the benefit of VusionGroup
September 21 and 23, 2023:	Product development agreements with Beijing BOE Optoelectronics Technology Co, Ltd: – 3.43" TFT product development agreement – Exclusivity agreement for the benefit of VusionGroup (formerly SES-imagotag), for the development of the 3.43" TFT product – Development and exclusivity agreement for the development of the 1.52" TFT product	• BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of the Company's voting rights and which is indirectly related to Beijing BOE Optoelectronics Technology Co. Ltd • Madame Cenhui He, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd • Mr. Rangui Chen, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co until May 5, 2023, then Mr. Xiang Jun Yao, Director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd • Ms. Fangqi Ye, Director of the Company and Director of BOE Smart Retail (Hong Kong) Co. Ltd	The three development agreements were signed in order to rely on the research teams of the company Beijing BOE Optoelectronics Technology Co, Ltd to develop, on behalf of the Company, products whose screen size is respectively 3.43" TFT and 1.52" TFT. These development agreements come with a three-year exclusivity clause, which can be extended at the Company's request.	3-year exclusivity	USD 160 thousand	these agreements were signed in order to rely on the research teams of the company Beijing BOE Optoelectronics Technology Co, Ltd in order to carry out several product developments, while ensuring an exclusivity of at least three years.

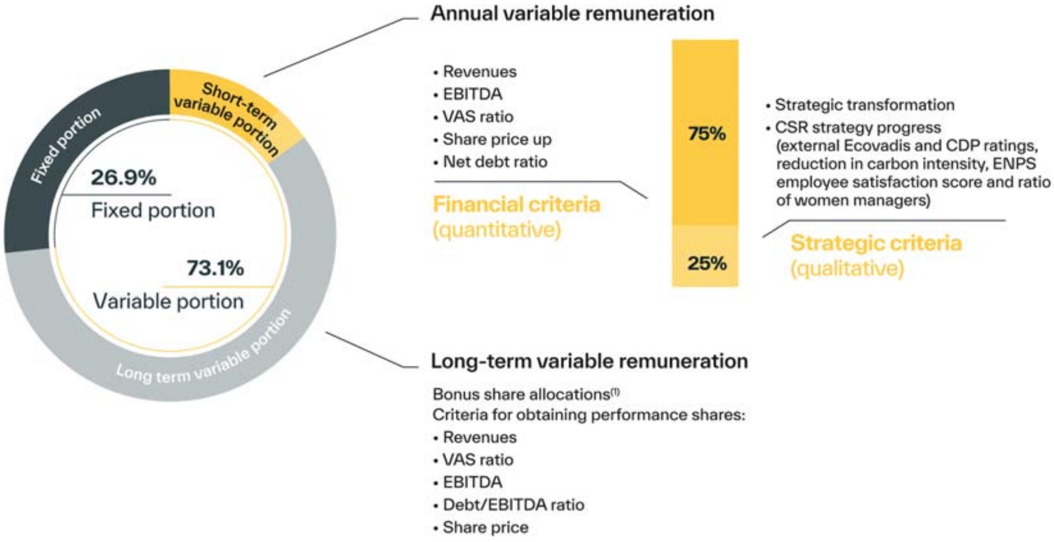
Agreements entered into between i) a corporate officer or shareholder, and ii) a controlled company within the meaning of Article L.233-3 of the French Commercial Code

In accordance with Article L.225-37-4, 2° of the French Commercial Code, this report specifies that no agreement exists between i) one of the corporate officers or one of the shareholders with voting rights exceeding 10% of the Company's capital, and ii) another company controlled by the first within the meaning of Article L.233-3 of the French Commercial Code (with the exception of agreements relating to ordinary transactions entered into under normal conditions).

3.3 Remuneration and benefits of the corporate officers

Remuneration policy for the Chairman and CEO

Remuneration structure



(1) For more details, see section 7.7 of Chapter 7.

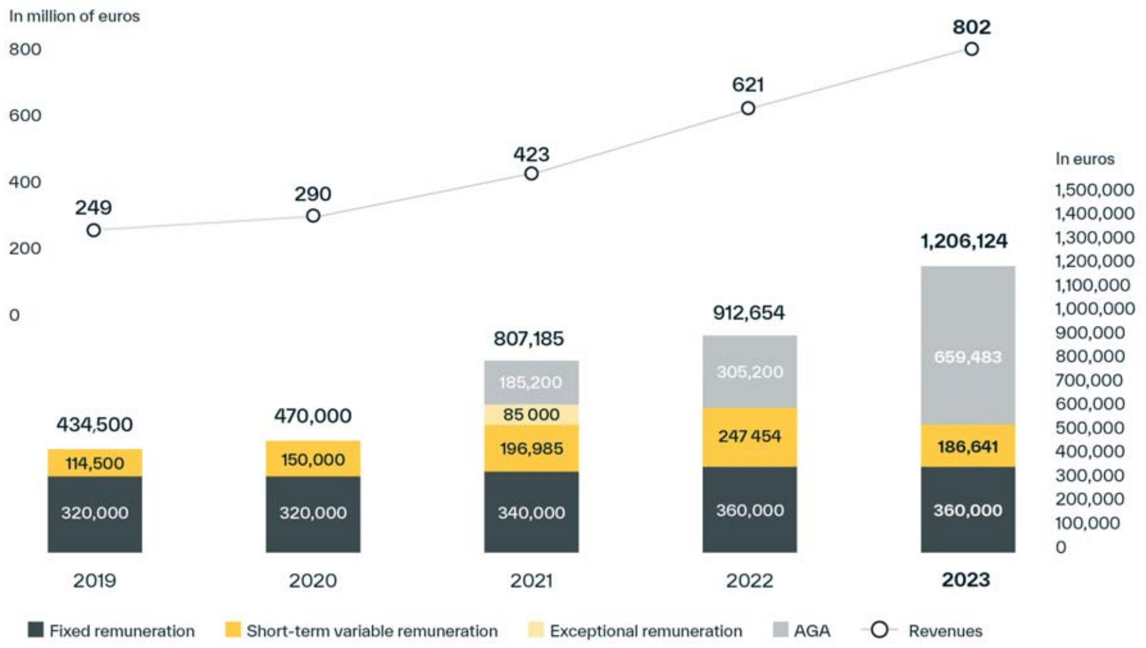
Remuneration paid for fiscal year 2023

Composition of the remuneration of Thierry Gadou in his capacity as Chairman and Chief Executive Officer

Indicators*	Weight	Amount (100%)	Actual performance	Variable amount (Actual performance taking into account upper and lower limits)
Quantitative (Financial)				in €
Revenues	20%	30,000	97.1%	29,118
EBITDA	30%	45,000	91.0%	40,835
VAS to total revenue ratio	15%	22,500	70.0%	–
Net debt/EBITDA ratio	20%	30,000	130.0%	39,000
Increase in stock price	15%	22,500	97.3%	21,806
Quantitative total		**150,000**	87.2%	**130,759**
Qualitative (Strategic)				
Strategic project signatures (North America contracts)	40%	20,000	130.0%	26,000
Strategic business transformation (completion and integration of acquisitions)	30%	15,000	80.0%	12,000
Customer satisfaction "NPS"	15%	7,500	130.0%	9,750
CDP rating (objective B)	15%	7,500	100.0%	8,132
Carbon intensity reduction			130.0%	
Ratio of women managers			104.0%	
Employee satisfaction "ENPS"			100.0%	
Qualitative total		**50,000**	111.8%	**55,882**
TOTAL VARIABLE BONUS			**93.3%**	**186,641**

* The definition of the EBITDA and net debt indicators is explained in section 5.1.4 "Main performance indicators" - In addition, these indicators correspond to the Group's consolidated financial statements.

Change in the remuneration of the Chairman and Chief Executive Officer and the Group's performance



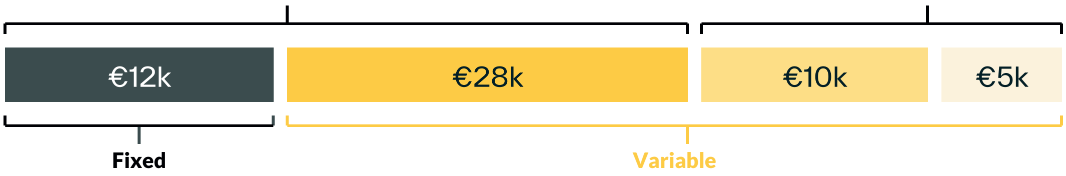
Remuneration policy for independent directors

(€200,000 budget)

Remuneration structure with 100% attendance is detailed below:

Board member
- **30%** fixed
- **70%** variable

Committee
- **Member:** €1,250 per meeting, capped to **€5k per year and per committee**
- **Chair:** €2,500 per meeting, capped to **€10k per year**



Annual remuneration in € thousand for 100% attendance at meetings

	Board meetings		Committee meetings		
	Fixed (30%)	Variable (70%)*	Committee Chairmanship - Variable*	Committee Membership - Variable*	**Total annual remuneration**
Hélène Ploix	12	28	10	5	55
Candace Johnson	12	28	10	N/A	50
Franck Moison	12	28	N/A	10	50
Peter Brabeck-Letmathe	12	28	N/A	N/A	40

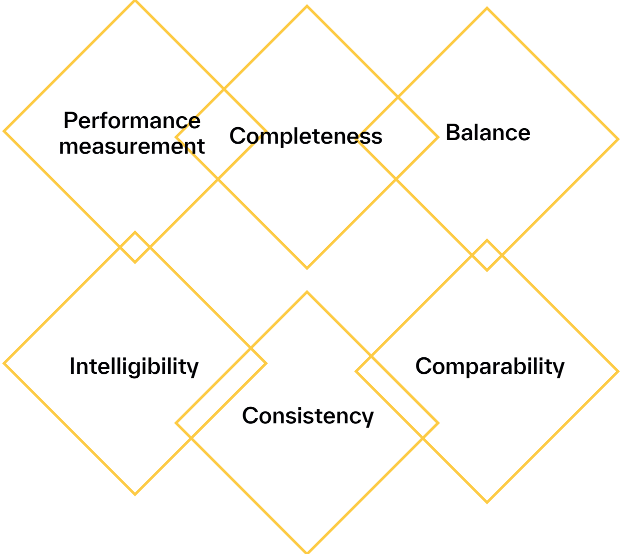
* Depends on meetings attendance.
The Strategy and ESG Committee was created in December 2023.

Audit Committee · Nomination and Remuneration Committee · Strategy and ESG Committee · Chairmanship · Member

In accordance with the provisions of Articles L.22-10-8 and L.22-10-9 of the French Commercial Code, we report the total amount of remuneration and the various benefits of all kinds paid/allocated to each of the Company's corporate officers during the 2023 fiscal year. We also explain the corporate officer remuneration policy for 2024 in section 3.3.3.

3.3.1 Principles for setting remuneration

Remuneration principles



It is the responsibility of the Board of Directors to set the amount of remuneration for executive corporate officers. To do this, the Board of Directors relies on the opinions and recommendations of the Nomination and Remuneration Committee.

The Company uses as its reference the AFEP-MEDEF Corporate Governance Code (revised in December 2022), supplemented and clarified by the recommendations on the remuneration of executive and non-executive corporate officers of listed companies. The Company must publish the components of the remuneration of executives and corporate officers in accordance with the law and the AFEP-MEDEF recommendations.

Thus, to determine the level of remuneration for executive corporate officers, the Nomination and Remuneration Committee and the Board rigorously apply the following principles:

- Comprehensiveness: determination of remuneration must be comprehensive. All components of remuneration must be included in the overall assessment of remuneration;
- Balance among components of remuneration: a reason must be given for each component of remuneration, and must correspond to the Company's corporate interest;
- Comparability: this remuneration must be assessed in the context of a business line and the reference market. However, the market is not the sole criterion: the remuneration of an executive corporate officer depends i) on the responsibility assumed; ii) on the results obtained; and (iii) on the work performed, and sometimes on the nature of the assignments entrusted to it or specific situations (for example, the recovery of a company in difficulty);
- Consistency: the remuneration of the executive corporate officer must be consistent with that of the other executives and employees of the Company;
- Intelligibility of rules: rules must be simple, stable and transparent. The performance criteria must meet the Company's objectives, be demanding, explicit and, to the extent possible, sustainable;
- Measurement: the components of the remuneration must provide a fair balance between i) the corporate interests of the Company, ii), market practices, iii) the performance of the managers, and iv) the other stakeholders of the Company.

These principles apply to all elements of remuneration, including long-term and exceptional remuneration.

3.3.2 Information relating to remuneration for 2023

3.3.2.1 Information relating to remuneration for 2023 paid to executive and non-executive corporate officers in respect of their term[4]

1° Total compensation and benefits of any kind, distinguishing between fixed, variable, and exceptional items paid/awarded in return for the term of office during the preceding fiscal year.

Compensation of non-executive corporate officers

The GM of June 23, 2023, decided (in its 11th resolution) to fix the maximum annual amount of directors' compensation at two hundred thousand euros (€200,000) for the fiscal year ended December 31, 2023.

In accordance with Article L.22-10-8 II of the French Commercial Code, the General Meeting of Shareholders of June 23, 2023 (12th resolution) approved the following compensation policy:

- only independent directors may receive compensation for their work;
- the amount of €200,000 represents the maximum amount dedicated to the compensation of independent directors for the 2023 fiscal year.

In accordance with the recommendations of the AFEP-MEDEF Code, the amount of annual compensation is divided into a fixed portion representing 30% of compensation and a variable portion, representing 70% of compensation, and is dependent on individual attendance at meetings.

On the proposal of the Nomination and Remuneration Committee, the Board of Directors decided on the following distribution:

For each independent director:

a. a fixed portion of compensation amounting to €12,000 (vs €6,000 in 2022);

b. a variable portion of €28,000 (vs €14,000 in 2022) based on individual Board meeting attendance;

c. a variable portion depending on individual Committee meeting attendance, determined as follows:

- each Committee Chairperson will receive €2,500 per meeting held and chaired, up to an annual limit of €10,000 per year and per Chairperson;
- each committee member will receive €1,250 per meeting attended, up to an annual limit of €5,000 per year and per member.

As members attended all sessions in 2023, the Board of Directors of April 23, 2024, on the proposal of the Nomination and Compensation Committee of March 26, 2024, approved the following compensation:

Compensation of independent directors

	Fixed portion	Role of Committee Chairperson (variable depending on attendance)	Role of Board member (variable depending on attendance)	Role of Committee member (variable depending on attendance)	Total compensation
Hélène Ploix	12	10	28	5	55
Candace Johnson	12	10	28	N/A	50
Franck Moison	12	N/A	28	10	50
Peter Brabeck-Letmathe	12	N/A	28	N/A	40
					195

(4) in accordance with the provisions of Article L.22-10-9 I of the French Commercial Code

Compensation of the Chairman and CEO

On the basis of the recommendations of the Nomination and Remuneration Committee, the Board of Directors set the fixed remuneration of the Chairman and CEO for 2023 at €360k supplemented by a maximum variable remuneration of €200,000 or up to a maximum of €260k (130% of target) split into two tranches:

- a quantitative variable portion target of €150k capped, if the objectives are exceeded, at a maximum of €195k for 130% achievement of the targets;
- qualitative variable portion target of €50k capped at a maximum of €65k for 130% achievement of the targets.

The Nomination and Remuneration Committee met on March 26, 2024 to assess the achievement of the targets for 2023:

Variable portion on quantitative (financial) targets

The quantitative objectives set for the Chairman and Chief Executive Officer for the 2023 fiscal year are as follows:

- revenue, VAS ratio (software, services and solutions excluding ESL) and EBITDA in line with budget;
- a rising share price;
- a maximum net debt/EBITDA ratio.

For each objective,

- if the degree of achievement is lower than the threshold defined by the Board, no bonus is paid;
- if the degree of achievement is 100%, the calculation will therefore correspond to 100% of the variable for this criterion;
- a linear formula is applied for calculating any performance between the nominal threshold and 130%. If the performance exceeds 130%, the rate of 130% is used.

The degree of achievement of the quantitative objectives and their respective weighting in the total variable portion having been recorded and calculated: the summary table at the beginning of this section details these calculations.

Based on the recommendations of the ESG, Nomination and Remuneration Committee, the Board of Directors decided that the amount of the quantitative portion of variable compensation would be €130,759, i.e., an achievement rate of 87.2% for the variable portion on the financial and quantitative objectives.

Variable portion on qualitative (strategic) targets

The qualitative portion of the remuneration is determined within the framework of a budget of €50k, which may reach a maximum of €65k in the event of outperformance (limited to 130%).

The evaluation criteria for this qualitative portion consists of:

1) signature of several major contracts in North America
2) strategic transformation through completion and integration of acquisitions
3) increase in customer satisfaction (minimum NPS of 40)
4) the following ESG indicators:
   - a minimum CDP rating of B,
   - a decrease in carbon intensity (calculated on revenue, by -3% minimum),
   - the ratio of women managers (27%),
   - employee satisfaction (minimum ENPS of 40).

For more details on the 2023 ESG achievements, see section 4 of this report.

The degree of achievement of the quantitative objectives and their respective weighting in the total variable portion having been recorded and calculated, the summary table at the beginning of this section details these calculations. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors decided that the amount of the qualitative portion of variable remuneration be €55,882, i.e. 111.8% of the achievement rate.

Exceptional remuneration

On the basis of the recommendations of the Nomination and Remuneration Committee, the Board of Directors decided that, under very specific circumstances, it could decide to award exceptional remuneration to the Chairman and CEO. (*Exceptional increase in organic growth and profitability and/or completion of a transformative operation for the organization).

No exceptional remuneration was granted in respect of fiscal year 2023.

Non-concurrent employment contract and corporate office

Concerning the termination of the employment contract in the event of a corporate office, the AFEP-MEDEF Code recommends, when an executive becomes a corporate officer of the Company, ending the employment contract between them and the Company or a company of the Group, either *via* a mutually agreed termination or by resignation.

The Company complies with this recommendation insofar as Mr. Thierry Gadou, as Chairman and CEO, does not have an employment contract. Indeed, the Board of Directors recruited him as a corporate officer and CEO, before co-opting him as a director then nominating him as Chairman of the Company.

Stock-Options granted to the Chairman and CEO

NONE

Performance shares allocated to the Chairman and CEO

As the performance conditions for the allocation of bonus shares were only partially met (see section 7.7 of this report), the Chairman and CEO received 6,771 bonus shares (out of the potential amount of 8,000) as part of the 2023 plan (Tranche 4) set up by the EGM of June 29, 2020, under the same conditions as all beneficiaries:

- a vesting period of two years between grant and vesting (with vesting in 2025);
- a condition of presence: obligation to retain the position of Chairman and CEO during the vesting period, except in the event of death, disability or retirement;

For more information on the performance criteria, see section 7.7.

In accordance with the 24th resolution of the AGM on June 29, 2020, these allocations fall within the framework of the obligation to hold a minimum of 30% of the shares allocated to him or her until the end of his or her term of office.

The share of the capital allocated to Mr. Thierry Gadou in his capacity as Chairman and CEO is not material (6,771/15,958,658 = 0.02%).

To avoid excessive concentration of the allocation, and in accordance with Article 26.3.3 of the AFEP-MEDEF Code, the Extraordinary General Meeting of June 29, 2020, in its 24th resolution authorizing the allocation of existing or future ordinary bonus Company shares, provides for a sub-ceiling for the allocation of executive corporate officers.

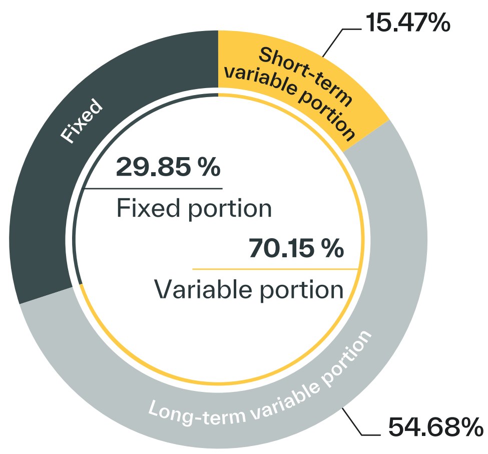
Extract from the 24th resolution of the AGM on June 29, 2020:

“3. resolves that the maximum total number of performance shares that may be allocated to the Company's executive corporate officers under this resolution cannot represent more than 20% of the shares that can be allocated under this authorization and that the vesting of the shares granted under this authorization will be subject to performance conditions;"

2° The relative proportion of fixed and variable remuneration

Remuneration paid to Mr. Thierry GADOU in his capacity as Chairman and CEO

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decided to grant a short-term variable portion of €186,641. Taking into account the valuation of performance shares (long-term variable portion) and fixed compensation in 2023, the actual compensation structure in 2023 is given below:



Remuneration of non-executive corporate officers

The fixed / variable structure of the remuneration of non-executive corporate officers is detailed in the double page introduction of the section 3.3 of this report.

3° Use of the option to request the return of variable remuneration paid to both executive and non-executive corporate officers

NONE

4° Commitments of any kind by the Company and corresponding to elements of remuneration, payments or benefits due or which may be due on account of the termination or change of duties or subsequent to the fulfillment of these commitments (in particular, pension obligations and other lifetime benefits)

Commitments by the Company for the benefit of Mr. Thierry GADOU in his capacity as Chairman and CEO

Severance payment in the event of termination of his duties as Chief Executive Officer

NONE

The severance payment of Mr. Thierry GADOU approved by the General Meeting of March 1, 2012 and renewed in 2017 expired in March 2022. No remuneration was paid in 2023.

This commitment, which lapsed since March 2022, was renewed by the Board of Directors, upon recommendation by the Nomination and Remuneration Committee, on March 7, 2024

Non-compete compensation

Mr. Thierry GADOU may receive non-compete compensation on termination of his corporate office. He did not receive any in 2023; see section 3.4.

Subscription to the GSC corporate officer unemployment insurance

A policy was taken out in 2012 under the *Garantie Sociale des Chefs et Dirigeants d'Entreprises* (GSC) for the benefit of the Chairman and CEO. The annual contribution for 2023 was €21K.

Benefits in kind

As part of his duties, Mr. Thierry GADOU is provided with a company car.

Pension plan

NONE

Amounts set aside by the Company for the purpose of paying pensions, retirement or other benefits to directors and other non-executive corporate officers

The Company made no provision for the benefit of the directors and other corporate officers.

5° Remuneration paid or awarded by a company included in the scope of consolidation within the meaning of Article L.233-16

NONE

6° Ratios between the level of remuneration of each of these executives and i) the average remuneration on a full-time equivalent basis of the Company's employees other than corporate officers, and ii) the median remuneration on a full-time equivalent basis for employees of the Company other than corporate officers

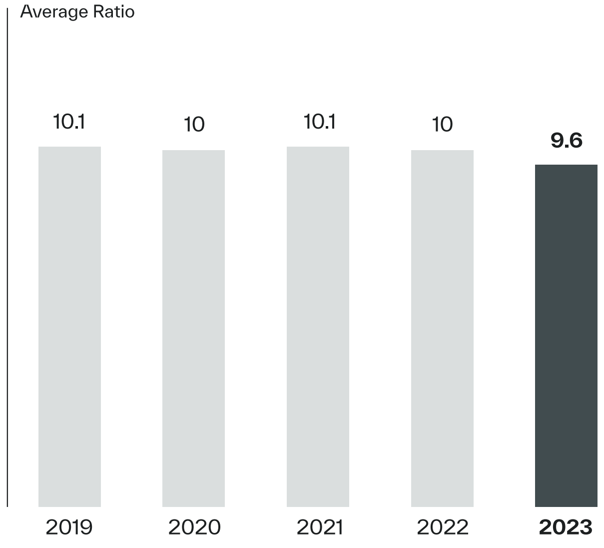
The charts illustrate the level of remuneration of the Chairman and CEO of the Company, based on i) the average remuneration of employees (excluding corporate officers), and ii) the median employee remuneration (excluding corporate officers) of the Company. They also reflect the changes in these two ratios over the last five fiscal years. For the calculation of the ratios, the Company complied with the AFEP-MEDEF guidelines of December 2022.

More specifically, the ratios were calculated as follows:

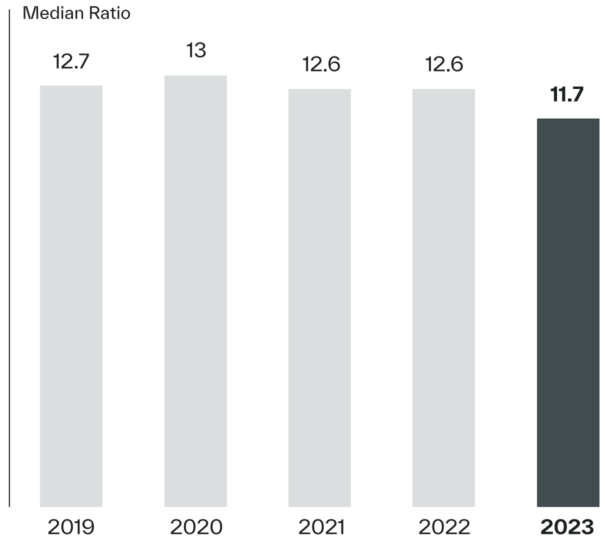
1) in the numerator, the theoretical annual remuneration [fixed + variable], if 100% of the objectives of the Executive corporate officer are achieved;
2) in the denominator, (for the purposes of representativeness, the scope used is that of the French entity): annual fixed remuneration + theoretical annual variable remuneration, if 100% of the objectives are met, on a full-time equivalent basis for employees on fixed-term contracts and permanent contracts of VusionGroup SA (SES-imagotag SA), present at December 31 of year N.

Equity ratios

Difference between the manager's salary/average remuneration of fixed-term and permanent employees in France & change in ratio over the past five years



Difference between the Manager's salary/Median remuneration of fixed-term and permanent employees in France & Change in ratio over the past five years



7° Annual change in remuneration, the Company's performance, the average remuneration on a full-time equivalent basis of the Company's employees, other than executives, and the ratios mentioned in 6°, over the last five fiscal years

Methodology: to be able to compare the data, the headcount used for the calculation of the average and median remuneration is the full-time equivalent number of employees on fixed-term and permanent contracts of VusionGroup SA (SES-imagotag SA), present from one year to the next.

The components of employee remuneration taken into account in the calculation are annual fixed remuneration + theoretical annual variable remuneration, if 100% of the objectives are met.

	2023	2022	2021	2020	2019
Thierry GADOU					
Fixed remuneration	360,000	360,000	340,000	320,000	320,000
Variable remuneration (100% basis)	200,000	200,000	200,000	200,000	200,000
Fixed and variable remuneration (100%) due for the year (in €)	560,000	560,000	540,000	520,000	520,000
Change	0%	3.7%	3.8%	0.0%	8.3%
Change in average wage - France fixed-term and permanent employees[1]	7.1%	8.6%	4.7%	2.7%	4.7%
Change in median wage - France fixed-term and permanent employees	15.7%	7.8%	3.7%	0.0%	5.2%
Revenue (in €M)	802	620.9	422.9	290.3	247.6
Change	29.1%	46.8%	46.0%	17.2%	31.8%
EBITDA (in €M)	102.3	58.6	32.3	16.0	4.0
Change	75%	81.4%	101.9%	300%	-38.5%
Average stock price (in €)	119.91	92.50	49.96	26.00	28.42
Change	29.6%	85.2%	92.1%	-8.5%	5.1%

(1) Calculation method: change in the average salary (fixed + variable at 100%) of the workforce present on January 1 of the year compared to the previous year

8° Explanation showing that total remuneration complies with the remuneration policy adopted and contributes to the long-term performance of the Company

In terms of remuneration, emphasis is placed on performance, entrepreneurship and individual responsibility and in particular:

- the Group's efforts to achieve its strategic transformation while managing its roadmap for positive retail;
- tracking changes in the share price against the backdrop of the general stock market environment.

9° Ways in which the vote of the last OGM provided for in Article L.22-10-34 of the French Commercial Code has been taken into account

During the past fiscal year, the resolutions submitted to the OGM of June 23, 2023 relating to:

1. approval of the information mentioned in Article L.22-10-9 I of the French Commercial Code on the remuneration paid to corporate officers for 2022 (Resolution 9 of the OGM of June 23, 2023);
2. approval of the remuneration and benefits of any kind paid/granted during the 2022 fiscal year to Mr. Thierry GADOU as Chairman and CEO (Resolution 10 of the OGM of June 23, 2023),

were adopted at 83.31% and 82.67%, respectively.

10° Deviation from the procedure for implementing the remuneration policy and any exemption applied

No exemption applied in accordance with the second paragraph of III of Article L.22-10-8 of the French Commercial Code was implemented.

Resolution submitted for the approval of the OGM of Shareholders (Article L.225-10-34 I of the French Commercial Code)

The information mentioned in Article L.22-10-9 I of the French Commercial Code relating to the remuneration of corporate officers for 2023 for their terms of office presented above, will be submitted for approval to the GM of Shareholders of June 19, 2024 (in application of Article L.22-10-34 I of the French Commercial Code).

Accordingly, the following resolution will be submitted for approval to the OGM.

Approval of the information covered in Article L.22-10-9 I of the French Commercial Code relating to the remuneration of corporate officers for the 2023 fiscal year (in application of Article L.22-10-34 I of the French Commercial Code).

The GM, deliberating under the quorum and majority requirements for OGMs, having read the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-34 I of the French Commercial Code, the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the remuneration for 2023 of the corporate officers for their term of office, as they appear in the report on corporate governance (section 3.3.2).

3.3.2.2 Summary table of remuneration for the 2023 fiscal year

In its recommendation on the information to be provided in the reference documents concerning compensation paid to corporate officers, the French Financial Markets Authority *(Autorité des Marchés Financiers – AMF)* provides 11 tables. These tables are reproduced in this section, in the following order:

- The information contained in Table 3 of the AMF nomenclature relating to compensation received by non-executive corporate officers;
- the information contained in Table 1 of the AMF nomenclature relating to the summary of compensation and options granted to each executive corporate officer;
- the information contained in Table 11 of the AMF nomenclature relating to the position of the executive corporate officer with regard to the AFEP-MEDEF Code;
- the information contained in Table 6 of the AMF nomenclature relating to the performance shares granted during the fiscal year to each executive corporate officer;
- the information contained in Table 7 of the AMF nomenclature relating to the bonus shares granted and becoming available during the fiscal year to each executive corporate officer;
- the information contained in Table 10 of the AMF nomenclature relating to the history of bonus share allocations to corporate officers;
- a table giving the same information as that contained in Table 2 of the AMF nomenclature: "Summary table of the compensation of each executive corporate officer".

Additional information on the allocation of bonus performance shares and their availability is provided in section 7.7 "Special report on bonus shares allocated".

Tables 4, 5, 8, and 9 of the AMF nomenclature relating to share subscription or purchase options do not apply.

Table of compensation received by non-executive corporate officers (Table 3 of the AMF nomenclature)

Amounts awarded and paid during 2023 and 2022 fiscal years (in €)

	2023	2022
	amounts awarded and paid during the year	amounts awarded and paid during the year
Candace JOHNSON		
Gross compensation	50,000	20,000
Hélène PLOIX		
Gross compensation	55,000	0
Peter BRABECK LETMATHE		
Gross compensation	40,000	NA
Franck MOISON		
Gross compensation	50,000	20,000

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Summary table of compensation and options and shares granted to each executive corporate officer (Table 1 of the AMF Nomenclature)

(amounts in €)	**Year ended December 31, 2023**	Year ended December 31, 2022
Mr. Thierry Gadou, Chairman and CEO		
Remuneration due for the year (detailed in Table 2)	576,073	630,625
Valuation of multi-year variable remuneration awarded during the year	None	None
Valuation of options granted during the year	None	None
Valuation of bonus shares granted*	659,483	305,200
TOTAL	**1,235,556**	**912,654**

*Based on the valuation in the Group's consolidated financial statements (fiscal year ending December 31, 2023, excluding accounting spread).

Position of Mr. Thierry GADOU as Chairman and CEO during the 2023 fiscal year with regard to the AFEP-MEDEF Code (Table 11 of the AMF Nomenclature)

Executive director	Employment contract		Supplemental retirement plan		Allowances or benefits in case of termination or change of function		Allowances relating to a non-compete clause		Others (Insurance, etc.)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Thierry Gadou, Chairman and CEO		X		X		X (1)	X (2)		X (3)	

(1) Mr. Thierry GADOU's term of office as Chief Executive Officer was accompanied by a severance payment, which lapsed in April 2022 - this was not renewed in 2023 but will be renewed in April 2024. See section 3.4 below on "Agreements providing for compensation for members of the Board of Directors, if they resign or are dismissed without real and serious cause or if their employment is terminated in the event of a public offering (severance payment, golden parachutes)."

(2) A non-compete clause is tied to the term of office as CEO of Mr. Thierry GADOU. See section 3.4 below on "Agreements providing for compensation for members of the Board of Directors, if they resign or are dismissed without real and serious cause or if their employment is terminated in the event of a public offering (severance payment, golden parachutes)."

(3) Mr. Thierry GADOU's term of office as Chief Executive Officer is accompanied by unemployment insurance - affiliation to the GSC scheme.

Table of performance shares granted during the fiscal year to each executive corporate officer (Table 6 of the AMF Nomenclature)

Bonus shares allocated to each corporate officer

Beneficiary corporate officer	Plan number and date	Board meeting date	Number of shares granted	Valuation according to performance level, before corporate social contributions and accounting spread	Vesting date/ availability subject to performance conditions and presence	Performance conditions
Mr. Thierry GADOU	Tranche 2020		0			
	Tranche 2021	06/16/2021	4,000	185,200	06/16/2023	Revenue, net profit (loss), debt ratio, stock market price
	Tranche 2022	06/15/2022	4,000	305,200	06/15/2024	Revenue, net profit (loss), debt ratio, stock market price
	Tranche 2023	03/29/2023	8,000	659,483	03/29/2025	Revenue, VAS ratio, EBITDA, debt ratio, stock market price
TOTAL	**NA**		**0**	**1,149,883**	**NA**	**NA**

Performance shares allocated during the fiscal year to each executive corporate officer (Table 7 of the AMF Nomenclature)

Performance shares allocated to each corporate officer			
Performance shares that became available to each corporate officer	Plan number and date	Number of shares that became available during the fiscal year	Performance criteria
Mr. Thierry GADOU	Tranche 2021	4,000	Revenue, net result, debt ratio, stock price

History of performance share allocations (free shares) to corporate officers (Table 10 of the AMF Nomenclature)

Plans	**Plan 2023**	Plan 2022	Plan 2021
Date of the General Shareholders' Meeting	06/29/2020	06/29/2020	06/29/2020
Board meeting date	03/29/2023	06/15/2022	06/16/2021
Thierry GADOU (amount)	8,000	4,000	4,000
Total number of shares number allocated to corporate officers	6,771	4,000	4,000
End of retention period / delivery date	03/29/2025	06/15/2024	06/16/2023
Number of shares definitively allocated at er 12/31/ 2023	0	0	4,000
Cumulative number of shares canceled or lapsed at 12/31/2023	0	0	0
Remaining bonus shares at 12/31/2023	6,771	4,000	0

The performance criteria for the performance shares are detailed in section 7.7.

Table summarizing the remuneration of the executive corporate officer paid/granted during the fiscal year ended on December 31, 2023 subject to the approval of the shareholders at the GM of June 19, 2024 (in accordance with the provisions of Article L.22-10-34 II of the French Commercial Code)
(Table 2 of the AMF Nomenclature)

Name and position of the executive corporate officer	**Fiscal year 2023**		Fiscal year 2022	
Thierry GADOU	**Amount allocated for the fiscal year**	**Amount paid as remuneration for the previous fiscal year**	Amount allocated for the fiscal year	Amount paid as remuneration for the previous fiscal year
Fixed remuneration	360,000	360,000	360,000	340,000
Annual variable remuneration	186,641	247,454	247,454	196,985
Exceptional remuneration	0	0	0	85,000
Remuneration for their directorship	0	0	0	0
Benefits in kind	29,432	23,171	23,171	23,752
TOTAL	**576,073**	**630,625**	**630,625**	**645,737**

Resolution submitted to the approval of the Ordinary GM of Shareholders (Article L.22-10-34 II of the French Commercial Code)

The fixed, variable and exceptional components of the total remuneration and benefits of any kind paid/granted during 2023 to Mr. Thierry GADOU for his office as Chairman and CEO of the Company will be the subject of a resolution submitted to the approval of the GM of shareholders of June 19, 2024 (in application of Article L.22-10-34 II of the French Commercial Code).

The following resolution will therefore be submitted for approval to the OGM:

Approval of the fixed, variable and exceptional elements of the total remuneration and benefits of all kind paid/ granted during the 2023 fiscal year to Mr. Thierry Gadou, Chairman and CEO (in application of Article L.22-10-34 II of the French Commercial Code)

The GM, deliberating in accordance with the quorum and majority requirements for OGMs, having read the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in application of Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid/granted during the 2023 fiscal year or in respect of the same fiscal year to Mr. Thierry GADOU, by virtue of his office as Chairman and CEO of the Company, as they appear in the report on corporate governance (section 3.3.2).

3.3.3 Remuneration policy for fiscal year 2024

This chapter presents the remuneration policy applicable to corporate officers. It is divided in order to separately set out the remuneration policies applicable to the directors and the Chairman and CEO, respectively. The Board of Directors wished to submit two separate resolutions to the General Meeting of June 19, 2024.

3.3.3.1 Determining, reviewing and application of the remuneration policy for corporate officers

This report describes the remuneration policy for corporate officers established by the Board of Directors, based on the recommendations of the ESG, Nomination and Remuneration Committee, and submitted to the GM for voting (in accordance with Article L.22-10-8 I of the French Commercial Code.

The remuneration policy incorporates incentives that reflect the Group's strategy, which is focused on long-term profitable growth by acting responsibly, while respecting the corporate interest and the interests of all the stakeholders.

Remuneration must aim to promote the Company's performance and competitiveness, ensure its growth and achieve the strategic plan.

The remuneration policy thus contributes to the Company's strategy and sustainability while respecting the corporate interest.

The ESG, Nomination and Remuneration Committee reviews the remuneration policy every year. It may use studies of comparable companies since the Committee's rules of procedure authorize it to do so.

3.3.3.2 Directors' remuneration policy

The comparative analyzes of compensation carried out by an external service provider on a panel of SBF 120 companies as well as on a panel of comparable European companies, as well as the expected increase in the number of independent directors, clearly indicated the need for an overhaul of the compensation of VusionGroup's corporate officers. It is proposed to the GM of June 19, 2024 to set at €400k the total annual maximum amount of remuneration allocated to the directors, as remuneration for their work performed during the current fiscal year.

The following resolution will therefore be submitted for approval to the OGM:

Setting of the overall annual remuneration package for directors

The GM, deliberating in accordance with the quorum and majority requirements for OGMs, having read the report of the Board of Directors, resolves to set at **€400,000** the maximum annual remuneration for directors for their activities during the 2024 fiscal year (Article L.225-45 of the French Commercial Code). Distribution among the directors will be determined by the Board of Directors under the conditions provided for in Article L.22-10-8 I of the French Commercial Code.

In accordance with the provisions of Article L.22-10-14 of the French Commercial Code, this is the total amount and the Board of Directors will decide on its allocation.

At its meeting of April 23, 2024, the Board of Directors drew up this 2024 remuneration policy for directors in strict continuity with its previous decisions.

Indeed, this annual amount will be divided into a fixed portion and a variable portion based on the actual presence of the director at Board and various committee meetings.

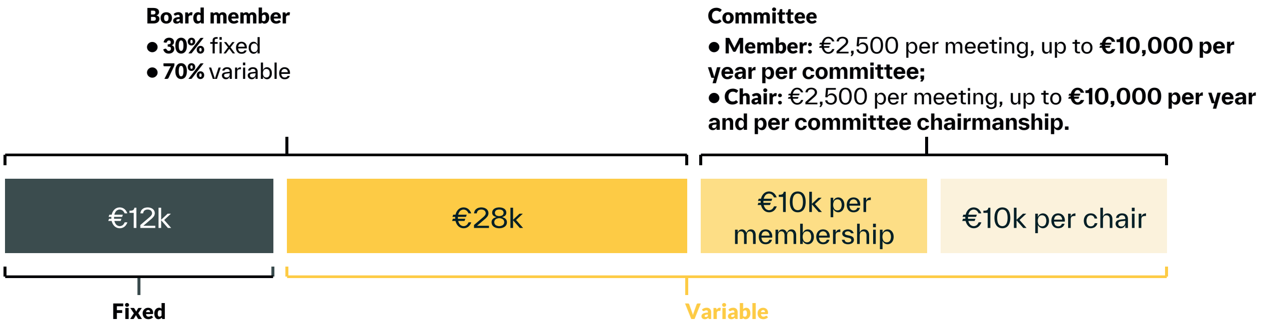
In accordance with the recommendations of the AFEP-MEDEF Code, this structure is established so that the variable portion accounts for the majority of the remuneration paid to directors.

Note that this policy only covers the remuneration of the independent board members for their work.

The Company cannot request that the directors return the variable portion of their remuneration.

If a director is nominated or their term of office renewed, the remuneration policy applicable to current directors will apply.

Compensation structure for 100% attendance



Resolution submitted to the approval of the Ordinary GM of Shareholders (Article L.22-10-34 II of the French Commercial Code)

In accordance with Article L.22-10-8 II of the French Commercial Code, this remuneration policy for 2024 described above is subject to the approval of the General Meeting of Shareholders of June 19, 2024.

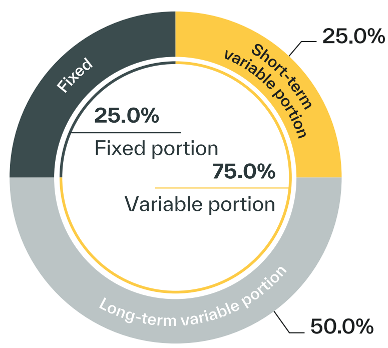
Approval of the policy on directors' fees for the 2024 fiscal year (in accordance with Article L.22-10-8 II of the French Commercial Code)

The General Meeting, deliberating in accordance with the quorum and majority requirements for OGMs, having read the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves the policy on directors' fees, as presented in the report on corporate governance (see section 3.3.3) (in accordance with Article L.22-10-8 II of the French Commercial Code).

3.3.3.3 Remuneration policy for the Chairman and CEO

	Included	Not included
Fixed remuneration	✓	
Annual variable remuneration	✓	
Long-term variable remuneration (performance shares*)	✓	
Exceptional remuneration	✓	
Severance payment	✓	
Non-compete compensation	✓	
Supplementary pension plan		×
Employment contract		×
Benefits in kind	✓	
Clawback clause		×

*Bonus share allocations



In accordance with the Company's corporate interest, the Chairman and CEO's overall remuneration includes a significant variable portion associated with annual targets:

- the purpose of the fixed portion is to recognize the importance and complexity of the responsibilities as well as the experience of the executive officer and executive corporate officer;
- the variable portion is subject to the achievement of specific and measurable objectives, directly related to the budgetary objectives and the strategic plan of the Vusion group. They are regularly communicated to the shareholders and include ESG criteria that directly participate in the Company's ESG strategy.

The Company refers to the AFEP-MEDEF recommendations on remuneration policy: the quantitative and qualitative criteria for the variable portion of the Chairman and CEO's remuneration are therefore precise and quantified in advance, in accordance with the Company's strategy.

The quantifiable and qualitative components of the variable portion of the remuneration paid to the Chairman and CEO and the Company's executives correspond to their responsibilities.

2024 remuneration

The comparative analyzes of remuneration carried out by an external service provider, on a panel of SBF 120 companies as well as on a panel of comparable European companies, clearly indicated the need for an overhaul of the remuneration of the Chairman and Chief Executive Officer of VusionGroup.

On April 23, 2024, the Board of Directors, on the recommendations of the Nomination and Remuneration

Committee, decided to set, so as to correspond to the median of the panel of companies studied:

a. the fixed portion of the Chairman and CEO's remuneration for the 2024 fiscal year at €400k,

b. and to set the variable portion of this remuneration at an equivalent amount of €400k, subject to the achievement of several performance criteria, as described in the table below.

- This variable remuneration is divided into financial objectives, quantitative in the amount of €280k and qualitative strategic objectives, in the amount of €120k respectively.
- Their assessment will depend on the achievement of defined objectives, with no possibility of over-performance (capped at 100% achievement rate).

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Indicators*	Weight	Amount if objective achieved
Quantitative (financial)	**in %**	**in €**
Revenues	15%	60,000
VAS (Value-Added Services) (ratio)	25%	100,000
EBITDA (ratio)	20%	80,000
Net debt/EBITDA (ratio)	10%	40,000
	70%	**280,000**
Qualitative (strategic and ESG)		
Continued development of the Walmart contract	5%	20,000
Internationalization of "In the Memory"	5%	20,000
Development of "Captana"	5%	20,000
Carbon intensity reduction	5%	20,000
CDP score	2%	8,000
Employee satisfaction	3%	12,000
Parity ratio (women managers)	5%	20,000
	30%	**120,000**
TOTAL VARIABLE QUANTITATIVE + QUALITATIVE BONUS	**100%**	**400,000**

* The definition of the EBITDA and net debt indicators is explained in section 5.1.4 "Main performance indicators" - In addition, these indicators correspond to the Group's consolidated financial statements.

Allocation of performance shares (free shares) - Tranche 2 of the Vusion 2027 Plan

The Board of Directors, on the recommendations of the ESG, Nomination and Remuneration Committee, decided that the Chairman and CEO would benefit from Tranche 2 of the performance shares plan authorized by the GM of June 23, 2023 (17th resolution). It authorized the allocation of performance shares to the Chairman and CEO so that the value of this allocation does not exceed the value of the annual remuneration (fixed and variable) of the Chairman and CEO, i.e. **€800,000.**

The conditions shall be the same as for all beneficiaries:

- a vesting period of two years between grant and vesting (with vesting in 2026);
- a condition of presence: obligation to retain the position of Chairman and CEO during the vesting period, except in the event of death, disability or retirement;
- moreover, the Chairman and CEO is bound by an obligation to retain, until the end of his term of office, a minimum of 20% of the shares allocated to him.

For more information on the performance criteria, see section 7.7.

Commitments made to the Chairman and CEO

The Chairman and CEO enjoys the benefits below, which were authorized by the Board of Directors and submitted for the approval of the Annual OGM of Shareholders:

- a severance payment for the termination of the duties of Chief Executive Officer: the latter, which has lapsed since March 2022, is subject to renewal in 2024, authorized by the Board of Directors on April 23, 2024 - Mr. Thierry Gadou may receive a severance payment at the termination of his corporate office (see also section 3.4);
- non-compete compensation: Mr. Thierry GADOU may receive non-compete compensation on termination of his corporate office (see also section 3.4);
- in compliance with AFEP-MEDEF recommendations, the combination of the severance payment and the non-compete payment is limited to a cap of two years of fixed + variable remuneration and is subject to performance conditions
- subscription to GSC corporate officer unemployment insurance;
- benefits in kind: as part of his duties, Mr. Thierry GADOU is provided with a company car.

Pension plan

None

The Chairman and CEO does not receive any remuneration for his office as director.

Non-concurrent employment contract and corporate office

The Company complies with this recommendation insofar as Mr. Thierry GADOU, as Chairman and CEO, does not have an employment contract. He was recruited as a corporate officer and CEO, before being co-opted as a director then nominated Chairman of the Company by the Board of Directors.

Use of the option to request the return of variable remuneration paid to both executive and non-executive corporate officers

NONE

Summary table of the 2024 remuneration components for the Chairman and CEO

Components of 2024 remuneration	Amount submitted to a vote	Explanation
Fixed remuneration	400,000	
Annual variable remuneration	400,000	The policy provides for a target annual variable remuneration of €400k. The variable portion is divided into two separate tranches, one quantitative (70%) and the other qualitative (30%).
Deferred variable remuneration	NA	No deferred variable remuneration
Multi-year variable remuneration	NA	No multi-year variable remuneration
Performance shares	800,000	Allocation within the framework of Tranche 1 of the bonus share plan implemented: authorization by the Extraordinary GM of June 23, 2023 (Resolution 17) as described above.
Director remuneration (the term replaces "Directors' fees")	-	Executive corporate officers do not receive any remuneration for their work as directors.
Benefits of any kind (value)	No change	Company car and GSC unemployment insurance
Severance payment for termination of the CEO after a change in control		The description of the severance payment is provided in section 3.4 "Agreements providing for remuneration for members of the Board of Directors" of the universal registration document. In accordance with the procedure for regulated agreements, the Board of Directors of April 23, 2024 authorized the renewal of this severance payment.
Non-compete compensation		The description of the non-compete compensation is provided in section 3.4 "Agreements providing for remuneration for members of the Board of Directors" of the universal registration document. In accordance with the procedure for regulated agreements, the shareholders approved this payment on March 1, 2012 (prior authorization by the Board of Directors on January 13, 2012).
Supplementary pension plan		None.

Resolution submitted to the approval of the Ordinary General Meeting of Shareholder (Article L.22-10-8 II of the French Commercial Code)

The remuneration policy for corporate officers for fiscal year 2024 described above is subject to the approval of the GM of Shareholders of June 19, 2024 (in application of Article L.22-10-8 II of the French Commercial Code).

Accordingly, the following resolution will be submitted for approval to the Ordinary General Meeting:

Approval of the remuneration policy for the Chairman and CEO for the 2024 fiscal year (Article L.22-10-8 II of the French Commercial Code)

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, having read the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-8 II, the remuneration policy for the Chairman and Chief Executive Officer, as presented in the report on corporate governance (see section 3.3.3).

Note: any fixed or variable component of remuneration that will be allocated during the 2024 fiscal year or in respect of the 2024 fiscal year is subject to approval by the Ordinary General Meeting of shareholders.

3.4 Information likely to have an impact in the event of a public offering

In accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we present the items likely to have a significant impact in the event of a public offering:

Structure of the share capital

The share capital of VusionGroup at December 31, 2023, amounting to €31,917,316, is divided into 15,958,658 fully paid-up shares, each of the same class and with a nominal value of €2 each.

The statutory restrictions imposed on exercising voting rights and transferring shares, or clauses of agreements brought to the attention of the Company (pursuant to Article L.233-11 of the French Commercial Code)

No clause in the Company's Articles of Association limits the free transfer of shares issued by the Company.

No agreement in force has been brought to the attention of the Company pursuant to Article L.233-11 of the French Commercial Code.

In addition, Article 9.4 of the Company's Articles of Association provides that any natural or legal person, acting alone or in concert, that comes to own or ceases to own, directly or indirectly through one or more companies in which it has a majority shareholding, an interest greater than or equal to 1% of the share capital and/or voting rights or a multiple of this percentage, is required to inform the Company of the total number of shares and voting rights and of securities granting access to the share capital or voting rights that it holds, within five trading days of crossing said threshold(s), by registered letter with acknowledgment of receipt sent to its registered office.

If they have not been declared in accordance with the conditions above, the shares or voting rights exceeding the fraction that should have been declared shall be deprived of voting rights at shareholders' meetings, if the failure to declare is confirmed and if one or more shareholders holding at least 1% of the share capital formally requests it (request recorded in the minutes of the GM). The above provisions apply without prejudice to the declarations of crossing of the thresholds provided for by the legal or regulatory provisions in force.

Direct or indirect equity interest in the Company's share capital of which the Company is aware (pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code [significant or the Company's own equity interest])

Apart from those mentioned in the table breaking down the share capital in the section "Shareholdings and information on the share capital" of the management report, the Company is not aware, pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code, of other shareholders with more than 1% of its share capital or voting rights.

The list of holders of any security with special ownership rights and their description (particularly the result of preference shares)

The shares issued by the Company give the right to vote and to be represented at the GMs of shareholders under the conditions set by law. Article 9.3 of the Company's Articles of Association states that the EGM of May 21, 2014 decided (in its 18th resolution) not to grant double voting rights (as instituted by Law 2014-384 of March 29, 2014) to holders of shares referred to in the Article L.225-123, paragraph 3 of the French Commercial Code. No share carries special control rights.

The ownership mechanisms provided for in a possible employee shareholding system when they fail to exercise their ownership rights (for example employee shareholding funds [e.g., FCPE])

NONE

Agreements between shareholders of which the Company is aware and that could result in restrictions on share transfers and the exercise of voting rights (shareholder agreements)

NONE

Rules relating to the nomination and replacement of members of the Board of Directors and the amendment of the Company's Articles of Association

Members of the Board of Directors

General provisions

According to its Articles of Association, the Company is managed by a Board of Directors composed of at least three members and at most eighteen members, subject to the exemption provided for by law in the event of a merger (Article L.225-95 of the French Commercial Code). The Company's Articles of Association do not impose any obligation to hold shares in order to be a director.

The term of office of directors is three (3) years. They end at the end of the OGM called to approve the financial statements for the previous fiscal year and held in the year in which their term of office expires.

Article 11.1 of the Company's Articles of Association states that during the life of the Company, directors are nominated, renewed or dismissed by the OGM. They are always eligible for re-election.

If one or more directorships become vacant due to death or resignation, the Board of Directors may, between two GMs, make provisional nominations under the conditions provided for by law. Provisional nominations are subject to ratification at the next General Meeting.

A director nominated to replace another director shall only exercise their duties for the remainder of their predecessor's term of office.

Director representing employee shareholders

Article 11.1 of the Company's Articles of Association also specifies that in accordance with Article L.225-23 of the French Commercial Code, when the share of the capital held within the framework provided for by the provisions of Article L.225-102 of the French Commercial Code by the employees of the Company and its related companies within the meaning of Article L.225-180 of the aforementioned Code, represents more than 3%, a director representing the employee shareholders is elected by the OGM according to the terms and conditions laid down by the regulations in force and by these Articles of Association.

Candidates for the position of employee shareholder director are nominated under the following conditions:

- when the voting rights attached to shares held by employees or by the mutual funds of which they are members are exercised by the members of the Supervisory Board of these mutual funds, the candidates are nominated from among its members by this Board;
- when the voting rights attached to shares held by employees (or by the mutual funds of which they are members) are directly exercised by these employees, the candidates are nominated during the consultation provided for in Article L.225-106 of the French Commercial Code, either by the employee shareholders specially convened for this purpose, or through a written consultation. Only candidates submitted by a group of shareholders representing at least 5% of the shares held by employees who exercise their voting rights individually are admissible.

The Chairman of the Board of Directors decides on the procedures for nominating candidates not defined by the legal and regulatory provisions in force or by these Articles of Association (in particular, the timetable for the nomination of candidates).

A list of all validly nominated candidates is drawn up (at least two names). It is appended to the notice of meeting of the GM of Shareholders called to nominate the director representing employee shareholders.

The director representing employee shareholders is elected by the OGM under the conditions applicable to any nomination of a director, on the proposal of the shareholders referred to in Article L.225-102 of the French Commercial Code. The Board of Directors presents the list of candidates in order of preference to the GM and can approve the first candidate on this list. The candidate who obtains the greatest number of votes from the shareholders present or represented at the OGM will be nominated as director representing employee shareholders.

The determination of the maximum number of directors provided for by Article L.225-17 of the French Commercial Code does not take into account the director representing employee shareholders.

The term of office of the director representing employee shareholders is three years. However, their term of office ends automatically and the director representing employee shareholders is automatically deemed to have resigned in the event they are no longer an employee of the Company (or of a related company or economic interest group within the meaning of Article L.225-180 of the French Commercial Code), or a shareholder (or member of a mutual fund, the assets of which are composed of at least 90% of the Company's shares). Until the date of nomination or replacement of the director representing employee shareholders, the Board of Directors may meet and validly deliberate.

In the event of a vacancy in the position of director representing employee shareholders for any reason whatsoever, they shall be replaced under the conditions set out above. This director is nominated by the OGM for a further period of three years.

The provisions relating to the director representing employee shareholders will cease to apply when, at the end of a fiscal year, the percentage of capital held by the employees of the Company and related companies, within the meaning of Article L.225-180 mentioned above, within the framework provided for by the provisions of the aforementioned Article L.225-102, represents less than 3% of the share capital, (it being specified that the term of office of any director nominated in accordance with the sixth paragraph will end at the end of their term of office).

Amendment of the Articles of Association

The Company's Articles of Association (Article 16) conventionally state that "EGMs are those called to decide on or authorize direct or indirect amendments to the Articles of Association".

Article 24 of the Company's Articles of Association specifies that the Extraordinary General Meeting may only validly deliberate if the shareholders present or represented hold at least one-quarter of the shares with voting rights on the first notice of meeting and, on the second notice, one-fifth of the shares with voting rights.

In the absence of the latter quorum, the second meeting may be extended to a date no later than one month after the date on which it was convened.

The EGM rules by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders having voted remotely.

Powers given to the Board of Directors, in particular regarding share issues and buybacks

The powers (delegations of authority and powers) as of December 31, 2023 are detailed in the table of delegations of authority and powers. They are likely to have an influence in the event of a public offering, in particular given the fact that they enable the Board of Directors to issue new shares or marketable securities giving access to the share capital.

Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, except in the event of a legal obligation to disclose, and which would seriously harm its interests (including clauses in commercial and financial contracts)

The terms of the "Euro PP" bonds in the amount of €40 million issued in December 2023 (the "Bonds") provide for the early redemption of the Bonds, at the option of each holder, in the event of a change in control of the Company.

The terms and conditions of the €10 million bond issue entered into on July 22, 2019, provide for the early redemption of the Bonds, at the option of each holder, in the event of a change in control of the Company.

The €150 million syndicated bank loan composed of (i) an amortizing loan of €90 million and (ii) a revolving credit facility (RCF) of €60 million provides for early repayment in the event of a change in control.

The State-guaranteed loan (PGE) of €30 million signed in 2020 also provides for early repayment at the option of the lenders, CIC, and BNP Paribas, in the event of a change of control of the company.

Agreements providing for compensation for members of the Board of Directors, if they resign or are dismissed without real or serious cause or if their employment terminated in the event of a public offering (severance payments, golden parachutes)

Mr. Thierry GADOU

- In compliance with AFEP-MEDEF recommendations, the combination of the severance payment and the non-compete payment is limited to a cap of two years of fixed + variable remuneration and is subject to performance conditions.

Severance payment

In the event of termination of his duties as CEO, Mr. Thierry GADOU is entitled to a contractual severance payment. Its terms and conditions will be approved by the General Meeting of June 19, 2024.

This severance payment would be due only if all of the following conditions are met:

- event triggering the right to severance payment: termination of office as Chief Executive Officer of VusionGroup in the event of dismissal (except for serious or gross misconduct) or resignation occurring within six months of a change in control of VusionGroup;
- amount of compensation: lump-sum compensation of a gross nominal amount equal to 18 months of fixed and variable compensation;
- performance condition for the severance payment: this condition is met if at least 75% of the bonus for the year preceding that of the termination of the duties of CEO, are met.

A "Change in Control" refers to the acquisition by a third party of at least 40% of VusionGroup's capital, either on or off the market, or the issue or completion of a public offering of VusionGroup's shares.

Non-compete clause

If Mr. Thierry GADOU ceases to hold his office as CEO for any reason whatsoever, he must comply with a non-compete clause. He may not:

- work for a company with a competing activity;
- exercise or take an interest, directly or indirectly, or in any form whatsoever (in particular, as a self-employed person or as a shareholder holding more than 3% of the share capital or voting rights), in a competing activity;
- exercise or take an interest, directly or indirectly, in any form whatsoever, or invest, in any form whatsoever (in particular, as a shareholder) in the Pricer or ZBD companies;
- solicit or poach or seek to poach any person who is or has been employed by VusionGroup or one of its subsidiaries in the previous twelve months, in order to use the knowledge or the skills of this person for the benefit of a natural or legal person whose activities are in competition with those of VusionGroup.

Competing activity means any activity related to the design, marketing, sales or installation of electronic labeling systems.

This non-compete obligation applies to the following countries; France, Belgium, Italy, Germany, Denmark, Spain, the United Kingdom, Switzerland, Hungary, Romania, Poland, Sweden, Brazil, Mexico, Argentina, Canada, the United States and South Africa.

The clause is limited to one year from the end of his term as CEO of the Company. At the end of this one-year period, VusionGroup could renew this ban for another year. This renewal would be notified by registered letter with acknowledgment of receipt or delivered by hand against receipt no later than 60 calendar days before the initial term of the non-compete obligation expires.

In return for the non-compete obligation, after the effective termination of his term of office as CEO of VusionGroup and for the duration of this ban, he will receive a special monthly lump-sum payment equal to 50% of his gross monthly fixed compensation.

This special compensation will be paid by bank transfer at the end of each month for the duration of the non-compete obligation; it will be subject to social security contributions.

Any infringement of this non-compete clause would authorize VusionGroup to put an end to the breach or infringement in question, and "to order, under penalty", the end of the forbidden competition. This measure is in addition to any damages or interest to which VusionGroup would be entitled to in this case.

Likewise, any breach of the non-compete obligation would release VusionGroup SA from paying the special compensation. In this case, Mr. Thierry GADOU would be required to repay all amounts received with interest at the legal rate from the notice of immediate termination of the competitive activity. This would be in addition to any damages or interest to which it would be entitled.

VusionGroup SA may release Mr. Thierry GADOU from the ban on competition at the end of his term as CEO of VusionGroup. In this case, the compensation will not be due. This waiver must be notified by registered letter with acknowledgment of receipt or delivered by hand against receipt within eight calendar days following the date on which notice is given to Mr. Thierry GADOU of the end of his term of office as CEO of VusionGroup.

4

ESG Report

4.1 A Word from the Chairman

Technology for Positive Retail

Thierry GADOU

Chairman & CEO
VusionGroup

2023 was the year of significant progress in our ESG policy[1]. We continued to reduce our carbon intensity and formalized the objectives of our carbon emissions reduction trajectory by 2030, in line with the Paris Agreement, and in respect of the SBTi[2] international methodological reference framework. Our R&D strategy[3] continues to focus on the objectives of our Positive Retail roadmap, with solutions that help our customers to develop local, fast, and low-carbon e-commerce through the modernization of their stores, reduce food waste, and optimize inventory monitoring, promote responsible consumption through better consumer information at points of sale, contribute to local jobs with higher added value and to the anchoring of digital technology in the regions through the modernization of physical retail.

We are aware that the real strength of our Group lies in our nearly 850 employees of 40 nationalities and are convinced that motivation is the first driver of performance. As such, we have continued to foster an exciting, motivating, and fulfilling work environment. We have taken our commitment to employee shareholding even further by extending our performance share plan to all categories of employees.

And we are continuing to work towards our goal of gender parity in our workforce (33%) and within managerial positions (28%), but despite our determination, we are still too far away from our goals. Actions to help VusionGroup become a gender-balanced company are underway: 34% of new hires are women and 49% of managers under the age of 35 are women. Beyond the fundamental argument of equity, this objective of parity is also one of the current and future levers for improving the Company's performance.

The progress of all these human capital development policies is measured in practice by the increase in 2023 in the satisfaction indices of our employees and our high level of talent retention, including in the R&D workforce which is generally very coveted and therefore at risk and which represent 30% of the VusionGroup's employees.

(1) ESG: environmental, Social, Governance
(2) SBTi: Science Based Targets initiative
(3) R&D: Research & development

Our shared purpose

VusionGroup invents IoT and digital technologies that create a positive impact on society by enabling sustainable and human-centered commerce.

Enabling the new world of unified sustainable retail

We are convinced that digitizing physical retail can contribute to sustainability in the world.

Retail is the leading private sector employer (15% of jobs) and the leading economic sector in the world (~20% of global GDP[(4)]). It is associated with major societal and environmental issues: employment, waste, health, food safety, responsible consumption, CO_2 emissions[(5)] (product mix and origins, logistics, packaging, warehouse construction, energy, last mile…) as well as social well-being in cities and communities.

It is, however, a sector under economic pressure, as physical retail (over 80% of total retail) is challenged by rapidly shifting consumer behavior towards different sales channels, particularly digital (e-commerce), increasing labor costs, unfavorable tax policies (*vs.* e-commerce), eroding margins and market capitalization, hindering the reinvestment needed to transform physical stores.

The social and environmental risks of the current retail evolution are multiple:

- strong and continuous growth (15 to 20%/year) in e-commerce which can lead to a market share of 40% at the detriment of physical stores[(6)] - this is already the case in China;
- the current acceleration of the "warehouse" (direct-to-consumer delivery from the warehouse) e-commerce model may continue to weaken brick & mortar retailers, cause more store closures around the world and lead to major negative repercussions on employment, communities, social well-being, equality of access to essential goods and the marketing of local products;
- in terms of carbon impact, this development model will lead to the accelerated construction of millions of m^2 of automated warehouses. This massive construction of new infrastructure could lead to the emission of several million tons of CO_2 over the next 5-10 years.
- therefore, the current evolution of retail carry substantial environmental and social risks that, surprisingly, are not at the heart of current discussions on sustainable development and appear as a "blind spot" in the debate.

A more sustainable and responsible retail development model exists

Millions of physical stores (20 million) already exist, putting essential consumer goods within easy reach of consumers every day. Digitalization could revitalize these "stranded" assets and turn physical stores into very efficient omnichannel ("phygital" i.e. physical and digital) and local e-commerce tools, offering a low carbon, high quality service to all customers thanks to in-store order preparation (express local delivery or quick click & collect pick-up).

With our technology (Cloud, IoT, image recognition, AI[(7)], big data), many visionary retailers are pioneering this unified model, towards more sustainable and positive retail development in terms of service quality, local employment and social links.

A convergence scenario such as the "physical e-commerce" scenario would have multiple positive impacts:

- contributing to the Paris Agreement through "physical e-commerce" with a lower carbon impact;
- protecting jobs and communities by stemming the tide of store closures;
- protecting the environment by avoiding the creation of e-commerce order picking centers and the procession of carbon emissions caused by the artificialization of the soil and the robotic equipment necessary for their operation;
- fostering lower carbon and positive local-for-local production and consumption patterns;
- enabling better collaboration between manufacturers and retailers through the availability and sharing of real-time in-store inventory data;
- harnessing the potential of on-shelf marketing and digital communication to create new sources of revenue for retailers, ensuring the long-term sustainability of physical stores while reducing the paper consumption linked to the massive production of coupons and catalogs.

Time is of the essence: any delay in the digital transformation of physical retail increases the likelihood of environmental and social risks associated with the *status quo* and current developments.

(4) GDP: Gross domestic product
(5) CO_2: carbon dioxide
(6) E-Commerce Poised to Capture 41% of Global Retail Sales by 2027 — Up from Just 18% in 2017. https://www.bcg.com/press/31october2023-ecommerce-global-retail-sales
(7) AI: Artificial intelligence

1 2 3 4 5 6 7 8 9

Continuation of the Positive Commerce Research Program, a worldwide study

Accelerating such a positive development of retail requires many decision makers (public & tax policy makers, investors, analysts, CEOs of the CPG-retail[8] ecosystems, etc.) to become aware and convinced about the opportunity of creating positive shared value by revitalizing physical stores through technology.

Research and knowledge is currently missing around the stakes, risks and opportunities related to retail's future development. The subject requires more visibility and knowledge-building efforts.

This is why, as part our roadmap for Positive Commerce launched in 2019 under the supervision of our ESG governing bodies, we have decided to launch a series of projects addressing the role of digitization in the revitalization of retail and its potential positive societal and environmental impact.

We have mobilized a number of major corporations with which to partner and contribute to this research (Qualcomm, Microsoft, McKinsey) and have become a partner of the World Economic Forum's Future of Consumption Platform in order to share and promote progress and conclusions.

The objectives of the research program are:

- raise global awareness on the importance of Retail in terms of the environmental and social impact;
- analyze the various possible future retail development scenarios with regard to their respective social and environmental impacts;
- positively influence economic and political decision-makers to build a more sustainable business in the coming years: VusionGroup participation in the CGF Sustainability Summit in Copenhagen and Davos 2023.

VusionGroup also took part in COP28[9] in Dubai in 2023. By highlighting the VusionGroup x HowGood partnership (developed in section 4.4.1), transparency for the consumer was in the spotlight.

Vusion x HowGood x Majid Al Futtaim partnership during COP28

3 badges tested on 2,500 Vusion labels deployed

We were delighted to showcase our partnership with HowGood and Majid Al Futtaim during COP28, providing new information on product sustainability to Carrefour consumers. We want to offer our unique value proposition to more customers using our VusionCloud solution, as our goal is to create a positive impact on society while promoting sustainable and people-centric retail."

Roy Horgan
SEVP Strategy, Marketing & Communications

(8) CPG: consumer packaged goods
(9) COP: Conference of the Parties

Extra-financial performance, ESG: achievements in 2023

2023 has been a very active year in advancing our ESG strategy. All achievements are detailed in the table below:

		Report section
ENVIRONMENT	• Launch of EdgeSense, our range of low-carbon solutions; • Obtaining an EcoVadis Platinum rating (for the second consecutive year) with a score of 90/100 on the environmental component; • Obtaining a B rating from the Carbon Disclosure Project (CDP), which demonstrates an advanced maturity in terms of environmental strategy; • ISO 14001 certification of our environmental management system in 2023 with validity until 2026; • Use of the Science-Based Targets initiative (SBTi) to measure our progress in reducing carbon intensity in particular. In 2023 we signed SBTi's letter of commitment and began to develop the plan to reduce our carbon footprint. These reduction targets in absolute terms for Scopes 1 and 2 and in intensity for Scope 3, will be submitted to SBTi in 2024 for validation; • Continuing our "Second Life" program including the eco-design and repairability of our products and the extension of the geographical coverage of our sorting and recycling centers; • Defining several use cases of our solutions with some of our customers in order to assess avoided emissions and/or a reduction in food waste and/or better information for consumers, for example; • Active member of the "Net Zero Initiative" working group, led by Carbone 4, bringing together major digital players to work towards a carbon-neutral economy;	4.3 and 4.4.1
SOCIETAL	• Audit of our supply chain in terms of ethics, raw material purchasing ("conflict minerals"), and occupational safety; • Renewal validated for the third year of our commitment to the United Nations Global Compact; • Achievement of the EcoVadis Platinum medal for the second consecutive year after receiving a silver medal in 2020, a gold medal in 2021, and a platinum medal in 2022 - we were placed among the "top 1%" of companies audited by EcoVadis, with a score of 80/100 in social and societal matters; • First philanthropic actions;	4.2.4 and 4.5
SOCIAL	• Continuation of the diversity program and signature of the Diversity Charter; • Implementation of benefits to facilitate parenting internationally (flexibility at work, additional days of leave, extended and paid leave, etc.); • Significant progress on our employee satisfaction survey (E-NPS);	4.5.3

GOVERNANCE	• Our Board of Directors currently includes 50% women and 50% independent directors;
	• Creation of a third Board Committee: Strategy and ESG Committee;
	• Formalization of our governance policies (the text of which is available on our website www.vusion.com):
	  • Development of the policy prohibiting the financing of political parties and advocacy groups;
	  • Renewing the commitment of our suppliers and employees to our Codes of Ethics and Conduct;
	  • Monitoring of declarations of potential conflicts of interest and whistleblowing;
	• Participation in COP28 (Conference of the Parties) to promote more informed consumption.
		4.2.4 and 4.5

1 2 3 4 5 6 7 8 9

4.2 Market and challenges

GRI Code	Topic	SDG	Topic
2-6	Activities, value chain and other business relationships	11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities

The Retail Sector: An economic model in transition

Physical retail is the world's largest economic sector. It is critically important to the vitality of our societies, our cities, and our lives. However, it is a sector under pressure: inflation, rising energy and personnel costs, stagnant consumption, price wars, online competition, declining market capitalization, changes in the behavior of consumers who aspire to greater transparency and quality, etc.

Conversely, e-commerce is experiencing dynamic growth - a CAGR (compound annual growth rate) estimated at 20% worldwide over the last seven years - and is virtually the only source of growth for global retail sales. Despite this growth in e-commerce and the pressure it exerts, physical retail still carries the bulk of transactions (80%). But the line between physical and digital is becoming blurred. The largest global retailers are thus pushing forward with their strategies towards a homogeneous omnichannel model. Retailers are striving to offer consumers the best of both worlds: the agility of e-commerce and the expression of the five senses of the store. There are now multiple purchasing paths: online ordering, home delivery from the store, drive, click & collect, traditional purchases at the point of sale, etc.

To support these profound changes and the associated challenges (transparency, uniformity, and synchronization of information available on all channels), it is necessary to integrate certain technologies and contribute to improving efficiency, profitability, and sustainability and the overall consumer experience.

It is within this context that VusionGroup invents and produces solutions for retailers, thus stimulating their digital transformation in response to their problems.

4.2.1 Our Business Model

GRI Code	Topic	SDG	Topic
2-6	Activities, value chain and other business relationships	11 Sustainable cities and communities	Sustainable cities and communities
2-29	Approach to stakeholder engagement		

VusionGroup is the partner of retailers in the use of digital technologies in stores: the Group has developed a complete digital IoT platform that allows retailers to connect and digitize their points of sale, automate low value-added processes, better understand, inform, and serve customers, produce quality information to optimize shelf life at all times, avoid disruptions and waste, and create an omnichannel service that builds loyalty and is adapted to new consumer expectations.

Commerce is a retail business, where performance comes from the ability to have quality information in-store at all times to act with precision, to automate all tasks that can be automated and thus maximize the added value of each employee serving customers who no longer want to choose between in-store consumption (80% of transactions, 20% of global GDP) and the convenience and practicality of the Internet. Today, retailers must offer the best of both worlds, digital and physical, combined in a unified service. This convergence is at the heart of the digital transformation of retail. Revitalized by digital technology, physical points of sale are entering a new era by becoming:

a. ultra-efficient assets thanks to operational data, the automation of low value-added processes and the focus of personnel on customer service and perfect shelf-keeping;

b. connected and interactive environments able to better identify, know, serve and communicate with customers.

Our business model shown on the next double page describes the assets and the know-how that we produce and exploit in order to offer solutions for physical retail, whose impact is humanly and societally positive.

"VusionGroup has set itself the mission of transforming our business model by focusing on long-term challenges: well beyond simple compliance, the company is constantly examining its contribution to its sector and its stakeholders, fully aware that financial, social, societal, and environmental performance go hand in hand. The stability and good health of the ecosystem as a whole will allow not just a few incremental changes but the profound change required to meet the objectives of the various time horizons to which the Group, its customers, its suppliers and its partners must respond."

Pascale Dubreuil
EVP ESG

VusionGroup's business model

Our purpose: we invent IoT solutions which by enabling

Macroeconomic context and market trends

- Physical retail is the largest private employer in the world, but it is currently under significant economic and social pressure.

Resources: Retail digitalization facilitators

Employees

- 847 employees, including 30% in R&D
- Diversity of workforce
- 28% female managers
- High level of commitment from senior executives

Expertise

- 32 years of leadership in the digitization of retail
- State-of-the-art technology
- Eco-design and recyclability of solutions (ESL)
- Long experience in innovation

Intellectual property

- 700+ active patents
- 137 active patent families
- Low-energy IoT is a research priority for the Group

Solid partnerships with high added value

- Manufacturing: strategic partnership with BOE, E Ink, Qualcomm, Jabil
- Technology platforms: global leaders (Microsoft Azure, Cisco Meraki, etc.)
- Sustainable development: Carbone 4, HowGood, Smartway

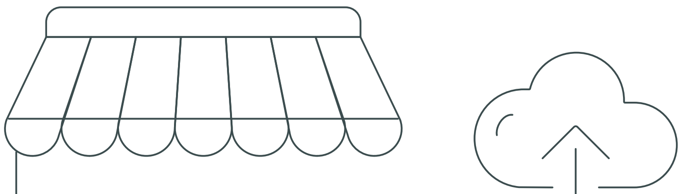
International presence

- Global leader - 18 entities worldwide
- Main markets in Europe, the Middle East, and North America

How we create value: by contributing to the

Working for positive retail: the Vusion platform, at the heart of our innovation

Protect the environment and local employment by making the digital transformation of retail profitable, low carbon and sustainable



- **SESimagotag:** low-carbon connected IoT devices
- **VusionCloud:** IoT platform
- **Captana:** AI/computer vision
- **Engage:** In-Store Retail Media
- **Memory:** analysis and modeling tool
- **PDidigital:** connected IoT devices for industry

Strategic priorities for

- **Positive impact** and quantifiable contribution to low-carbon and socially beneficial retail
- **Growth and Leadership:** continue to be the world leader in ESL and the digitization of physical retail
- **Customer-centric culture,** delivering exceptional value through VusionGroup's digitized operations that boost the profitability of physical retail

1 2 3 4 5 6 7 8 9

create a positive impact on society sustainable and human-centered retail

- The digitization of retail - transforming physical stores into digital assets - will enable sustainable growth in step with societal evolution

sustainability of physical retail through digitization

Knowledge

- **More than 32 years** of international experience in the design of electronic and digital solutions for physical retail
- An extensive international presence able to meet the needs of global retailers in all their markets
- A personalized offer that adapts to the requirements of each market
- An in-depth understanding of digital tools, from their creation to their use, to improve in-store operational efficiency
- An ability to engage consumers in real time thanks to their *insights* in store

Procurement

- Leverage our partnerships to create a strategic and competitive supply chain
- Risk mitigation through the reliability and diversification of our supply chain
- Adoption of best governance practices to promote ethical and sustainable supply chains

implement the Vusion 27 plan

G1	C1	VAS	TOP	ESG
Growth & Leadership	Custome r-centric action	Software & Value-Added Services	Operational performance	Positive impact

Value created by the digitization of physical retail

Employees

Work environment and culture promoting value creation while ensuring employee well-being and equal opportunities

- 33% of employees participate in the long-term incentive program based on participation in the company's capital
- ENPS employees = 40 in H2 2023

Retailers and companies in the CPG sector

- Increased revenue through reduction of stock-outs, optimization of Category Management and increased consumer engagement
- Increased operational efficiency of physical stores, resulting in higher operating margins
- Increase in NPS (66 in 2023 vs. 55 in 2022)

Consumers, communities, and society

- Easily available and accurate pricing and product information (400 million smart labels in stores)
- Engagement with stores and companies in the mass market sector
- Maintain social ties and connections between people
- Tools to reduce food waste (1 metric ton of emissions avoided per month with Flash Evo at Kavanagh's)

Suppliers

- Responsible and sustainable supply chain (98.2% of industrial purchases covered by our code of conduct)
- Transparency (exploitation of conflict minerals, human rights, etc.)
- Long-standing suppliers and multi-year contracts

Shareholders

- TCAC[(1)] of revenue over 10 years up by 30%
- Share price assessment **over three years:** 213% (end of 2020 to end of 2023)

Planet

- Decarbonization of physical retail
- Avoided emissions through "local" e-commerce and in-store order preparation, limiting the construction of new warehouses
- Low-carbon solutions: Cloud, Infraless, EdgeSense (-48% CO^2e)[(2)]
- Circularity: "2nd Life ESL " program (1.9 million labels recycled in 2023).

(1) Compound annual growth rate
(2) Considering Vusion HF vs. EdgeSense 120cm - 7 V300 Series Tags vs. 7 ES Tags per rail. Lifetime expectancy of 7 years, no battery replacement, no second life

4.2.2 ESG strategy: the roadmap for positive retail

The solutions developed by VusionGroup help retailers transform their physical stores into true digital assets that are highly automated, data-driven and connected in real time to brands and consumers. The customer experience is greatly improved, sticking points are avoided and the store regains its key role in society. This transformation towards positive retail cannot be achieved without social and environmental objectives, as discussed below.

GRI Code	Topic	SDG	Topic
2-16	Communication of critical concerns	11 Sustainable cities and communities	Sustainable cities and communities
2-22	Statement on sustainable development strategy		

For a digital transformation toward more human-centered retail

The store serving people and society

The growth in online sales is such that it is estimated that e-commerce could account for more than 40% of total sales in the retail sector by 2027, according to the Boston Consulting Group[10], compared to 20% today. This scenario would require the construction of millions of m^2 of distribution warehouses, with a significant increase in CO_2 emissions.

However, there is another solution: physical stores represent the ideal local logistics network to serve this growth while being the best response in terms of impact on the environment, employment, and society. There are 20 million stores worldwide, i.e. one store for every 400 inhabitants. VusionGroup's objective is to preserve the existence of these stores because:

- they do not require any new construction of highly carbon-emitting warehouses;
- they represent 15% of jobs on the planet: retail is the largest private employer in the world. By supporting physical stores, each person's role is also preserved;
- they often represent the hub of cities and are essential for maintaining strong social ties. They may even represent a place for identity construction[11];
- they are by far the most efficient distribution channel in terms of conversion and traffic;
- they offer a real sensory experience that will never be equaled by e-commerce;
- they make it possible to avoid the systematic and intensive use of online sales deliveries, particularly in urban areas, which result in a substantial increase in the number of delivery vehicles, their related emissions and road congestion[12].

However, their preservation will only be made possible by digitizing the point of sale to increase profitability and sustainability, and enable them to evolve with society.

We need to capitalize on both the proximity and the advantages of the physical point of sale as well as the acquisition of internet-related services thanks to technologies (localization of products, pick-to-light, continuous monitoring of inventories, etc.). We also need to respond to the new behaviors of consumers, who no longer want their online or offline experience to be interrupted.

This digitization of the point of sale has a positive impact on in-store staff. For example, technology and digital solutions reduce the drudgery of tasks, reduce stress, and offer the opportunity to focus on more rewarding tasks. Friction points can be mitigated or even eliminated through better customer service.

By digitizing points of sale, retailers also give their teams access to cutting-edge technologies such as artificial intelligence, Computer Vision and very large-scale data analysis. For a store, being up to date in terms of innovation will offer its employees continuous training on new technologies, which are popular today.

It is in the retail sector, among other places, that great stories are born: social mobility is often valued, there are many potential positions and great career developments are possible.

Contribution to the decarbonization of retail

Decarbonizing our solutions

Our IoT technology has always been eco-designed. Our labels are designed to be repaired, disassembled, and recycled. Everything we put on the market is also energy efficient: we are constantly striving to reduce our energy consumption and redesign our IoT solutions so that they can, eventually, run without a battery.

(10) e-Commerce Poised to Capture 41% of Global Retail Sales by 2027 – Up from Just 18% in 2017. https://www.bcg.com/press/31october2023-ecommerce-global-retail-sales.
(11) https://www.ecommercemag.fr/Thematique/retail-1220/Breves/magasin-est-lieu-construction-identitaire-Vincent-Chabault-351678.htm
(12) https://www3.weforum.org/docs/WEF_Future_of_the_last_mile_ecosystem.pdf

Based on the carbon footprint of a store equipped with old traditional labels (CO_2 equivalent calculated according to the GHG Protocol[13]), the infographic below symbolizes current and future decarbonization steps, such as:

- Serverless switching in stores, i.e. in the "Cloud";
- Technological partnerships enabling us to integrate our radio frequencies into "access points" already present in stores for other uses (e.g., internet), thus eliminating the need for cabling and additional access points;
- The growth of our "second life ESL" program to extend the life of our labels to promote a circular economy.
- More sustainable "new generation" labels thanks to the elimination or reduction of the number of batteries included in each of our ESLs, the use of more sustainable materials such as recycled plastic rails, etc.

Contributing to the decarbonization of retail through our solutions

The solutions we provide to our customers can contribute to reducing their carbon footprint through several levers:

- Local e-commerce: we are digitizing the physical store to create micro-distribution/shipping centers and thus avoid the construction of order preparation warehouses.
- Better inventory management and supplier traceability: the data created and acquired through the use of our solutions contribute to better forecasting of demand (less last-minute supplies, less food waste, etc.).
- Paperless retail: the gradual discontinuation of receipts, paper advertising at the point of sale, and catalog promotions. Our various solutions make it possible to convey just as much information to the consumer without the need for print-outs and the use of ink, paper, and printers.
- Greater transparency for the consumer: ESLs also enable the retailer to better inform customers and support more responsible consumption.
- Reduction of food waste: better shelf management optimizes inventory forecasts and sales, and directly reduces food waste. It is now possible to adjust prices, promotions, or product placement when they reach the end of their life.

Quantifying our initiatives

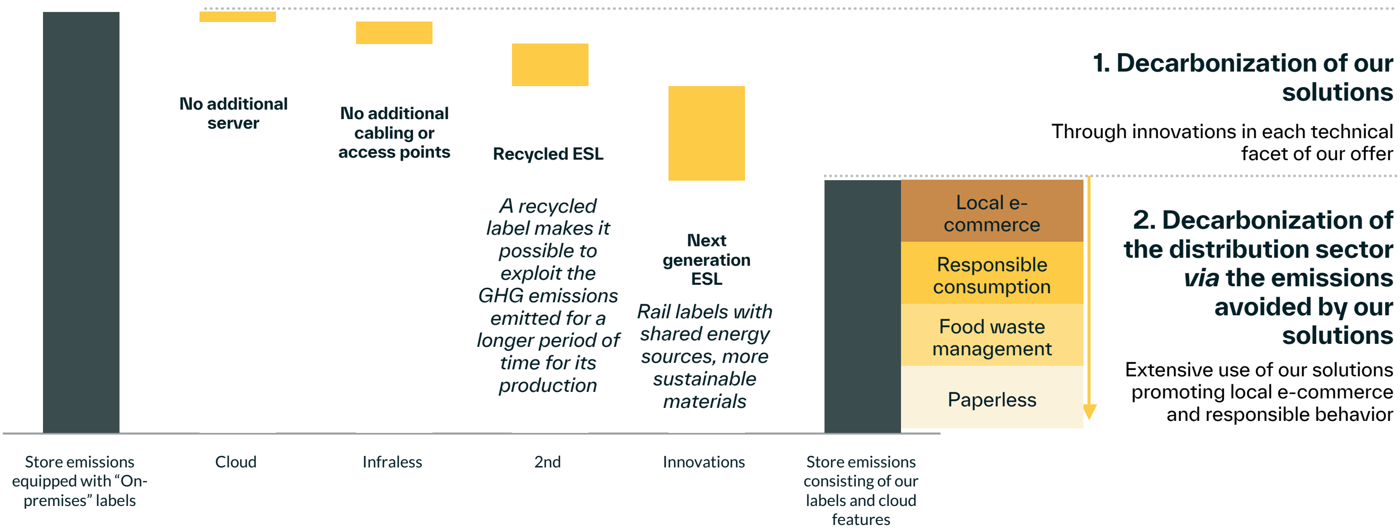
Our decarbonization ambitions must be quantified. To do this, in 2022, we developed a comprehensive modeling of our GHG (greenhouse gas) emissions, to then define our carbon intensity objectives to contribute to the achievement of the objectives of the Paris Agreement (objectives developed in section 4.3.1.2).

Regarding the measurement of avoided emissions allowed by our solutions, we are still working on their modeling in order to build a reliable and indisputable methodology before any publication.

For more details, see "Climate Strategy: decarbonizing our solutions" in section 4.3 as well as the avoided emissions scenarios for our customers in section 4.4.1.

The infographic below symbolizes the decarbonization trajectory and levers identified at this stage, for our entire range of solutions:

Positive retail: an essential contributor to the decarbonization of retail to achieve the ambitions set by the Paris Agreement



[13] GHG Protocol: Greenhouse Gas Protocol

4.2.3 Challenges and ambitions

Materiality analysis

GRI Code	Topic	SDG	Topic
3-1	Process to determine material topics		Gender equality, Decent work and economic growth, Industry, innovation, and infrastructure, Sustainable cities and communities, Responsible consumption and production
3-2	List of material topics		
3-3	Management of material topics		

Each year, the Group carries out an analysis of the materiality of the risks it incurs, taking into account the associated remediation plans, as described in section 2 Risk factors and uncertainties of this report.

Among these risks, an analysis of the risks related to climate change and the Group's social and environmental responsibility was carried out:

it was further developed by VusionGroup's ESG team, who adapted it according to material topics chosen from the GRI[14] 2021 standards, and identified 17 significant topics that are at the core of our social, societal, and environmental impacts.

This risk assessment is the result of research and comparative analyses carried out:

a) either in the retail sector or in the digital sector, through ever-increasing exchanges with our customers and partners, during commercial negotiations, participation in calls for tenders and customer satisfaction surveys;

b) with our employees during employee satisfaction surveys and half-yearly management reviews;

c) with rating agencies, in particular ISS and EcoVadis, whose comparative databases by sector make it possible to analyze the materiality of ESG issues in digital and retail ecosystems;

d) our investors, during interviews and roadshows for investors and financial analysts.

Head office experts (HR, legal, finance) were also involved to confirm the content of the main risks and opportunities identified.

Finally, this analysis was presented to the various ESG governance bodies, including the Strategy and ESG Committee.

This materiality analysis must be supplemented by a dual materiality analysis in 2024 in order to comply with the CSRD (Corporate Sustainability Reporting Directive) regulation.

[14] GRI: Global Reporting Initiative (https://www.globalreporting.org/)

The key aspects and the most significant topics in relation to ESG are listed below with an asterisk (*):

Topic	# key objective in 4.2.3	Action plan / report section	Aspects	GRI Standard
Environment	**1**	Innovation in favor of the decarbonization of our solutions	Emissions*	305
	2	Reducing our carbon intensity		
	4	Contribution to the decarbonization of Retail		
	1	Innovation in favor of the decarbonization of our solutions	Waste*	306
	3	Circular economy: a "second life" for labels	Materials	301
Societal	**5**	Audit of our supply chain	Supplier Environmental Assessment*	308
	6	Supplier Code of Conduct	Supplier Social assessment*	414
Social		*see section 4.5.3*	Occupational Health and Safety	403
		see section 4.5.3	Training and Education	404
	9	Diversity policy for women	Diversity and Equal Opportunities*	405
			Non-discrimination	406
Governance	**10**	Promoting the Group's ethical values among employees	Anti-Corruption*	205
			Anti-competitive Behavior*	206
		see section 4.4.1	Customer Health and Safety	416
		see section 4.4.1	Marketing and Labeling	417
	10	Promoting the Group's ethical values among employees	Customer Privacy	418
		see sections 4.5.3 and 4.3.5	Economic Performance	201
	1	Innovation in favor of the decarbonization of our solutions	Indirect Economic Impacts	203
	4	Contribution to the decarbonization of Retail		

Our challenges

Our ESG strategy, included in our Positive Retail roadmap, aims to meet the needs of all of the Group's stakeholders and contribute constructively to the environmental and social issues at the heart of the retail sector. The risks and challenges below have been identified as key to creating long-term sustainable value for the Company's clients, society at large, partners, suppliers, employees, investors, and the environment.

The main social, societal and environmental challenges and opportunities have been identified through internal reviews and discussions, independent expert advice and comments from our clients.

The Group's **climate strategy** is clearly in line with priority objectives, as we are committed to producing a business model scenario compatible with limiting global warming to +1.5°C on average compared to the preindustrial era, and to developing low-carbon IoT devices, thus contributing to the reduction of carbon emissions in the physical retail sector.

Our main indicators and ambitions in this area are, respectively:

- the carbon intensity of our solutions, calculated for the first time in 2022. In 2023, we introduced a new carbon intensity calculation using the methodology recommended by the Science-based Targets Initiative;
- the innovation dedicated to the decarbonization of our solutions and trade. We monitor the number of patents filed per year;
- the number of recycled labels, an emblematic indicator of eco-design and the creation of an internal reparability process for our products.
- contributing to the decarbonization of retail, in particular by calculating the avoided emissions made possible through the use of our solutions.

Sections 4.3 and 4.4 of this report develop each of these points.

Given the importance of our industrial supply chain and the attention paid to ethical principles, as the one practiced by our subcontractors (to the working conditions and health and safety of the employees, as well as the conditions of supply, particularly in terms of minerals), we prioritize compliance with ethical standards by our suppliers: this is checked through ESG audits carried out on site or through documentary audits. Thus, indicators chosen in this **societal area** are:

- ratio of purchases subject to ESG audit (scope of purchases audited);
- signature rate of our Supplier Code of Conduct.

Customer satisfaction (NPS) and the economic stability of our customers remain relevant indicators in measuring our societal contribution, but are now recurring indicators, resulting from action plans already in place. We have therefore chosen to retain only 12 indicators below reflecting current progress plans that will be managed until 2027.

With regards to **social matters,** being a great place to work for our teams is an ongoing priority and continues to be measured by the eNPS, an employee satisfaction survey conducted twice a year. Two other indicators reflect the importance given to two major topics: the proportion of female managers in a technology company, on the one hand, and the measurement of employee shareholding growth through the allocation of employee performance shares, on the other:

- proportion of employees benefiting from performance share plans;
- eNPS (employee satisfaction indicator);
- proportion of female managers.

Lastly, in terms of **governance,** the Group strives to encourage the adherence of its employees and suppliers to its ethical values, through signature campaigns renewed each year, and ensures the proper performance of its ESG strategy by requesting an external assessment annually.

- Code of Ethics signature
- Diversity on the Board of Directors
- External ratings

Please note that the **KPIs reported below are rounded figures** of our performance so that they are easier to read - please refer to each section to get the detailed KPIs.

Non-financial issues	#	Action plan	Indicator	Contribution to the SDGs	2023 performance	2022 performance	2021 performance	2027 ambition	Report section
Environment									
Climate	1	Innovation in favor of the decarbonization of our solutions	Number of patents filed	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	712	538	465	1,000	4.3.2
	2	Reducing our carbon intensity	Scope 3: Kg CO_2/€'000 value added	13 CLIMATE ACTION	661 -13.4%	763 ref year	Start of carbon footprint calculations	400 -47.5%	4.3.1
	3	Circular economy: a “second life” for labels	Number of labels recycled	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	1.9 million	1.6 million	2.5 million	15 million	4.3.1
	4	Contribution to the decarbonization of retail	Avoided emissions	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	• Active member of the Net Zero Initiative • First calculations relating to the fight against food waste	Developing the plan	NA	Clear and reliable vision	4.3.1
Social and societal									
Societal	5	Audit of our supply chain	Audited suppliers (internal audit) expressed as a % industrial purchases covered	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	97.2%	97.3%	Action plan	100 %	4.5.2
	6	Industrial Supplier Code of Conduct	Signature rate expressed as a % of covered industrial purchases	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	98.2%	98.3%	Action plan	100 %	4.5.2
Employee development and working conditions	7	Remuneration policy	Employees participating in LT compensation plans	8 DECENT WORK AND ECONOMIC GROWTH; 11 SUSTAINABLE CITIES AND COMMUNITIES	33%	30%	30%	100% of employees eligible for the plan	4.5.3
	8	Employee satisfaction	eNPS	8 DECENT WORK AND ECONOMIC GROWTH	H1 : 37 H2: 40	H1 : 25 H2: 36	H1 : N/A H2: 4	50	4.5.3
Diversity	9	Diversity policy for women	Proportion of female managers	5 GENDER EQUALITY	28%	27%	24%	35%	4.5.3

Non-financial issues	#	Action plan	Indicator	Contribution to the SDGs	2023 performance	2022 performance	2021 performance	2027 ambition	Report section
Governance									
Governance	10	Promoting the Group's ethical values among employees	Code of ethics signatures	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	91%	95%	Action plan	> 95%	4.5.3
	11	Composition of the Board of Directors	% women, % independent directors,	11 SUSTAINABLE CITIES AND COMMUNITIES 5 GENDER EQUALITY	50% women, 50% independent directors,	50% women, 50% independent directors,	33% independent directors,	50% women, 50% independent directors,	3.2.1
	12	External ratings	EcoVadis and CDP rating	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Platinum, B	Platinum C	Gold	EcoVadis Platinum and "upper quartile" ratings for ESG assessment companies (ISS, CDP, etc.)	4.2.2

VusionGroup is firmly committed to advancing the United Nations Sustainable Development Goals (SDGs) by 2030.

SDG 3: Good health and well-being

Our solutions can contribute to the health and well-being of consumers by giving them access to essential information about the products in the shelf. Informed choices can lead to healthier decisions, including when it comes to diet, allergy and product ingredients.

SDG 5: Gender equality

We advance gender equality in the workplace through our "D&I" (Diversity & Inclusion) program and by promoting these values within our Group and to our business partners and suppliers through our Code of Ethics and our Supplier Code of Conduct.

SDG 8: Decent work and economic growth

We support Decent Work through our "be a great place to work" program to foster an inclusive and diverse workplace and encourage career development and opportunities. We also contribute to this through our compensation policy, employee benefits and long-term incentives.

We drive sustainable economic growth by increasing the relevance and dynamism of stores through digitalization, which benefits the entire economy and society, enabling physical retail to maintain its role as a leading employer globally and by stimulating related employment.

In addition, we carry out formalized supply chain audits, using a questionnaire with a section dedicated to ESG supplemented with on-site observations.

SDG 7: Affordable and clean energy and SDG 9: Industry, Innovation, and infrastructure

During the design, development and delivery of our products and services, we ensure low-carbon innovation (eco-design helping to minimize the environmental impact of energy consumption, patents filed) and contribute to the decarbonization of the retail sector thanks to use cases observed at our customers' sites.

SDG 11: Sustainable cities and communities

Making the physical store a sustainable digital asset by incorporating VusionGroup's solutions, a guarantee of on-shelf efficiency, and thus preserving the economic health of the store and, therefore, jobs. In addition, the Group's solutions provide better information for the end consumer.

SDG 12: Responsible consumption and production

Our product design ensures the possibility of giving a new life to IoTs whose first use has lasted several years. Thus, by initiating a circular economy through refurbishment and recycling steps, it is possible to extend the lifespan by several years.

SDG 13: Climate action

VusionGroup signed the Science-Based Targets initiative (SBTi) letter of commitment in 2023 and is committed to reducing its emissions, in terms of absolute value and intensity, in accordance with the Paris Agreement.

Recognition of our commitment

Our certifications

Our ratings

KPI	GRI Code	Topic	SDG	Topic
External ratings (e.g., CDP, EcoVadis)	2-28	Membership of associations	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production

External assessments: ESG policy (EcoVadis), CDP[15] Supplier Engagement Rating (SER)

VusionGroup monitors the evolution of its overall ESG performance *via* an annual external assessment, carried out by EcoVadis, one of the world's most trusted providers of business sustainability ratings. VusionGroup was awarded the platinum medal in 2022 and 2023:

This platinum medal is based on EcoVadis' assessment of our actions and policies, together with our sustainable purchasing policy, in four areas:

- labor law and human rights;
- environmental considerations in the supply chain;
- social issues such as diversity, racism, non-discrimination, and equity;
- business ethics.

We received excellent ratings for our Labor & Human Rights policies and actions, and our initiatives and approach to Ethics.

For the second consecutive year, VusionGroup received a "B: Management" rating from CDP on its commitment to suppliers on climate change. This B score places VusionGroup above the global (C), European (B-) and industry (B-) averages.

Assessments and certifications: environment (CDP and ISO[16] 14001)

We now track and report all applicable Scope 1, 2 and 3 GHG emissions in our response to the CDP. Since 2022, VusionGroup has been participating in the Carbon Disclosure Project (CDP) through the climate change questionnaire. The Company was recognized for its progress on climate change with a score of "B", which places us in the "Management level" category. This category concerns companies that have taken into account the environmental impacts of their activities and that ensure good environmental management. VusionGroup plans to continue to report on its annual progress in reducing carbon emissions through its TCFD[17] report and the CDP climate change questionnaire.

In early 2023, the Group also received ISO 14001 certification. This standard provides a framework for controlling the environmental impacts generated and intends to lead to a continuous improvement of its environmental performance. It is a framework that includes personnel awareness, the handling of external requests and, to a lesser extent, voluntary external communication.

(15) CDP: Carbon Disclosure Project (https://www.cdp.net/en)
(16) ISO: International Organization for Standardization (https://www.iso.org/fr/home.html)
(17) TCFD: Task Force on Climate-Related Financial Disclosures

Assessments and certifications: information system (ISO 27001 & Cybervadis)

In early 2023, the Group also obtained ISO 27001 certification. This standard defines the requirements for the implementation of an information security management system. This management system lists the security measures, within a defined scope, in order to guarantee the protection of the organization's assets. The objective is to protect functions and information from any loss, theft or alteration, and IT systems from any intrusion or IT disaster.

VusionGroup monitors its cybersecurity performance thanks to Cybervadis. The company received a score of 969/1000, corresponding to a Platinum level of achievement. The objective of the assessment is to obtain a clear overview of the Company's cybersecurity performance in four key areas: identify, protect, detect, and react. The Company also obtained the platinum medal.

4.2.4 Values and governance

Group ESG governance

Our ESG strategy is fully in line with the core values that guide our mission: to use our technological solutions to drive the digital transformation of physical retail. The description of these values is available on our website at www.vusion.com.

Strong integration of our ESG values and priorities

					ESG Priorities
Positive retail	Innovative	Entrepreneurial spirit	Customer centric	Global/ International ambition	**Make the physical store a digital asset**
Environment	Positive impact				**Address Climate change**: contributing to the decarbonization of our operations and across the value chain
Social			Humanism		**Create positive impact:** jobs, consumer protection, communities **Be a good place to work**: inclusive environment, diversity, safety, professional opportunity, and development
Governance			Integrity		Highest standard of **business ethics**

We are guided by a set of core values as we drive our mission: to use our technology solutions to drive the digital transformation of physical retail.

INNOVATION: it is part of our DNA. It opens up the range of possibilities offered by new technologies and makes it possible to meet our ambition: to revolutionize physical retail. An indicator relating to the number of patents filed has become a permanent indicator of our ESG objectives (Section 4.2.3)

ENTREPRENEURIAL SPIRIT: this value is a great strength for a fast-growing international company. The group's dynamism is deeply permeated by its entrepreneurial culture: autonomy and accountability stem from our historical experience of start-ups and entrepreneurs.

CUSTOMER FIRST: the company was created by a food distributor, this is the foundation on which we build. Our mission and ambition is to put retailers on a path to performance, profitability, and sustainability. Only a high level of customer satisfaction, from management to in-store employees, allows us to assess our success, and this criterion has become a permanent indicator of our ESG objectives (Section 4.2.3).

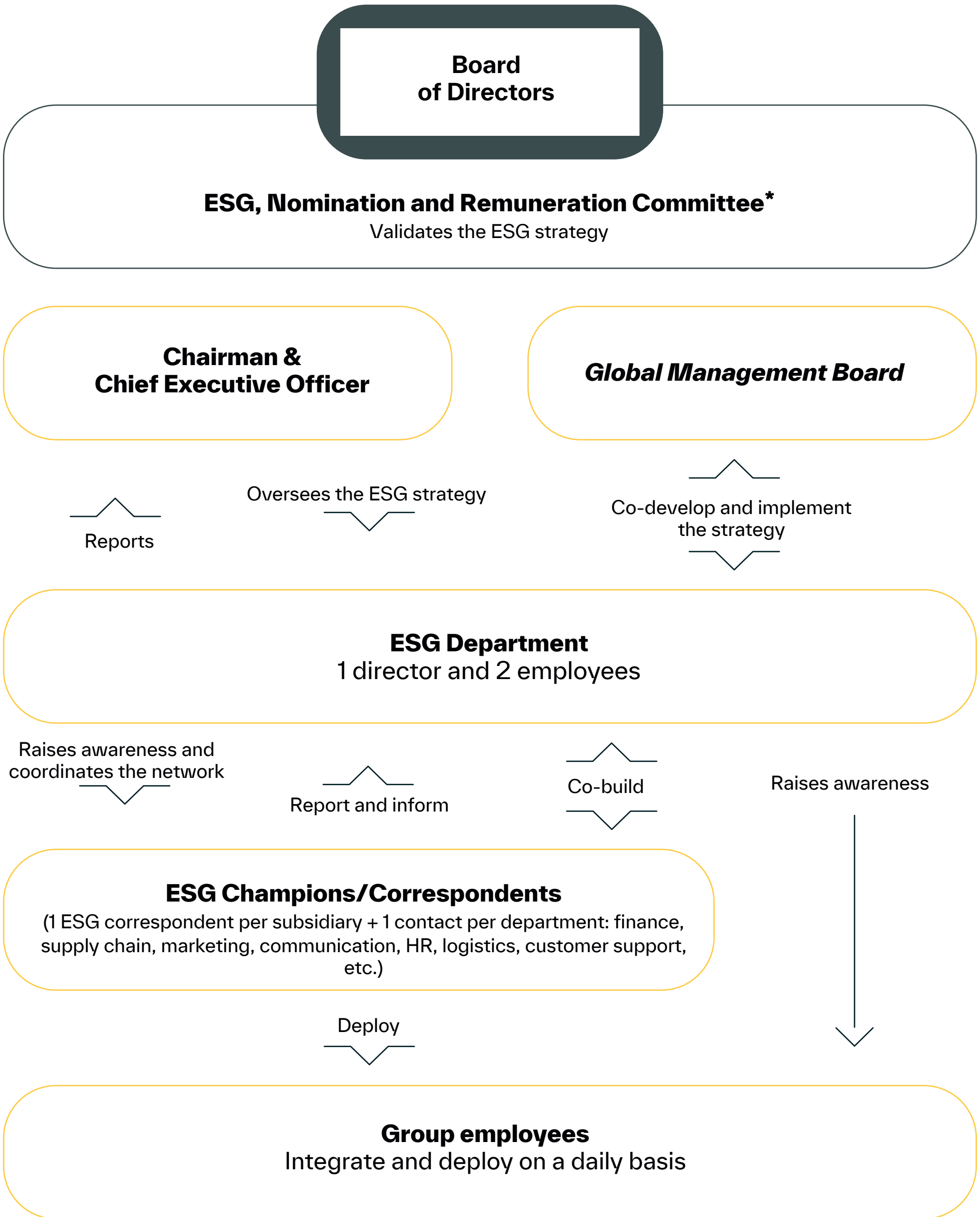
HUMANIST, GLOBAL, AND INTERNATIONAL AMBITION: our position in the global market is made possible by our ambition for excellence. We want to be recognized as the market leader in the digital transformation of physical retail. Our organization is agile, horizontal, and global. Our geographic expansion strategy has resulted in the mobility or recruitment of local sales teams, which are based as close to our customers as possible, to their physical stores and decision-making centers. We are particularly mindful of the range of backgrounds of our teams and of the expression of the cultures to which each individual belongs. Several indicators relating to attention to diversity and the working environment are measured in sections 4.2.3 and 4.5.

COMMITMENT TO A POSITIVE IMPACT: The digitalization of stores provides obvious advantages for retailers and brands. Driving the dynamism of stores through digitalization also benefits the broader economy and overall society by enabling physical retail to retain its role as one of the planet's leading suppliers of jobs, and stimulating related employment. The digitalization of physical stores gives rise to greater traceability, facilitates food safety, and helps promote the journey toward more sustainable agriculture. Digitalization also drives consumer satisfaction, contributes to maintaining and improving the quality of life in cities (where stores are a crucial component of the urban landscape), and reduces waste thanks to optimized inventory management. Several criteria relating to these positive impacts are included in our key objectives in Section 4.2.3.

INTEGRITY: the Group conducts its activities according to the strictest integrity and ethical standards (fight against corruption, forced labor, intellectual property infringement, etc.), as reflected in our Code of Ethics, which provides the framework for working together, interacting with customers, reaching out to shareholders, collaborating with our business partners, and creating value for all our stakeholders. The criterion for signing the Code of Ethics and the Supplier Code of Conduct has become a permanent indicator of our ESG objectives (Section 4.2.3)

ESG governance

GRI Code	Topic	SDG	Topic
2-12	Role of the highest governance body in overseeing the management of impacts		Responsible consumption and production
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting		
2-25	Processes to remediate negative impacts		



* Strategy and ESG Committee since December 13, 2023.

The governance of our ESG strategy is summarized below, but it is also based on the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) in section 4.3.5 which, although very focused on climate and environmental issues, remains a good way to reflect corporate governance in terms of ESG, particularly in the description of the first “governance” table.

Respect the guidelines of the OECD[(1)] and the United Nations

The Group's commitment to ethical and sustainable growth is based on the fundamental value of respect for human rights and fundamental freedoms.

VusionGroup has been a signatory of the United Nations Global Compact since 2021 and is committed to respecting its 10 fundamental principles. The Group also recognizes the OECD (Organisation for Economic Co-operation and Development) Guidelines for multinational enterprises and the UN Guidelines on businesses and human rights. It strives to ensure that the fundamental conventions of the International Labor Organization (ILO) are applied globally and in particular those on respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.

These principles inspire the internal reference documents:

- the Code of Ethics;
- the Group's purchasing policy;
- the human rights policy;
- the anti-discrimination and harassment policy;
- the commitment to the values of the United Nations' International Labor Organization;
- the occupational health and safety statement;
- the labor rights policy;
- the diversity and inclusion policy.

Keen to strengthen its ambition to build better and positive physical retail, the Group is committed to respecting the 10 universally accepted principles of the UN Global Compact in the areas of human rights, labor standards, the environment, and climate, as well as the fight against corruption, and expects its industrial suppliers to do the same. (For more information, see Section 4.5.2 "A sustainable supply chain").

Ethical conduct of business and the fight against tax evasion

GRI Code	Topic	SDG	Topic
2-15	Conflicts of interest		
2-23	Policy commitments		
2-27	Compliance with laws and regulations		
205-1	Operations assessed for risks related to corruption	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
206	Anti-competitive behavior		

Overall, the VusionGroup operates in geographic areas where ethics in business practices are applied. The Group's revenue can be presented by geographical area and classified according to the 2023 corruption index, published by Transparency International and available on the website: https://www.transparency.org/en/cpi/2023

Revenue by geographic area (before IFRS 15 adjustment)	**2023**		2022	
Corruption index between*	**M€**	**%**	**M€**	**%**
• 12 and 39 and/or geographical area not analyzed	5.3	0.7%	3.1	0.5%
• 40 to 60	222.1	27.7%	92	14.8%
• 60 to 90	574.6	71.6%	525.7	84.7%
TOTAL	**802**	**100.0%**	**620.8**	**100.0%**

Corruption indexes between 12 and 39 reflect a generally very corrupt business practice and indexes close to 100 are qualified as very ethical.

VusionGroup manages its activity in strict compliance with international regulations relating to corruption, in particular by complying with the Sapin II anti-corruption law in France (FCPA[(2)] international equivalents, UK Bribery Act, etc.). The guiding principles for the company and its employees were set out in the Code of Business Conduct (or Code of Ethics) rolled out in 2021. The purpose of the Code of Ethics is to set out the Group's legal and ethical standards as well as fair and honest practices. The VusionGroup Code aims to ensure that all employees - regardless of their position or level of responsibility - know, understand, and act according to the highest ethical standards in all aspects of their work.

(1) OECD: Organization for Economic Co-operation and Development (https://www.oecd.org/en/)
(2) FCPA: Foreign Corrupt Practices Act

It covers in particular:

- compliance with anti-corruption and anti-money laundering laws and laws governing international trade; adherence to the fundamental principle of fair competition;
- respect for human rights, anti-discrimination, gender equality and diversity; compliance with health, safety, and security conditions; the prohibition of any type of harassment;
- matters of confidentiality of information and insider trading.

This Code is regularly reviewed in the light of:

- the analysis of our existing compliance system;
- the new corruption risk map resulting from a new interview campaign conducted with all the Company's departments at the end of 2023 and early 2024.

This analysis is therefore constantly reviewed as the Group grows and expands.

This Code of Ethics is supplemented by several policies that highlight and explain several aspects of ethical behavior:

- the sustainable sourcing and purchasing policy;
- Supplier Code of Conduct:
- conflict minerals settlement policy;
- environmental policy;
- the anti-discrimination and harassment policy, the commitment to the values of the United Nations International Labor Organization, the occupational health and safety statement, the policy on respecting employees' human rights, the policy on respecting labor rights, the policy on diversity and inclusion, all described in the "Human rights" paragraph above;
- the policy of prohibiting the financing of political parties and advocacy groups; and
- the conflict of interest procedure,

All of these policies are available on our website at www.vusion.com.

Code of Ethics: dissemination and adherence by stakeholders

In order to promote internal compliance with these values and policies, the Group relies in particular on:

- its e-learning training to understand the rules of ethics; teams are trained on ethical business conduct, including on various topics such as money laundering, fair competition, conflicts of interest, passive and active bribery, backhanders and facilitation payments, gifts and invitations, charitable works and sponsorship, as well as the whistleblowing procedure. This training is mandatory for all new hires and is part of the onboarding process;
- its whistleblowing procedure; described below;
- the conflict of interest procedure, (also available on the internal "ServiceNow" platform).

These tools allow everyone to demonstrate and put into practice a good level of judgment in situations where this proves necessary.

In addition, whistleblowing allows everyone to feel comfortable reporting any behavior or issue that appears to conflict with the Code or the Group's policies (see "Focus on the whistleblowing procedure").

The Group has set itself a clear objective: to ensure that each employee signs the Company's Code of Ethics, so that the fundamental values and principles are widely shared and understood. Signature campaigns are renewed each year during the first quarter and during on-boarding for newcomers.

	2023	2022
Code of ethics signature rate	91%*	95%

* Signature campaigns do not yet include recent acquisitions

In terms of external interaction with its partners and suppliers, the group carries out, as part of its sustainable purchasing policy, a detailed assessment of compliance with these main principles among its tier-one suppliers **(see Section 4.5.2).**

Focus on the whistle-blowing procedure

Alert system

Since 2021, a single whistleblowing system has been deployed within the Group, available in French and English for our employees, but also for customers, suppliers, and service providers via a generic email address with two recipients (one senior HR manager and one senior ESG/ Legal Department manager).

The system set up on the internal platform guarantees the principle of confidentiality of reports.

This system makes it possible to collect reports on the existence of behaviors or situations contrary to applicable laws, internal regulations, and the Group's values and principles set out in the Code of Ethics. It also makes it possible to report a behavior or practice anonymously. As indicated in the Code of Ethics and the Whistleblowing procedure, reports can also be sent through traditional reporting channels: the Personnel Department, the legal function, a manager.

All reports are consolidated according to GDPR[3] provisions and are communicated automatically every month to the two managers receiving emails sent to the generic address.

In 2023, two reports were received.

	2023	2022	2021
Number of reports received	2[1]	0	2[1]

(1) Alerts with no internal purpose: this is a report of attempted poaching by competing companies.

(3) GDPR: General Data Protection Regulation

Fight against tax evasion

GRI Code	Topic	SDG	Topic
207-1	Approach to tax	12 Responsible consumption and production	Responsible consumption and production
207-2	Tax governance, control, and risk management		
207-3	Stakeholder engagement and management of concerns related to tax		

In line with ethical business conduct, VusionGroup believes that a consistent and responsible approach to taxation is fundamental to ethical business conduct.

Tax evasion consists of taking steps to deliberately reduce tax payments. Tax evasion takes different forms such as the absence of declaration or the declaration of reduced income and/or results and can be based on sophisticated arrangements, particularly cross-border.

In order to achieve this ambition of ethical business conduct and the fight against tax evasion and in the face of the challenges of an increasingly complex and constantly changing economic and regulatory environment, VusionGroup is committed to:

- adopting ethical tax practices by avoiding any form of aggressive tax planning, abusive tax optimization or artificial tax arrangements aimed at evading taxes;
- not facilitating tax evasion;
- respecting the strictest ethical standards;
- ensuring compliance with applicable laws and tax practices in the countries where the Group operates.

The Group is subject to complex and changing tax legislation in the various countries in which it operates. Due to its international activity, it is subject to transfer pricing rules, which can be particularly complex and are subject to different interpretations. Tax monitoring is carried out, in particular as part of joint initiatives taken at the international or Community level (OECD, G20, European Union).

In particular, incorporation continues within French tax legislation:

i. the principles established by the OECD[4] transfer pricing, tax base erosion and profit shifting (BEPS);

ii. the multilateral convention for the implementation of measures relating to tax treaties to prevent BEPS dated June 7, 2017;

iii. the rules provided for by the Council Directive of July 12, 2016 establishing rules against tax evasion practices directly affecting the functioning of the internal market (the Anti-Tax Avoidance Directive, or ATAD); and

iv. provisions provided for in the proposed directive aimed at establishing a common consolidated corporate tax base (CCCTB), which could increase the tax burden on the Group.

Thus, the Group treats all tax matters concerning it with integrity and transparency and manages tax matters by not resorting to tax evasion and by not creating structures devoid of economic or commercial substance, particularly in countries considered to be tax havens. All operations and transactions performed are based on an economic reality and VusionGroup does not seek to avoid tax through structures provided for this purpose. VusionGroup pays taxes in countries where the business activities generate profits and where value is created, ensuring that the distribution of the profit (loss) within the Group is consistent with the added value created in each jurisdiction. Through its tax policy, the Group wishes to ensure the security of its operations while seeking tax management in compliance with national, European, and international tax standards, laws, and regulations and by applying the OECD principles to transactions carried out within the Group.

The Group also applies these principles to its relations with third parties and will, in particular, refuse any unusual contractual arrangements intended to allow tax evasion by a third party.

[4] OECD: Organization for Economic Co-operation and Development (https://www.oecd.org/en/)

Legal compliance status

VusionGroup did not experience a compliance incident in 2023:

Legal compliance status

Incidents of violations involving rights of indigenous peoples (GRI 411-1)	0
Incidents of non-compliance concerning the health and safety impacts of products and services (GRI 416-2)	0
Incidents of non-compliance concerning product and service information and labeling (GRI 417-2)	0
Incidents of non-compliance concerning marketing communications (GRI 417-3)	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)	0
Incidents of non-compliance with water permits, regulations, or standards	0
Receipt of significant fines for violation of regulations relating to the provision or use of products or services	0
Receipt of fines for environmental damage, or any related litigation	0
Receipt of significant fines or non-monetary sanctions for violation of the law	0
Disputes involving anti-competitive, anti-trust, or monopoly behavior	0

In 2023, the Vusion Group did not experience any of the aforementioned incidents.

Interacting with our stakeholders

Stakeholders dialogue

GRI Code	Topic	SDG	Topic
2-29	Approach to stakeholder engagement	11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities
203-2	Significant indirect economic impacts		

VusionGroup maintains a regular dialog with its stakeholders using various means of communication and interaction to ensure transparency in its social and societal responsibility initiatives and to meet market and investor expectations. VusionGroup stakeholders are identified as external and internal groups and individuals such as customers, employees, investors, business partners and suppliers, as well as communities and public authorities.

VusionGroup communicates on a regular basis with its many stakeholders *via* numerous methods:

Stakeholders	Expectations	Means of dialog
Customers	• Innovative digital solutions enabling increased value creation by optimizing their operational, economic, and environmental performance • Ethics • Quality of service • Operational excellence • Cybersecurity	• Trade shows and exhibitions • Satisfaction survey [NPS questionnaire] • After-sales service • Customer support • Website • Contractualization support
Partner-distributors	• Collaboration • Long-term relationships • Fair compensation	• Partnership agreements • Business review • Training • Commercial prospecting • Technical and marketing support • Code of conduct
Employees	• Training and development • Change in the best possible environment • Occupational health and safety • Well-being at work (fulfillment and achievement of ambitions) and fair compensation • Ethics • Equity and equal opportunities, diversity, and inclusion • Societal values	• Intranet • Message from the Chairman • Management meetings • Works councils • Health and safety committees • Half-yearly management review process and satisfaction questionnaire [eNPS] • Code of Ethics • Whistleblowing system • Schools and universities
Suppliers	• Occupational health and safety • Balanced economic transaction • Long-term relationships	• Calls for tenders • ESG assessment questionnaires • Safety questionnaires • Regular audits • Supplier Code of Conduct • Whistleblowing system
Investors	• Financial performance (value creation and profitability) • ESG commitment • Clarity, transparency, governance	• Video conferences • Investor interviews • Roadshows • General Meeting • Website and "investors@vusion.com" address • Assessments (ratings) • Universal registration document
Supervisory authorities/ Regulator	• Ethics • Respect for and compliance with laws and regulations • Respect for the environment and safety	• Regular contact with the AMF and tax authorities • Regular statements of formalities; responses to surveys and audits
Communities, society, and the planet	• Positive socioeconomic influence, creating jobs, smart and sustainable solutions • Value creation • Reducing our environmental impact and helping customers and suppliers do the same • Risk reduction • Environmental protection • Human Rights and Ethics • Consumer protection • GDPR	• Website and publications • Group policies • Assessments (ratings) • Recycling process • Launch of partnerships (fight against food waste)

Listening, dialog and integration of all its stakeholders fuel the Group's social responsibility strategy. This regular dialog makes it possible to better understand the changes and challenges, which in turn makes it possible to prioritize them and integrate them into the Group's societal responsibility approach. Stakeholder mapping is regularly reassessed.

Measuring customer satisfaction: VUSION's Net Promoter Score

KPI	GRI Code	Topic	SDG	Topic
NPS	203-2	Significant indirect economic impacts	11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities

At the end of 2020, we launched our "Customer First" program, anchored in our belief that high levels of customer satisfaction and loyalty lead to consumers becoming our greatest champions, recommending us to other potential customers. Thus, the Group is dedicated to fostering a positive experience at every key stage of the customer journey in order to set this virtuous cycle in motion.

The indicator we used is the *Net Promoter Score* (NPS). It is a widely used tool for measuring customer loyalty and satisfaction. It involves asking customers how likely they are to recommend a product or service to others, on a scale of 0-10. Our customer satisfaction survey is deployed worldwide. It is linked to our customer relationship management system and our Power BI analysis tool.

The NPS helps us to measure how customers perceive our service, and how well our business is doing.

With an overall NPS slightly higher than 65 (vs 55 in 2022), VusionGroup is in the upper range of the SaaS and software sector and remains on a clear path toward improvement. This positive NPS has been achieved by adopting a truly customer-centric approach. Since a single negative experience is all it takes to turn a potential Promoter into a Detractor, we have learned to pay careful attention to each customer interaction.

The reasons for customer dissatisfaction change every six months. For each reason, an action plan has been put in place by VusionGroup. However, some issues arise due to the particular context of the electronic components industry every year. The increase in the volume of customers also tends to disrupt delivery times and product availability. All dissatisfied customers are contacted by telephone to ensure that the proposed actions are effective in resolving issues and avoiding their recurrence in the future. The action plans drawn up with stakeholders (customers, partners, etc.) have enabled VusionGroup to increase the NPS result each year.

NPS	**2023**	2022	2021
	65.88	55.31	49.47

The values in this table relate to the value acquired at the end of the year during the NPS H2 campaign of the respective year.

Supported initiatives and organizations

GRI standard	GRI Code	Topic	SDG	Topic
General information	2-28	Membership of associations	11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities

All relations between VusionGroup and political parties and their representatives are guided by the highest principles of transparency and ethics. The Group does not make political contributions (neither in cash nor in kind), carry out lobbying activities or other activities beyond the above-mentioned associative objectives and it does not authorize the reimbursement of private political contributions. Any political commitment or contribution made by Group employees is considered to be personal and entirely voluntary and is in no way supported by VusionGroup.

We support

UN GLOBAL COMPACT — CDP SUPPORTER 2023 — WOMEN'S EMPOWERMENT PRINCIPLES Established by UN Women and the UN Global Compact Office — CHARTE DE LA DIVERSITÉ — NET ZERO INITIATIVE

Memberships

The Consumer Goods FORUM

VusionGroup supports several organizations and associations and participates in several round tables and international discussion forums:

- UN Global Compact: VusionGroup is committed to taking into account the 10 key principles to building a more sustainable society in its internal actions and processes. The principles that are particularly applicable to the Company are human rights, labor law, discrimination, environmental protection, and corruption. This commitment is perfectly aligned with the multiple facets of our Positive Retail program;
- VusionGroup has signed the Diversity Charter. Created in 2004, it is a commitment document that can be signed by any employer who wishes to act in favor of diversity and thus go beyond the legal and regulatory anti-discrimination framework. Through this agreement, VusionGroup is committed to promoting diversity. The charter encourages all economic players to adopt practices that promote equality and social justice;

- VusionGroup is a member of the "Women's Empowerment Principles" to promote gender equality and empower women in the workplace, market, and community;
- In addition to responding to its annual campaign, VusionGroup financially supports the Carbon Disclosure Project (CDP) as an "enhanced" supporter.

Economic circle

We have joined the Consumer Goods Forum: the only organization that brings together retailers and manufacturers of consumer goods. Through its global reach, executive leadership, and focus on collaboration between retailers and manufacturers, the Consumer Goods Forum is driving positive change and helping to address the main challenges facing the sector: environmental and social sustainability, health, food safety, and product data accuracy.

In addition, we are a member of the World Economic Forum's Future of Consumption Platform to advance, share, and promote our knowledge of trade developments. The Forum brings together the main political, economic, cultural, and other leaders of society to define global, regional, and sectoral agendas.

VusionGroup is also part of Perifem, which strives to involve all players in the retail sector in order to create a more responsible business ecosystem.

By getting involved in the aforementioned associations, the Group is committed to supporting major causes for the Company and the industry in which it operates, as well as to ESG-related issues.

Cultural foundations & sponsorship

GRI Code	Topic	SDG	Topic
203-1	Infrastructure investments and services supported	11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities

This year, we are once again supporting the Women Initiative Foundation to promote women in business and the economy in general.

Driven by the desire to act as a corporate citizen, and in line with its passion for innovation, VusionGroup is gradually developing a cultural sponsorship policy, choosing music and the Verbier Festival as the focus of its first sponsorship. In 2023, the Company donated €95,000 to the Verbier Festival's public utility foundation, *via* the Fondation de France.

This choice of music is linked firstly to the universal character of the language that music constitutes. For a company as international and multicultural as VusionGroup, a universal language such as music represents a symbol of our corporate culture. On the other hand, at the managerial level, the orchestra is a magnificent representation of the human organization that makes a company, each playing their own instrument but the ensemble playing a common score in harmony, with a common language that goes beyond cultures and nationalities. As such, it is a powerful metaphor for the global company. This is why music was the first choice for sponsorship.

The Verbier Music Festival is one of the most important international festivals due to the importance of its academy and its role in training musicians, together with Aspen (United States), Tangelwood (United States), Lubeck (Germany) and the Pacific Music Festival. (Japan). The greatest masters perform there each year, and throughout the festival, it is these professional concert performers who are the academy's teachers, making it a privileged place of transmission. For 30 years, around 3,000 musicians of all nationalities have passed through the academy (including many French musicians such as Renaud Capuçon). The alumni of the Verbier Festival Academy now play in the largest orchestras in the world, proof of the major academic and educational importance of the festival. The Academy trains soloists and chamber and orchestral musicians (in three orchestras of different age groups). The festival is also developing a cultural mediation policy to promote classical music among new audiences, as well as international partnerships.

Other 2024/25 cultural sponsorship policy projects:

VusionGroup is working on sponsorship projects and cultural partnerships in the city of Nanterre (where the Group's headquarters is located), in particular with the Théâtre des Amandiers de Nanterre. It is looking at organizing philosophy conferences and other projects with the Works Council.

Net Zero Initiative for IT

VusionGroup joined the Net Zero Initiative for IT (NZI4IT) study group in June 2023, which was organized by Carbone 4 to understand the role of digital solutions in the global carbon neutrality effort.

Carbone 4 supports companies in the transformation of organizations towards decarbonization and adaptation to climate change. As a link between scientific excellence and the economic world, they help their customers understand the emerging world. The Net Zero Initiative is the very first framework for collective carbon neutrality on a global scale. Led by Carbone 4 since 2018, NZI4IT aims to empower companies to transform their activities towards a net zero economy.

The objectives of this research program are:

1) establish a high-level working group of companies, academics, institutions, and experts in the field of IT and climate change mitigation;
2) investigate several topics related to the general question of the role of IT in the global carbon neutrality effort, in particular the issue of carbon avoidance and elimination;
3) publish the results of each work area, producing guidelines and tools that will help all stakeholders understand the role of IT in achieving the global carbon neutrality goal.

VusionGroup will use these studies to implement a reliable and relevant methodology for avoided emissions in 2024.

4.3 Climate strategy: decarbonizing our solutions

VusionGroup has renewed its pledge to the UN Global Compact and confirmed its climate pledge in line with the Paris Agreement, by committing:

- to produce a business model scenario compatible with limiting global warming to less than 1.5°C;
- to work to reduce its carbon intensity, thus contributing to the reduction of CO_2 emissions in the distribution sector;
- to commit in 2024 to the certification of these objectives by the SBTi, which will attest to their alignment with the objective of the Paris Agreement;
- to refine its customers' use cases, to avoid additional carbon emissions.

We have developed several programs in order to address these priorities with concrete solutions as outlined below. We believe that the measurement and scope of our accomplishments are captured in the following reporting standards and KPIs:

The Group obtained ISO 14001 certification in 2022: ISO 14001 certification is the reference tool for taking into account environmental issues, improving environmental performance and its monitoring, and thus contributing to the Sustainable Development Goals (SDGs) of the UN.

4.3.1 Scope 1, 2, and 3 carbon footprint and carbon intensity

Carbon footprint

KPI	GRI Code	Topic	SDG	Topic
Scope 1, 2, and 3 carbon audit and the carbon intensity of our solutions	305	Emissions		Climate Action
	302	Energy		Industry, innovation and infrastructure

Understanding our carbon footprint is the first key step in any decisive action to reduce it. This is why in 2020 we launched a series of ambitious projects to model our carbon footprint comprehensively (Scopes 1, 2 and 3). We are taking responsibility for emissions across the entire value chain, including at the level of our support functions, as well as across the whole life cycle of the product, from the supply of materials to production, including the use, transport and recovery of materials at the end of their life. We completed our carbon audit in 2022 with a view to establishing a solid and strong base from which to draw up a multi-year action plan.

As a reminder, the GHG Emissions Protocol[1] defines the method for calculating carbon emissions and the scopes to be considered:

Scope 1 emissions are those greenhouse gases resulting from fuel combustion from sources we own or operate – like vehicles or natural gas for heating.

Scope 2 emissions refer to those resulting from use of electricity.

Renewable energy generates minimal Scope 2 emissions, whereas burning coal, oil, or natural gas to produce electricity releases carbon dioxide and other greenhouse gases into the atmosphere.

Scope 3 emissions correspond to all other indirect emissions that occur in a company's value chain, including upstream and downstream activities: more specifically, the life cycle analysis of all products marketed by the Group, from mining to industrial assembly, from the packaging and transport necessary for each of these stages to the

[1] GHG Protocol: Greenhouse Gas Protocol (https://ghgprotocol.org/)

emissions caused by the use by customers and the end of life of these products. Scope 3 also includes carbon emissions from the goods used (offices, warehouses), servers, emissions related to employee travel both through business trips and for home-work journeys, and finally, purchases of goods and services.

The VusionGroup's carbon footprint is detailed below (values are rounded): unsurprisingly in our technology business sector, the life cycle of our products represents the major part of this footprint.

Ton eq. CO_2	**2023**	2022 revised *	2022
Scope 1	645	682	562
Scope 2	449	427	418
Scope 3	135,871	100,321	121,200
TOTAL	**136,965**	**101,430**	**122,180**

* The 2022 carbon assessment was refined in 2023 with a higher degree of certainty, in particular in terms of reconciliation of categories 3.1, 3.4, 3.11, and 3.12 with the consolidated revenue for the fiscal year and the corresponding number of IoTs sold. For Scope 1, the reporting work on consumption and the number of vehicles in the company fleet was also reviewed and made more reliable. VusionGroup measures the carbon footprint of its activities, that of its employees, and its energy consumption on scopes 1, 2, and 3 according to the general framework proposed by the GHG Protocol. Carbon accounting, common to all Group companies, is based on international standards: GHG Protocol, International Energy Agency, ISO 14064-1-2016.

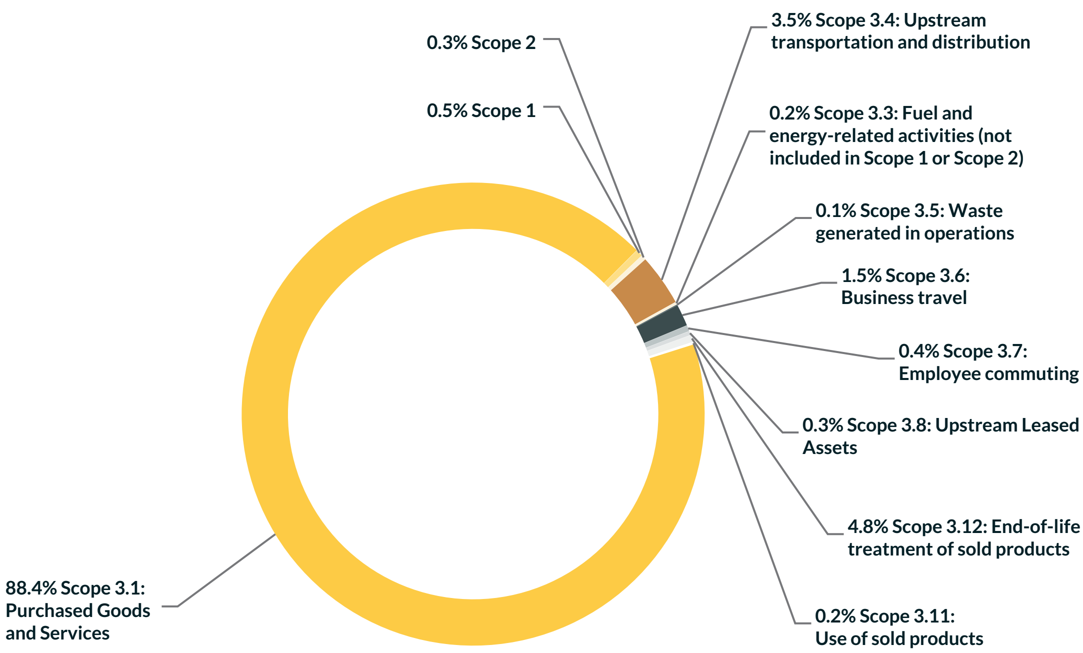
The data for all Group subsidiaries are consolidated to produce the statement: we aggregate the greenhouse gas emissions by corresponding item for each of our offices and subsidiaries around the world. More information can be found in the methodological note in Section 4.7 (indicator 2).

The change between the two fiscal years 2022 revised and 2023 is mainly due to:

- scope 3: revenue growth (+30%), resulting in the corresponding increase in products and services purchased, upstream transport of goods and distribution, use of products sold, end-of-life of products sold;
- scopes 2 and 3: increase in headcount (+39%) under the combined effect of internal and external growth (entry into the consolidation scope of Belive and Memory):
- a slight increase in business travel, commuting, waste generated, upstream leased assets consisting of the Group's vehicle fleet;
- leasing of new offices, particularly in the United States (increase in scope 2: indirect emissions related to electricity consumption);
- scope 1: reduction in gas consumption in our main warehouse, as a result of several cost-saving measures taken in 2023;

The carbon footprint of the core business (i.e., the production of IoTs) is significantly marked by the contribution of the raw materials necessary for the manufacture of the various electronic components (about 88%), such as the PCB (Printed Circuit Board) which is predominant.

Electronic components have a significant impact on climate change because they require a large number of steps between mining, mineral processing, metallurgy, heavy chemicals, fine chemicals, which consume energy and water.



Scope 1 and 2 and Scope 3 reduction ambitions

KPI	GRI Code	Topic	SDG	Topic
Measures taken to promote scope 3	305	Emissions	13 CLIMATE ACTION	Climate Action

In 2022, the Company established a carbon intensity indicator to measure the carbon efficiency gains of its business model and all initiatives undertaken throughout the value chain. Although the carbon reduction ambition is expressed in terms of created added value, the CSRD[2] requires the establishment of this ratio on revenue:

	2023	2022 restated	2022
Scope 1, 2, and 3 carbon footprint and carbon intensity	136,965	101,430	122,180
Adjusted revenue* (€ M)	806	621	621
Carbon intensity (T eq. CO_2/ M€ of revenue)	170	163	197

* Adjusted financial data is defined in section 5 of this 2023 URD.

This carbon intensity shows a slight increase between 2022 and 2023, (+4%) due to the larger size of the labels in 2023 within the product mix. VusionGroup has defined the desired trajectory of its carbon intensity calculated on revenue and is continuing to work towards a target reduction of -40% by 2027. The introduction of the new EdgeSense range is a major lever for progress, the effect of which will be measured from 2024.

In 2023, VusionGroup also committed to the Science-Based Targets Initiative and will submit its objectives for validation in 2024.

This decision introduces a new methodology for calculating carbon intensity (based on a value-added indicator or variable cost margin and no longer on revenue) as well as a new trajectory of at least -51.6% by 2030.

	2023	2022 restated	2022
Scope 3 carbon footprint only (metric tons of eq. CO_2)	135,871	100,321	121,200
Value added [Adjusted Variable Cost Margin] (€ M)	206	131	131
Carbon intensity (T eq. CO_2/€ M of margin)	661	763	922

* Adjusted financial data is defined in section 5 of this 2023 URD.

After increasing the degree of certainty of the calculations relating to the 2022 carbon footprint (see 4.3.1), the first performance of the progress made in the 2022 reference year can be measured: -13.4% reduction in carbon intensity.

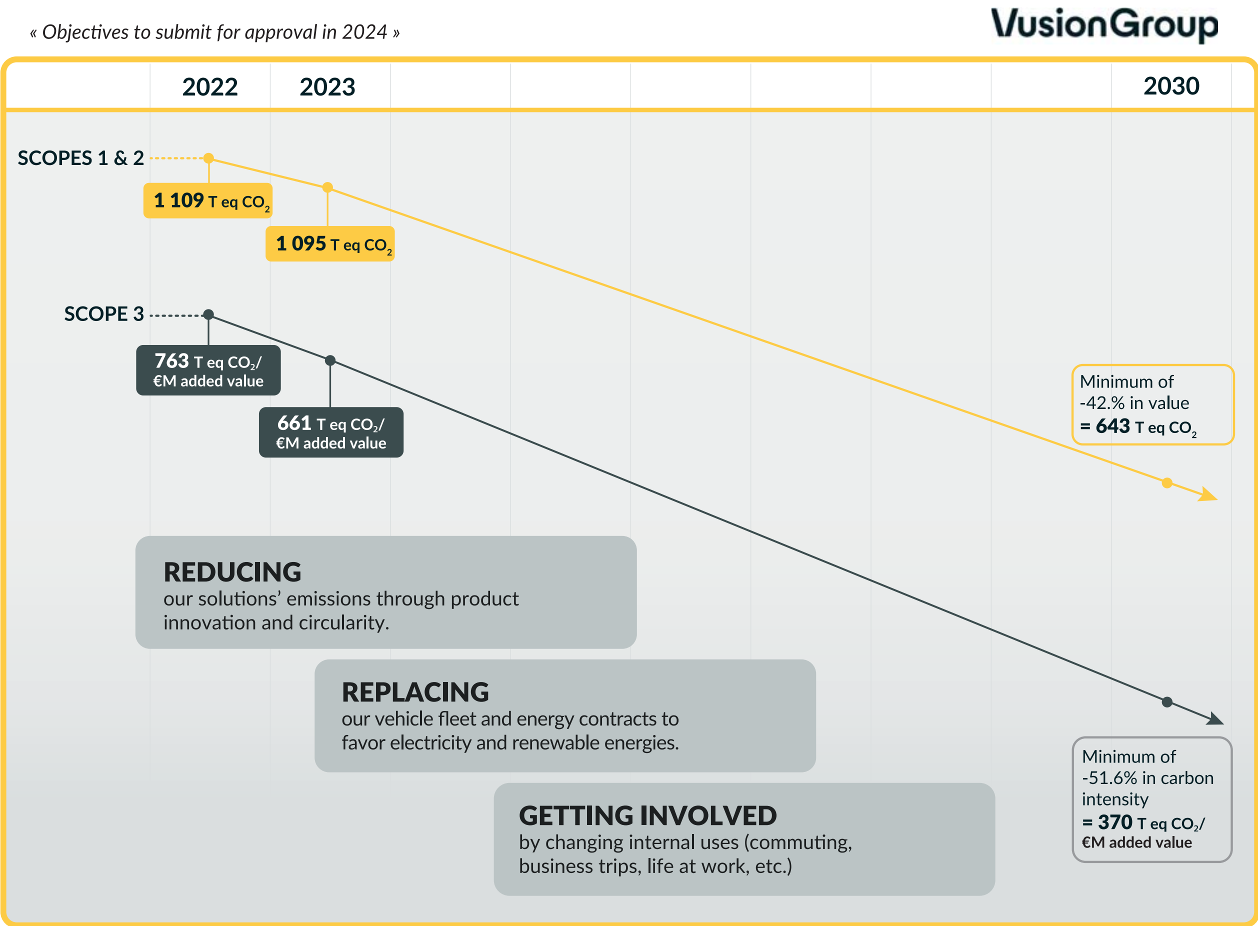
As a reminder, the Science-Based Targets initiative is a joint project between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the We Mean Business Coalition, the World Resource Institute (WRI) and the World Wildlife Fund (WWF).

It offers a label and recognition to companies that define an ambitious plan to reduce their carbon footprint and thus contribute to compliance with the Paris Agreement.

In addition to the intensity objective in its Scope 3, the SBTi requires companies to commit to reducing their Scope 1 and 2 in absolute terms by a minimum of -42%.

[2] Corporate Sustainability Reporting Directive

Commit to contributing to the achievement of the objectives of the Paris Agreement



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Carbon offsetting

VusionGroup remains committed to its environmental responsibility obligation, choosing not to use carbon offsetting as part of its sustainability strategy.

At this stage of our organizational development, we are focusing on reducing emissions through proactive and direct actions on our Scope 1, 2, and 3 GHG[3] emissions. This approach demonstrates our commitment to making tangible contributions to the mitigation of our carbon footprint, without using carbon credits counted as emission reductions. This approach is the one required by the Science-Based Targets Initiative (SBTi).

By renouncing the use of carbon offsetting, VusionGroup is being proactive in addressing its impact on the environment rather than relying on external measures to offset its emissions.

This approach is aligned with our principles of transparency and social responsibility. We have a long-term vision consisting of sustainable business practices and sustainable innovation, as we actively seek solutions to minimize our environmental footprint.

By choosing the path of proactive environmental responsibility and prioritizing direct emission reduction strategies, VusionGroup is positioning itself as a leader in a more virtuous future.

(3) Greenhouse gases

4.3.2 Decarbonizing our offering

KPI	GRI Code	Topic	SDG	Topic
Number of patents contributing to the SDGs	305	Emissions	12 Responsible consumption and production	Responsible consumption and production

VusionGroup implements the reduction of its greenhouse gas emissions at several stages of the life cycle: during the design, delivery, use and end-of-life phase.

Research and Development is an essential part of the Company's strategy. VusionGroup continuously invests to remain the market leader thanks to an innovative and low-emission offer compared to its competitors.

In 2023, 712 patents were active on +137 different families.

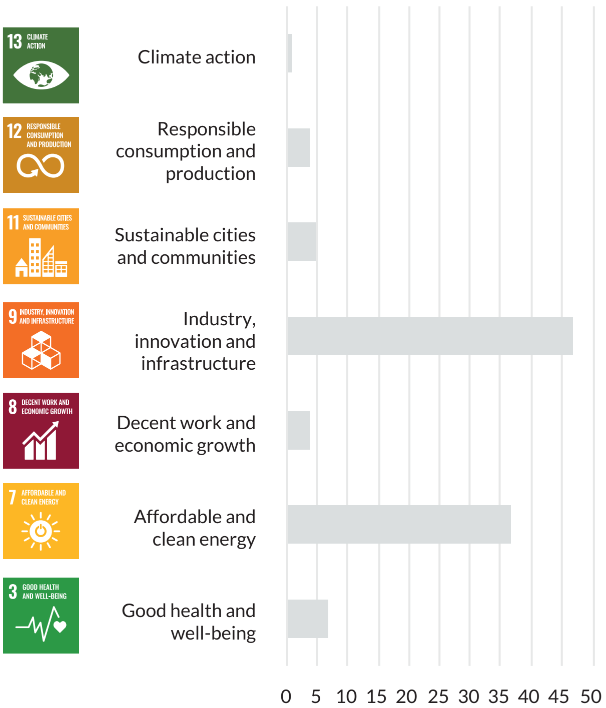
VusionGroup patent families contributing to the SDGs[1]

Our intellectual property protection team analyzed the number of VusionGroup patent families that contribute to the 17 Sustainable Development Goals. Out of 137 patent families, 56 (representing 41% of our patent families) contribute to the following SDGs:

SDG 3: Good health and well-being (see section 4.5)

SDG 7: Affordable and clean energy (see section 4.3)

SDG 8: Decent work and economic growth (see section 4.5)



SDG 9: Industry, innovation, and infrastructure (see section 4.3)

SDG 11: Sustainable cities and communities (see section 4.5)

SDG 12: Responsible consumption and production (see section 4.4)

SDG 13: Climate action (see section 4.3)

Most of our patents contribute to SDGs 9 and 12, with 47 and 37 patent families, respectively. Please note that several patent families contribute to more than one SDG.

Our DNA: low-carbon solutions from the design phase

The development of sustainable products is in our DNA. VusionGroup has always designed low-carbon products, both in terms of their eco-design and their use. Our latest innovation, EdgeSense, is a perfect illustration of our commitment: rail labels pooling a single energy and control source and emitting -30% to -50% [2] ***of CO_2 equivalent compared to traditional ranges, while offering our most innovative digital functionalities."***

Andreas Rössl
Chief Technical Officer

(1) SDGs: Sustainable Development Goals (https://sdgs.un.org/fr/goals)
(2) The GHG emissions of an equivalent number of EdgeSense rail labels and traditional labels are compared here.

Ultra-low consumption IoT

KPI	GRI Code	Topic	SDG	Topic
Life cycle analysis	301	Materials	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure
	302	Energy	13 CLIMATE ACTION	Climate Action
	305	Emissions		
Number of patents dedicated to low-carbon IoT	305	Emissions	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production
	302	Energy	7 AFFORDABLE AND CLEAN ENERGY	Affordable and clean energy

The Group has unparalleled expertise in color e-Paper (electronic paper), a display technology that we use. It mimics the look of paper and consumes minimal energy. The electronic ink-based displays (EPD) use the same ink as the traditional printing industry. They consist of tiny capsules filled with particles loaded with ink. After applying the correct electrical charge, an EPD creates high-resolution images with the same level of contrast and readability as a printed medium. Once the text and images are visible, the EPD no longer needs energy to maintain the display (bi-stable technology). Our DTP (direct thermal printable) labels use a dual-transistor pixel, a patented process that demonstrates additional expertise in low-energy displays.

Our R&D works continuously on reducing this low power consumption and on redesigns to ultimately make these ESLs battery-less.

Providing a cloud-based solution to our customers

VusionGroup created the VUSION Cloud Retail IoT platform to help retailers accelerate their digital transition and transform their physical stores into true digital, automated, and data-driven environments connected to consumers and suppliers.

Both Cloud computing and sustainability are emerging as transformative trends. Cloud computing is defined as large-scale online shared IT infrastructures. It is revolutionizing the way in which IT services are provided and managed in companies. Cloud computing makes it possible to collect, store and analyze huge quantities of data, reduce the total costs of ownership of IT, and increase business agility. These new trends also enable us to reduce our environmental impact: since 2018, we have begun to reduce our infrastructure and on-premise IT resources in favor of cloud-based and serverless solutions. With 81.8 million Cloud-connected ESLs in 2023 compared with 50 million in 2022 and 31 million in 2021, we have built the first global physical retail IoT platform. The VUSION platform is hosted on Microsoft's Azure cloud, which has committed to powering 100 percent of its data centers with renewable electricity by 2025 (Microsoft_Cloud_Carbon_Study_2018, updated 2020).

Our Cloud solution is based on four key factors.

	Factor and benefits	Technology
1	**Dynamic provisioning of resources:** optimization of active servers enables energy savings of up to 47%.	Based on latest technologies to provide capacity on-demand; able to activate resources when they are needed, independent of server capacity. New servers and computing resources are automatically activated when there is a peak in demand. Capacity resources are disabled when "idle threshold" is reached.
2	**Multi-tenancy:** allows many users in one building to utilize less power overall than the same number of users each using their own infrastructure	SaaS delivery architecture that enables all clients to access the same software on one or a set of linked servers. By combining demand patterns across many organizations, the peaks and troughs of computer resource requirements flatten out, reducing the need for additional infrastructure.
3	**Server utilization:** increasing resource utilization rates (from current low levels of 10 to 20%) to significantly improve energy efficiency	Applications based on serverless architectures so that computing power, storage, networks and security are distributed among the available services; the virtual distribution of software ensures that various applications run "separately" on a physical host, leading to greater data center efficiency. Eco-designed friendly software that uses more energy-efficient algorithms, reducing execution time, memory utilization and unnecessary features, and optimizing the volume of generated data.
4	**Partnership with Microsoft Azure**	Very clear and ambitious goals for the environmental footprint of data centers.

Pooling of infrastructures

VusionGroup has forged partnerships with the main manufacturers of Wi-Fi technology to simplify its solutions and avoid any proprietary or additional infrastructure for connecting its IoTs. Our IoT communication protocols are now integrated into Wi-Fi access points. As a result, next-generation highspeed Wi-Fi deployments ensure the convergence of all back office and store connectivity needs. Stores' investments in equipment and services are considerably reduced and their return on investment is amplified while significantly limiting the carbon footprint of the solution (saving on a dedicated infrastructure).

Today, the Group has a powerful technological ecosystem and international alliances with all the major global manufacturers, such as Cisco Meraki, Aruba, Huawei, Lancom, Mist Juniper, Extreme Networks, Fortinet, etc.

Improvements made to packaging and logistics

"VusionGroup is committed to the climate while gaining competitiveness over the long term by reducing the carbon impact of its supply chain. Our initiatives focus on the recyclability of all our packaging consumables as well as the development of upstream and downstream rail transport, supporting our road transport service providers in the renewal of their vehicle fleet in favor of vehicles that comply with the strictest standards, and researching innovative solutions to optimize flows and limit CO_2, particularly over the last mile."

Grégoire Albaut
Head of Logistic Group

KPI	GRI Code	Topic	SDG	Topic
Packaging improvements	301	Materials	12	Responsible consumption and production
Inbound logistics carbon footprint	305	Emissions	13	Climate Action

We have leveraged the efficiency of our supply chain to decrease the volume of packaging used in the shipment of our products. Close cooperation with one of our industrial partners in Southeast Asia has resulted in packaging optimization, including a reduction in the boxes' volume, the removal of protective plastic sheets from the label screens and, the use of recyclable material for all of the final packaging of electronic devices. In addition to reducing the weight and volume of packaging, this has significantly improved shipping container filling rates and the number of shipments. It has also led to an increase in the load density of pallets, and a reduction of the carbon impact per ESL transported.

The initiative began in 2021. The 2023 audit in kilograms, for journeys from production facilities to warehouses only, for our three best-selling ESL SKUs is presented in the table below:

Report for the 3 best-selling SKUs	PE bag reduction (kg)	Cardboard reduction (kg)
TOTAL	**56,338**	**212,152**

To take things even further, VusionGroup has also set itself the target of using 100% recyclable consumables for all packaging. As the cardboard is already recyclable, the issue is the adhesive tapes and the label holder containing the shipping details. VusionGroup switched to recyclable label holders during 2023. The roll-out of recyclable adhesive tapes is planned for 2024.

Regarding inbound freight from our EMSs (Electronic Manufacturing Services: industrial partners for the assembly of our electronic equipment) in Asia, we have continued to monitor the logistics mix between air freight, road transport, maritime cargo and train transport, so as to favor these last two modes of transport. From October 2023, goods transportation by rail became possible in China, which was not the case previously. The train is by far the least polluting mode of transport, so it will become our main focus in 2024.

Our partner is a leader in the Eurasian transport market and is very committed to its multimodal mix. Air transport is only used in the case of an emergency or necessity (commercial prerogatives, temperatures that are too extreme on the China-Europe route over defined periods of time).

We optimize delivery routes as much as possible in order to reduce our logistics footprint as soon as possible.

This mix of transport methods is taken into account in the carbon footprint calculations detailed in section 4.3.1.

4.3.3 Decarbonizing our solutions: Circular economy

KPI	GRI Code	Topic	SDG	Topic
Number of labels recycled and reporting of waste issued	301	Materials		Responsible consumption and production
	302	Energy		
	305	Emissions		Climate Action
	306	Waste		

Eco-design, recycling, and reuse of shelf labels

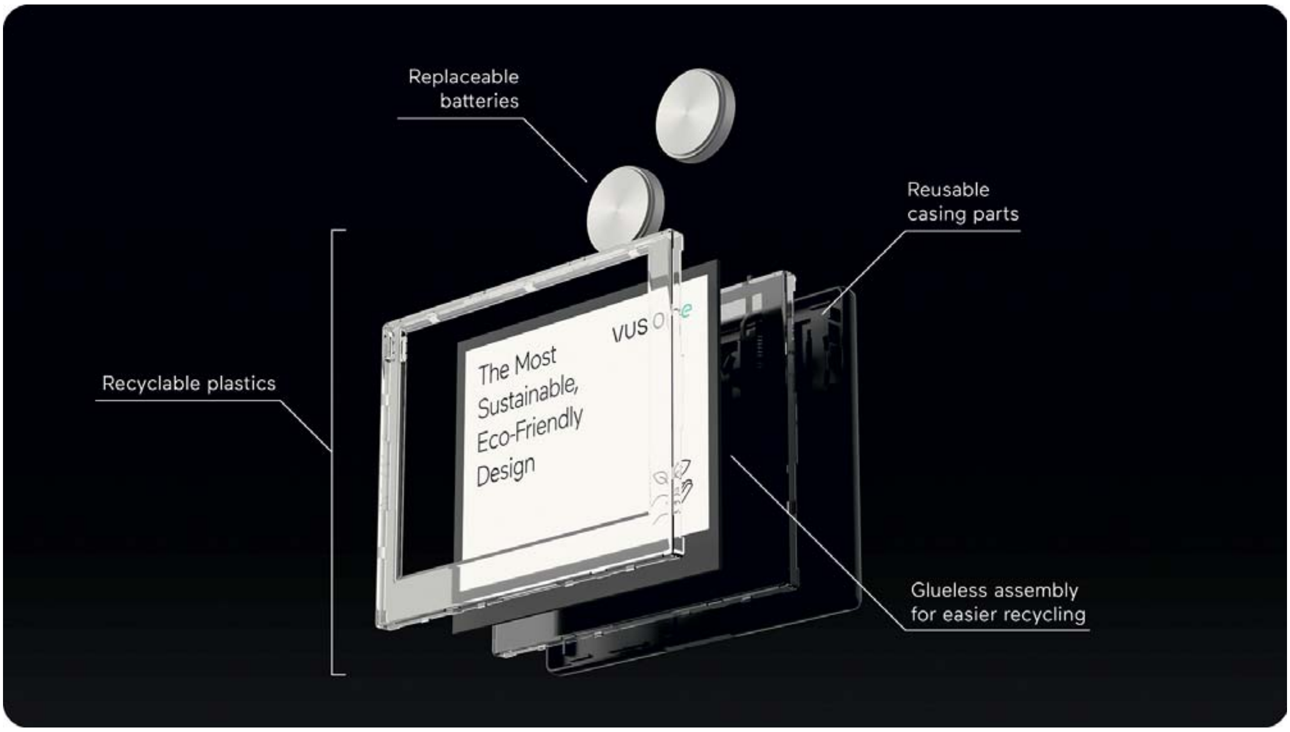
Eco-design has been at the heart of VusionGroup's expertise since its creation. In 2016, the Group launched a flagship program aimed at leveraging the circular economy throughout the label's life cycle, from its design to the supply chain, including its refurbishment and recycling. The energy transition of the sector will not take place without good circularity of resources.

The Group has a clear objective: to make the label a product that generates little waste and has a minimal carbon footprint. The labels are designed so that they can be repaired, refurbished (ease of disassembly, availability of spare parts, price of spare parts and associated services), and then recycled.

Thanks to better energy management, the increased use of recyclable materials, and improvements made to the production, refurbishment, and recycling processes, VusionGroup is focusing on innovations that emit less emissions, both during the design phase and the operating phase.

"Extending the life of technical and electronic devices, refurbishing our products, optimizing waste management, etc., all these elements are key to achieving a circular economy, without which the sector's energy transition will not take place. Our Second Life ESL program is now a strategic pillar in our business plan and will be expanded in the coming years."

Pierre Demoures
SEVP & COO (Global Sales and Customer Services)



Second Life ESL

When a customer replaces an old generation label with a new one, we collect the old labels and determine whether they should be refurbished, recycled, or destroyed.

The retiring generation of ESLs to be reused or recycled is carefully inspected and sorted with the aim of recovering the components that can be reused, and to carry out the necessary repairs to supply a specific channel with “second life” labels.

Our internal recycling flow centralizes the reverse logistics for used ESLs at two major partner sites of Ingram Micro Lifecycle (one in France and one in Poland). Ingram Micro Lifecycle maintains third-party certifications for the compliance of its management programs, including ISO 14001, ISO 9001, ISO 45001, and others such as TAPA. FSR. In addition, Ingram Micro Lifecycle's sites focus on the retirement of electronic assets to ensure data security, regulatory compliance, and environmental and social responsibility through R2, e-Stewards and others certifications. Ingram Micro Lifecyle has been awarded the EcoVadis Platinum medal for four consecutive years.

The refurbishment of labels is a crucial component of the Group’s decarbonization strategy. When a label is refurbished, its lifespan is doubled.

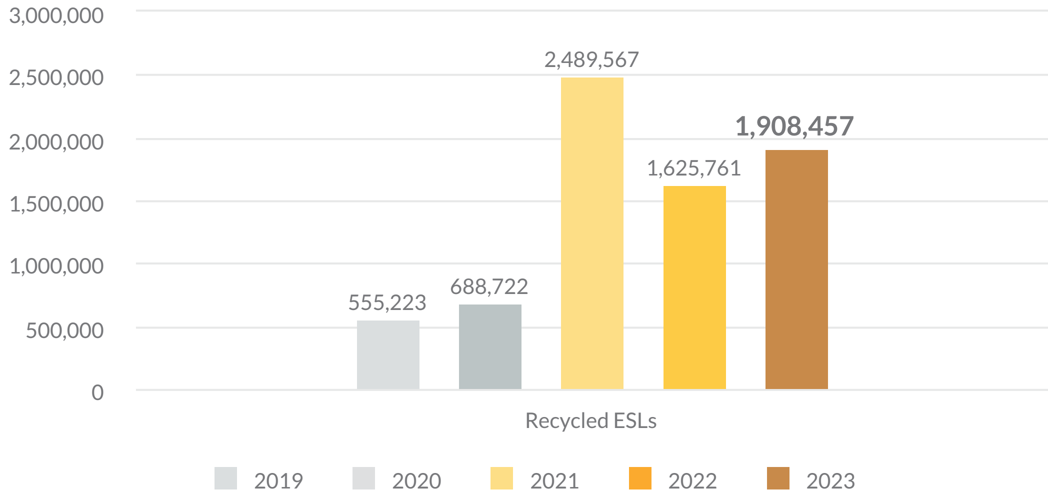
The numbers speak for themselves: a refurbished label emits 40% of greenhouse gas emissions[1] and requires 47% fewer resources compared to a non-refurbished label[2].

VusionGroup is therefore making this program a priority.

Our target of recycling 15 million labels per year by 2027 is based on the following renewal forecasts:

To date, this ESL Second Life process has primarily involved our customers in Europe, which is home to most of our mature markets. In the coming years, customers located in Asia and North America will begin the switch to new generation ESLs, thus triggering the same type of reverse logistics flows. We will endeavor to organize these flows in Europe and North America, as close as possible to the markets, so as to avoid too much transport-intensive return logistics.

Note: Recycling statistics vary according to our customers' projects and their schedules. We are therefore dependent on our customers’ decisions to dispose of their fleet of old-generation labels.



From 2024, VusionGroup will launch a pilot phase of a new and more laborious industrial recycling process requiring a return to the factory for the recovery of components needed to produce the new labels.

Electronic waste management

The European Union has enacted several directives in order to address the distinct environmental challenges related to e-waste, batteries and packaging waste. The overarching objectives of these guidelines are to reduce the generation of electronic waste, promote product recycling, ensure the proper handling and treatment of hazardous materials, and set targets for waste collection.

Each European country has implemented its own compliance system to effectively manage electronic waste, batteries, and packaging components. By diligently fulfilling its reporting obligations and making payments to these compliance systems, VusionGroup actively contributes to environmental protection efforts throughout the EU. This commitment underlines our responsible business practices and our role in supporting the broader sustainability objectives defined by national compliance initiatives.

(1) The total emissions of a refurbished label include those produced for its first life, plus the emissions required for its refurbishment.
(2) Life cycle analysis carried out in 2021 by an environmental engineering firm.

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For our readers who are not familiar with this European regulatory system: European rules require a prior funding future destruction of end-of-life products. These systems are based on the principle of extended producer responsibility, according to which producers, i.e. those responsible for marketing certain products, can be made responsible for financing or organizing the prevention and the management of waste from these end-of-life products. Taking the example of this European system of financing electronic waste, batteries, and packaging according to the weight of the latter placed on the market during the fiscal year, the table below summarizes the quantities placed on the market in Europe and North America, during the 2023 fiscal year:

Marketed weight (in kg)	Type of waste	**2023**	2022
IoT electronic waste WEEE	hazardous waste	4,604,938	3,872,821
Cells and batteries		1,190,118	966,287
Packaging	non-hazardous waste	895,971	765,455

The Group's information systems enable the reporting of these quantities for a scope representing 93% of the Group's revenue in 2022 and 95.5% in 2023.

4.3.4 Decarbonizing our organization

Optimizing employee travel and incentives to reduce carbon footprint

KPI	**GRI Code**	**Topic**	**SDG**	**Topic**
Measures taken to protect the scope 1 environment	305	Emissions	13 CLIMATE ACTION	Climate Action

The mobility of our employees is one of the emission factors within the Group, including company cars, home-work commuting and business travel. To meet this challenge, VusionGroup has implemented strategies for each of these items:

1) Company cars: for several years, we have favored hybrid or electric engines over internal combustion engines when renewing our vehicle fleet. This transition should result in a predominantly electric fleet by 2030.

The details of this breakdown are given below. We can already see the increased number of vehicles equipped with hybrid or electric engines.

	2023			2022 revised*			2021	
Number of vehicles by engine type	**Electric engines**	**Hybrid engines**	**Combustion engines**	Electric engines	Hybrid engines	Combustion engines	Hybrid or electric engines	Combustion engines
In %	8%	24%	68%	6%	18%	76%	22%	78%

* the vehicle count in 2022 has a better degree of reliability.

This strategy is aligned with our Scope 1 emissions reduction targets.

2) Emissions generated by commuting: our efforts also include a two-day-a-week teleworking policy for the majority of our employees, which avoids recurring daily commutes (see section 4.5.3). In addition, office premises are chosen based on their accessibility by public transport, in order to enhance recruitment and reduce the carbon audit of employees' home-workplace travel. The Group has also set up a “sustainable mobility package” to offer a mileage allowance to employees traveling to work by bicycle or scooter.

In addition, we have invested in video-conferencing equipment for the meeting rooms. These investments promote efficient and inclusive meetings and also minimize employee travel emissions.

3) Business travel: we will use a travel agency covering the entire Group in 2024. This will help us optimize reporting and define clear and consistent guidelines across all countries.

Business waste

VusionGroup recognizes the importance of waste management. In each of the Company's premises around the world (offices and warehouses), everyday household waste is the most important to manage. When processing this waste, the Group complies with the laws and regulations in force in each country and the company's environmental policy. It is collected by local waste management teams and sorted according to the system specific to the country in question.

This waste management policy also applies to technical equipment (computers, peripherals, etc.) that are no longer needed within VusionGroup. Our strict policy prohibits the disposal of any type of equipment through dumpsters, dumpsites, or landfills. It requires for this equipment to be collected by qualified manufacturers under contract for disposal: we use the service provider Ingram Micro for all VusionGroup IT equipment.

To reduce waste production, VusionGroup has set up awareness-raising campaigns in its premises: for example, "Reduce, Reuse, Recycle" posters. The Group also distributes equipment including a reusable cup, a tote bag, and a water bottle to each employee.

The Group has also set itself the goal of totally eliminating the use of plastic bottles at events or customer meetings held at the premises.

Water and energy consumption at our corporate offices: the impact on our carbon audit is not deemed significant

The amount of water used by VusionGroup comes mainly from its premises (offices and warehouses). None are located in a protected area. As a result, the Group does not use water from restricted or protected areas, or watersheds. Municipal water is the only water source used. The majority of water consumption is for domestic use by employees.

We have no significant environmental impact on water sources or the watershed ecosystem, and we have not abstracted water from areas under water stress. The domestic gray water generated is treated by discharging it directly into the systems in accordance with the law.

VusionGroup recognizes that water is a limited and invaluable vital resource and adheres to Sustainable Development Goal 6 "Ensure the availability and sustainable management of water and sanitation for all". In response to this, we are working to ensure that water is used sparingly in our offices around the world. Indeed, VusionGroup takes measures to reduce water consumption by educating and engaging its employees on best practices through internal communication programs.

4.3.5 TCFD (Task Force on Climate-Related Financial Disclosures) reporting

For the purpose of presenting its climate strategy in accordance with international recommendations, VusionGroup has presented its strategy below, along with its risk management and its ambitions in terms of climate strategy according to the TCFD format (the governance having been detailed in section 4.2.3).

Recommended information	References	Brief description
Governance		
Describe the organization's governance in relation to ESG and climate risks and opportunities.		
Monitoring of climate-related risks and opportunities by the Board	Section 3 and section 4.2.4 of this report	• The Group's climate strategy was presented and discussed in 2023 with the ESG, Nomination and Remuneration Committee and in 2024 with the Strategy and ESG Committee following the Board's decision in December 2023 to appoint a new specific committee to oversee the Group's climate strategy. • VusionGroup's International Advisory Board - composed of industry and financial leaders from the private sector and senior managers of European public sector entities - also reviews the Company's climate strategy and objectives. • The Chairman and CEO oversees the implementation of the climate-related action plans through monthly meetings with the main contributors.
Management's role in assessing and managing climate-related risks and opportunities	Section 4.2.4 of this report	• Thought leadership: VusionGroup management actively participates in the global dialog (World Economic Forum, Davos Forum, COP28, etc.) on the digital transformation of the retail sector and how it contributes to the decarbonization of the segment as a whole. • The VusionGroup's management is committed to building a business model in line with the Paris Agreement in order to limit global warming to a level below 1.5°C, and in compliance with the United Nations guidelines. On the strength of this commitment, the Group's strategy is to implement its "Positive retail" roadmap: 1) decarbonize its solutions, 2) calculate the avoided emissions of its customers through use cases of its solutions. • The Group's management assesses the risks and opportunities related to climate change by: 1) reviewing the carbon emissions of its own activities; 2) taking into account customer use cases (assessment of the positive impact of the Group's solutions on its customers' carbon footprints) and 3) assessing the potential impact of climate-related risks on its assets, business and value chain. • The objectives and activities of the contributing departments are established with the ESG department, which oversees the Company's ESG efforts, including the climate strategy. It is in the area of innovation and eco-design of low-carbon products, steered and developed by R&D, that the Company makes the most positive contribution to climate issues. • An action plan covering the objectives related to climate change, as defined above, has been developed in collaboration with the R&D department, after-sales service, logistics, and ESG (carbon footprint calculation campaigns, life cycle analysis prior to any product launch, ESL recovery and recycling campaigns, carbon intensity measurements). Opportunities are carefully assessed by the marketing and sales departments based on customer use cases, and the Group offers solutions to reduce their greenhouse gas emissions in stores. A personalized offer is submitted after the identification of each opportunity.

Recommended information	References	Brief description		
Strategy				
Describe the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning when this information is significant.				
Climate-related risks and opportunities identified by the organization in the short, medium, and long term		**Risks**		
			Transition risks	**Physical risks**
	Section 2 of this report	**Short-term**	**Reputation** • All VusionGroup stakeholders expect action on climate change. Not responding to these expectations constitutes a risk factor that could affect the Group's reputation.	**Group sites** • An analysis of climate risks, in addition to an analysis of natural disasters, was carried out in early 2024 in order to understand the Group's exposure and identify risk management actions.
		Medium-term	**Financial** • As we transition towards a more sustainable economy, one major challenge relates to potential new regulations enforcing a global or regional carbon pricing system which would have direct financial consequences on all companies.	**Supply** • If the global ecological transition does not happen quickly enough, rising temperatures, droughts, and climate disasters (particularly floods) could have a direct impact on our upstream supply and industrial assembly chain.
		Long-term	**Financial** • If our supply chain is affected in terms of its organization and costs, a price increase should be considered	**Supply and energy** • If the global ecological transition does not happen apace, rising temperatures and water scarcity could have a direct impact on our upstream supply chain as well as the energy supply for our data centers.
	Section 4.2 of this report	**Opportunities** • "Positive retail" project: managing the digital transformation of the retail sector The Group has developed a complete digital IoT platform that allows retailers to connect and digitize their points of sale, automate low value-added processes, better understand, inform and serve customers, and produce quality information to optimize at shelf life at all times, avoid disruptions and waste, and create an omnichannel service that builds loyalty and is adapted to new consumer expectations. The Group's development of cutting-edge solutions responds to the strong customer demand for these technologies, as evidenced by the organization's continued double-digit growth. VusionGroup's "Positive retail" strategy aims to amplify the Group's leading role as a provider of solutions for the decarbonization of the physical retail sector. • The "employer brand" associated with sustainable development Companies that take a fundamental and ambitious approach to tackling climate change are received positively by millennials and younger job seekers, putting VusionGroup at an advantage in terms of talent recruitment and retention. • Increased visibility on capital markets As part of their allocation policy, some investment portfolios favor companies that provide decarbonization solutions for industry and services. VusionGroup's contribution to the decarbonization of physical retail should allow it to benefit from this growing pool of investors. "Positive retail" project: driving the digital transformation of the retail sector.		

Recommended information	References	Brief description
Impact of climate-related risks and opportunities on the organization's activities, strategy, and financial planning	Section 4.3 of this report	**Risk-related investments and expenses** Capital expenditure (Capex): Financial planning ensures that sufficient capital is allocated to R&D to advance low-carbon IoT research and development projects. The business plans include a "carbon intensity" component in order to guarantee a product and service mix that makes a positive contribution to the environment. A recent example of sustainable investment in the field of innovation, the EdgeSense project (VusionGroup's new shelf digitization system), required an investment of €22 million in 2022 and €37 million in 2023. EdgeSense is a more resource-efficient and energy-efficient way to deploy electronic labels (ESL). Rather than using several individual electronic labels (ESLs) containing their own battery, a "smart" rail centralizes and supplies the energy and data necessary to six or seven "passive" ESLs placed on the rail. This new proprietary system was initially designed at the request of a major US retail customer. Operating costs/expenses: • Workforce To develop the ESG strategy, the Group has set up a dedicated team of three people. • Consultancy fees for ESG and climate-related topics Our annual budget includes consultancy fees for ESG and climate-related topics. These services are provided by recognized specialists and cover activities such as life cycle analysis, carbon footprint measurement, avoided emissions modeling, review and audit of our indicators and reporting documents. • Audit expenses European environmental regulations have resulted in consulting and auditing expenses to ensure compliance with the Taxonomy. • Eco-contribution costs (marketing-related expenses) An eco-contribution tax is imposed in several European countries as a prerequisite for the eventual destruction of VusionGroup IoT devices at the end of their life, in accordance with industry standards, and the safe recycling of the lithium batteries used in our ESLs. **Opportunities:** • Business development opportunities Thanks to its range of low-carbon products and services, the Group has won numerous contracts and calls for tenders. A clear climate strategy is welcomed and increasingly requested by existing and potential customers. • Financing opportunities The Group's climate strategy played a role in the refinancing of part of our debt in 2023. The conditions of certain new loans include the achievement of objectives related to the climate strategy such as: 1) the reduction of absolute greenhouse gas emissions of Scopes 1 and 2; 2) Scope 3 intensity reduction as measured in relation to the Company's added value and 3) the number of ESLs recycled for resale or a 2nd life (one of the main components of VusionGroup's circularity strategy).

<table>
<thead>
<tr><th>Recommended information</th><th>References</th><th>Brief description</th></tr>
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<tr>
<td>Describe the resilience of the organization's strategy, taking into account different climate-related scenarios, including a scenario of 2 degrees Celsius or less</td>
<td>Section 2.1 of this report</td>
<td>
The analysis of the resilience of the business model and its adaptation to the impacts of climate change will be a key element in addressing the risk related to extreme climate events and other climate-related events. The Group has carried out a climate risk assessment at its main sites and a few major subcontracting sites.
To better understand the Group's ability to withstand certain climate scenarios, a study was carried out in 2023 and 2024 to assess climate-related risks and provide guidance on risk management. The study focused on physical risks and climate disasters within the following framework:
<table>
<tr><td>Risk assessment</td><td>Mapping of climate risk exposures for operations, using risk modeling based on IPCC scenarios.
Assessment of the resilience of operations.
Assessment of potential effects on the business plan.</td></tr>
<tr><td>Risk management</td><td>Identification of priority actions.
Development of the Group's adaptation strategy.
Change management within operational departments</td></tr>
</table>
VusionGroup has therefore tested the resilience of its activity to the impacts of climate change in order to:

understand its exposure to climate risk for a panel of 20 sites (supplier sites or main Group sites), using the analysis of climate scenarios; one which models a warming scenario of 1.5°C, the second scenario relates to a warming of between 2 and 3 ° C, and the third, warming greater than 4°C.
the conclusions of this study make it possible to target by subcontracting site, storage, research center offices, etc. the risk management actions to be initiated and in interaction with our suppliers affected. Very clear statistics on the risks caused by heat, the risk of fire, the risk of drought, the risk of massive rainfall, cyclones, floods, submersion, are available to the Group so that it can implement risk prevention and mitigation actions in the coming years.

In addition, the Group:

finalized a business continuity plan and will prepare quantified business restoration scenarios in 2024 and 2025.
also finalized an initial inventory and formalized the procedures for restarting and maintaining the digital management tools and databases required by VusionGroup's customers, which are essential to the resilience of our organization. Data storage management and Cloud service providers are in place to ensure the proper functioning of digital management tools. In 2022, the Group obtained ISO 27001 certification for these systems.

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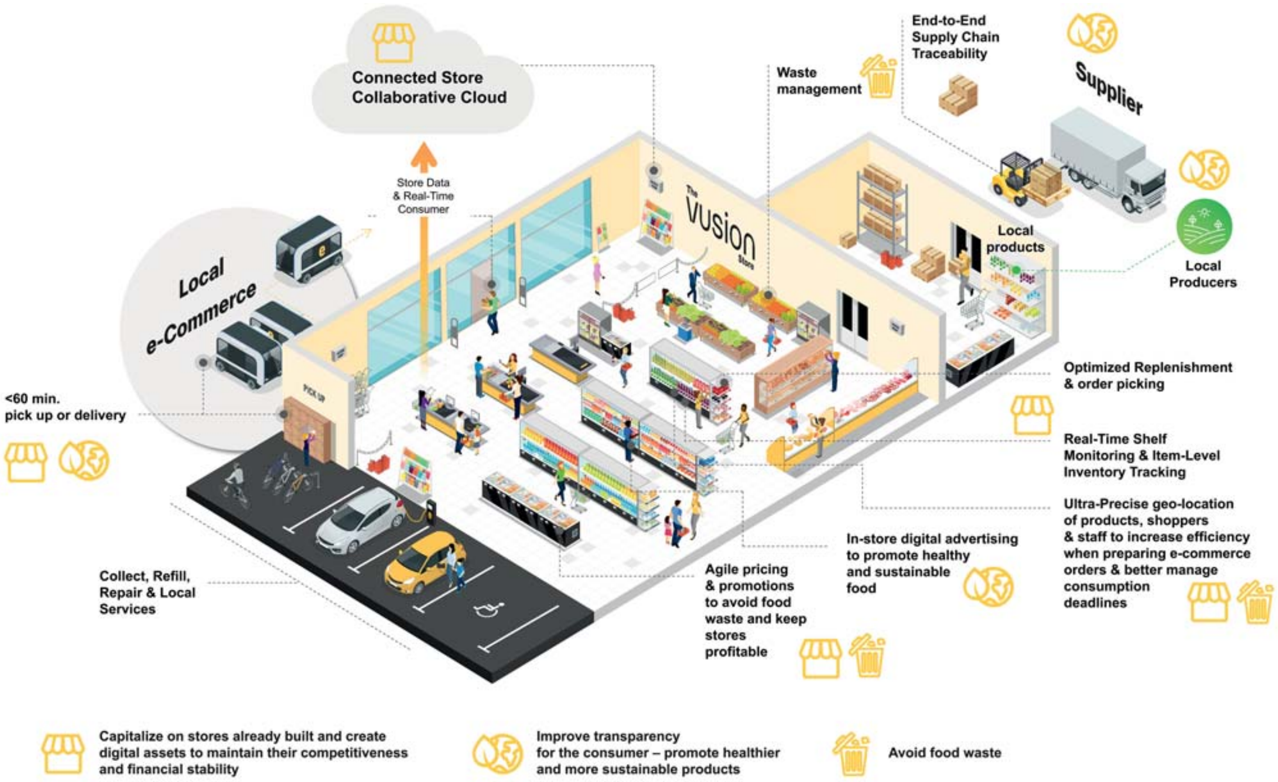
Recommended information	References	Brief description
Risk management		
Indicate how the organization identifies, assesses, and manages climate-related risks		
Organizational processes for identifying and assessing climate-related risks	Section 2.1 and section 4.2.3.1 of this report	The Group uses the following identification method: 1) a top-down analysis conducted by a team of managers, focused on the assessment of strategic risks; and 2) a bottom-up analysis carried out by the Company's managers who identify low, medium or high-level risks within their respective areas of responsibility (section 2.1). Similarly, the ESG risk materiality study was carried out (Section 4.2.3.1). In addition, a study on the climate risks incurred by the key sites in our value chain was conducted in 2023 and finalized in early 2024. The risk assessment was carried out according to three plausible climate scenarios: • a scenario below 2°C (1.5°C scenario); • a 2-3°C scenario; and • a scenario of a 4°C rise in temperatures. These are in line with the IPCC representative concentration and the RCP2.6 (SSP1), RCP4.5 (SSP2), and RCP8.5 (SSP5) shared socio-economic trajectories (RCP).
Organizational processes for managing climate-related risks		**Potential supply chain disruption** due to climate-related risks and/or related regulatory changes. To address this risk, the Company: 1) had its environmental management system audited and obtained ISO 14001 certification in 2022 and 2) audited most of its suppliers *via* the “EcoVadis Responsible Procurement Program,” which ensures compliance with international environmental standards. **Risks related to more extreme and frequent disasters and natural events.** The measures taken aim to ensure the continuity of operations in the field of services (Cloud platform) and production (IoT devices) (section 4.3). This includes the measures necessary to obtain ISO 27001 certification on information security systems and a multi-site sourcing strategy for components and manufacturing (see discussion on geographical diversification). Most of our employees are located in geographical areas that are not impacted by extreme weather events. Consequently, their safety is not at risk. Supporting the business lines in the change process began with training on global warming, provided to all our employees in 2021, followed by strong awareness-raising actions over the last three years. The work of our teams has evolved to respond to client climate requirements, current and future regulations, questions from insurance companies, ESG rating agency questionnaires completed by the Group for self-assessment purposes and an R&D approach focused on carbon impact. **Climate-related risks associated with geographic concentration.** VusionGroup has diversified the geographic distribution of its outsourced manufacturing footprint, which was historically concentrated on the Asian continent, in part to mitigate the climate-related risks associated with geographic concentration. In 2023, the Group planned for the commissioning of an ESL production and assembly site in Chihuahua, Mexico. In addition to mitigating the geographical risk, the new production site enables the Group to reduce the carbon impact of its logistics, with operations much closer to the North American market (the United States should be the main contributor to VusionGroup’s growth over the next five years).
Integration of the identification, assessment, and management of climate-related risks into the organization’s overall risk management		The Group's ESG Director is also the General Secretary and is responsible for risk identification, the Group’s insurance program, and issues related to the Group’s governance. Therefore, the identification of climate-related risks and the management and integration of climate-related issues into the Company’s governance, strategy and objectives fall within her remit. She works closely with the Company’s operational and administrative teams to assess risks and establish relevant objectives for each department to address these risks. In addition, the study of the risks caused by global warming and natural disasters (see above) was carried out in the last months of the 2023 fiscal year and the beginning of 2024.

Recommended information	References	Brief description
Indicators and objectives		
Describe the indicators and objectives used to assess and manage climate-related risks and opportunities when this information is significant.		
Processes for identifying and assessing climate-related risks	Section 4.3 of this report	To address climate risk, the Group began an analysis of acute and chronic risks on a panel of around twenty sites, both subcontracting and Group establishments: this analysis made it possible to identify the institutions with more or less long-term risks and to pursue a risk management strategy taking into account statistical changes induced by warming temperatures. What's more, to address climate risk, the Group measures its carbon emissions in order to identify priority levers for improvement or change. The main indicators in this respect are: • Number of patents filed relating to low-energy consumption • Life cycle analysis of any new product (before launch) • Carbon intensity (kg of CO_2/€'000 of added value) • Circularity: number of labels recycled • ESG rating: Carbon Disclosure Project (B rating) - EcoVadis Environmental Pillar (90/100)
Communicate Scopes 1, 2 and - where applicable - 3 greenhouse gas emissions and the associated risks		• Scope 1: 645 tons CO_2-eq • Scope 2: 449 tons CO_2-eq • Scope 3: 135,871 CO_2-eq
Describe the objectives used by the organization to manage climate-related risks and opportunities and performance against objectives		VusionGroup intends to reduce its own carbon emissions and offer innovative solutions to its customers to help them reduce or optimize their carbon footprint. Its targets are discussed above in the indicators section. The Group's 2024 climate targets include: • Quantify avoided emissions scenarios • Obtain carbon footprint and carbon intensity certifications

4.4 Our climate strategy: decarbonization with our customers

Making the physical store a digital asset



4.4.1 Decarbonization at our customers' premises: avoided emissions

Avoided emissions: definition and application

KPI	GRI Code	Topic	SDG	Topic
Calculation of avoided emissions	305-3	Other indirect (scope3) GHG emissions	9	Industry, innovation & infrastructure

Avoided emissions measure an organization's contribution to the decarbonization of an economy outside its scope of activity. The avoided emissions are estimated based on a counterfactual reference scenario that reflects the most likely situation that would have occurred in the absence of the low-carbon solution. A solution avoids emissions if it allows a reduction compared to the baseline situation.

The quality of an estimate of avoided emissions is therefore based on the attention paid to the assumptions used.

VusionGroup believes that its solutions contribute in several ways to the decarbonization of the retail sector. In order to demonstrate the major effect of this use case on our customers, in 2024 the Group will undertake an in-depth analysis and modeling of this calculation of avoided emissions.

However, several concrete examples can already be cited, all directly enabled by the use of VusionGroup solutions:

- more connected, profitable. and attractive physical stores, and therefore capitalization on existing infrastructures and a physical channel with many advantages;
- facilitating the preparation of e-commerce orders and therefore fewer dedicated warehouses needing to be built;
- fight against food waste;
- better transparency for the consumer, in particular on ESG ratings that could benefit the customer and potentially generate new and more virtuous consumption habits.

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Physical retail: the need to capitalize on existing stores

An essential asset in our societies

Over the past decade, physical retail has had to contend with the impact of the growing e-commerce trend, as well as an evolving omnichannel model put in place by the world's largest retailers. A seamless omnichannel model cannot be achieved without the digitalization of stores and the connection of physical retail to other distribution channels. Ensuring the relevance and ongoing development of physical retail is also crucial to the well-being of urban landscapes as we know them, as stores provide a number of social benefits that would be difficult to replace.

KPI	GRI Code	Topic	SDG	Topic
Committing to Positive retail, our technology and solutions	203-2	Significant indirect economic impacts	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure
Committing to Positive retail, our technology and solutions	203-2	Significant indirect economic impacts	8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth

Physical stores are a precious common good that needs to be protected.

For retailers, stores are core assets.

For brands, stores are by far the largest distribution channel, with the highest qualified traffic and conversion rates.

For consumers, stores represent immediate access to products and a five-sense shopping experience.

Stores also play a crucial role in the social well-being of our world.

For society, in the broadest sense, stores represent one-sixth of all jobs globally and are the social hubs and beating hearts of our cities.

For the planet, stores are physical assets that have already been built and so do not represent any additional artificialization.

Local e-commerce: avoid the construction of order preparation warehouses

The growth in online sales is such that the Boston Retail Consulting Group[1] estimates that e-commerce could account for more than 40% of total sales in the retail sector by 2027, compared to around 20% today. This scenario would require the construction of millions of m^2 of distribution warehouses, with a significant increase in CO_2 emissions.

We can help avoid this increase in CO_2 emissions since physical stores constitute an ideal local logistics network to serve this growth.

The Group relies on the storage and distribution infrastructure already available in existing stores and is developing a technological offering that reduces the need to build new warehouses.

Keeping physical stores profitable and attractive

KPI	GRI Code	Topic	SDG	Topic
Number of connected stores	203-2	Significant indirect economic impacts	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation and infrastructure
Number of connected stores and number of connected labels			12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production

Because stores are vital assets for the proper functioning of a society (employment, cohesion, social ties, etc.), VusionGroup is convinced that it is essential to breathe new life them.

Bringing together physical and e-commerce is at the heart of the omnichannel model, and is a crucial step in the transition of retail. This convergence enables consumers to have the shopping flexibility they seek. At the same time, physical stores are revitalized by digital tools. These should enable the automation of low-value-added processes, the optimization of inventory management, better transparency for the consumer, and the reduction of food waste and trash. These improvements all contribute to reducing the carbon intensity of the sector.

Thanks to VusionGroup solutions (IoT platform, ESLs, Captana photos, memory platform, etc.), retailers can easily monitor, in real time and in a granular manner, key performance indicators that ensure the proper functioning of the store. VusionGroup solutions are solution-oriented and enable concrete and rapid actions to be taken. The store improves its profitability, as many sticking points as

[1] E-Commerce Poised to Capture 41% of Global Retail Sales by 2027 – Up from Just 18% in 2017. https://www.bcg.com/press/31october2023-ecommerce-global-retail-sales

possible are eliminated and the customer experience is improved.

The VUSION Retail IoT Cloud platform is designed to become the open, holistic platform that transforms store digitalization into collaboration. To date, 81 million online labels are connected to our VUSION Retail IoT platform and thus offer the benefits of rigorous reference control.

	December 31, 2023	December 31, 2022	December 31, 2021
Number of stores connected to the Cloud	**17,171**	10,398	7,022
Number of connected labels	**81,825,808**	**50,002,301**	**31,017,610**

Such gains lead to improved store management, with more time for in-store staff to focus on high-value-added tasks, notably providing better customer service. Please also refer to section 4.3.2 of this report.

Reducing food waste

Product disposal and food waste are significant issues in the retail sector. Stores are faced with the need to rid their stores of products that are unfit for consumption, past their expiration dates, or not wanted by their customers, hurting profitability and the environment.

Of the 5 billion metric tons of food produced each year, 40% is wasted. Retailers are responsible for 20% of this waste as they are forced to throw products away, particularly if they are unfit for consumption or have expired[2]. The VUSION Retail IoT platform allows retailers to closely monitor these products, prices, and expiration dates. By combining this solution with artificial intelligence (directly from VusionGroup solutions or those of its partners), it is now possible to adjust the prices, promotions, or placement of these products when they reach their end of life. The platform allows retailers to closely monitor the evolution of a shelf and precisely identify products with a high breakage rate. Corrective actions are then developed, leading to the launch of targeted campaigns to reduce this rate.

KPI	GRI Code	Topic	SDG	Topic
Fight against food waste	203-2	Significant indirect economic impacts	12 Responsible consumption and production	Responsible consumption and production

The Smartway x Vusion partnership
Smartway Detection Flash Evo: the blinking LED on our Vusion labels used with Smartway's Smart Detection tool makes it easier to locate products on the shelf

In 2021, VusionGroup announced a partnership with Smartway, a start-up that offers retailers an artificial intelligence (AI)-powered solution to control food waste while also improving their profitability. Together, we have developed Smartdetection Flash Evo, a unique solution for detecting products with short expiry dates in stores. This solution eliminates the need to check products individually and spend hours in the aisle to identify and remove soon-to-be-expired products. The solution works *via* flashing labels, signaling soon-to-be expired products. In less than 4 minutes, more than 500 products can be checked and discounted.

In the Kavanagh's pilot store in London, the VusionGroup functionality:

- increased efficiency (+8 hours saved for each employee in charge of tracking expiration dates);
- prevented more than one ton of emissions per month in the store.

In 2021, this solution received multiple awards such as the LSA and Perifem prizes for sustainability.

[2] Source : https://www.wwf.fr/sites/default/files/doc-2022-05/20220523_Rapport_Europe-d%C3%A9vore-la-plan%C3%A8te_WWFFrance.pdf

In 2024, the Group is committed to modeling this avoided emissions scenario: according to the United Nations, 8% of greenhouse gas emissions worldwide are linked to food waste across all networks.

ADEME[3] specifies that this waste represents an unnecessary withdrawal of natural resources, such as arable land and water, and greenhouse gas emissions that could be avoided. It is also waste that could be avoided and, therefore, would not have to be processed and would not incur the related management costs.

All stages of the food chain, including production, processing, distribution, and consumption, contribute to food loss and waste.

VusionGroup wishes to contribute, in its own way, to reducing these figures. The Company believes that its solution, by allowing for an automated and rapid adjustment of prices, limits food waste and thus avoids emissions. At constant demand, reducing waste makes it possible to reduce production, and therefore emissions. Demonstrating the existence of avoided emissions presumes that the Group's solution, when combined with a dedicated application, makes it possible to limit waste and by how much.

Providing transparency to consumers

KPI	GRI Code	Topic	SDG	Topic
Greater transparency for the consumer	203-2	Significant indirect economic impacts	3 Good health and well-being	Good health and well-being
			12 Responsible consumption and production	Responsible consumption and production

Consumer choice is essential for real change to take place in society.

Several pieces of information are necessary to make an informed product choice: in addition to the price, we need to know the freshness, quality, origin, allergens, composition, resources required for production, emissions (...). This is why regulations have introduced new marketing standards concerning labeling: origin, nutri-score, carbon score, etc. All these regulations aim to better inform consumers in their choices in terms of quality, health, and the environment.

As the amount of mandatory information to display increases, ESLs become the perfect answer to help enable fast, productive, and effective updates, to ensure the information shown to the customer is always accurate and compliant with regulations. ESLs are themselves additional expression surfaces and also make it possible to redirect the customer (NFC, QR code, etc.).

Greater transparency for the consumer will lead to a reduction in emissions through:

- A seasonal, more local, more plant-based food diet which, therefore, emits less CO_2 equivalent;
- Pressure on distributors, who will adapt their ranges to include products adapted to new consumer expectations;
- Pressure on manufacturers, who will change their manufacturing processes/the composition of their products.

Vusion label expression areas leveraged from the HowGood database

To better inform consumers and direct their choice toward more sustainable products

In 2023, VusionGroup announced a partnership with HowGood, a company that has created a database listing the social and environmental attributes of more than two million everyday consumer products. Badges are used to highlight the most environmentally friendly products ("Carbon," "Water smart," etc.), the best composed ("Clean label," "Minimally processed," etc.) and even those providing the most protection for producers ("Fair labor," etc.). Thanks to this partnership, VusionGroup will be able to solidify its commitment to greater transparency for the consumer and offer retailers a simple and integrated solution.

[3] ADEME: Agence de la transition écologique [The French Agency for Ecological Transition]

4.4.2 European taxonomy

Context and consistency

The publication of European Regulation 2020/852 of June 18, 2020 [1] (the "Taxonomy" regulation) aims to define a common framework for analyzing the economic activities of companies in order to define those that can be considered "sustainable" within the meaning of the Taxonomy. As part of the European Green Deal, the objective is to direct financial flows toward these types of assets in order to achieve the objective of carbon neutrality by 2050. In this respect, for the 2023 fiscal year, companies must publish the share of their revenue, capital expenditure and operating expenses:

- Eligible and aligned with the first two objectives of mitigation and adaptation to climate change
- Eligible for the four new objectives detailed below

The appendices to the publication of June 18, 2020, define the list of activities covered by the Taxonomy regulation. For each activity, a definition is given to meet the eligibility criteria of the activity as well as a list of technical criteria to be respected in order to justify the alignment.

For the 2023 fiscal year, all of the following texts were taken into account when carrying out our analyses:

- The Climate Delegated Regulation of June 4, 2021, and its appendices on climate change mitigation and adaptation[2];
- Amendments to Objectives 1 and 2 amending Delegated Regulation (EU) No. 2021/2139[3] [4];
- The publication of the last four objectives *via* the Commission's Delegated Regulation (EU) of June 27, 2023, supplementing Delegated Regulation (EU) 2020/2139 [5];
- All FAQs published by the European Commission.

Explanation of the European Green Taxonomy

For the 2023 fiscal year, the Group analyzed its activities according to the eligibility and alignment criteria of the first two climate objectives of the Taxonomy as well as the eligibility criteria for the four environmental objectives.

- climate change mitigation (CCM);
- climate change adaptation (CCA);
- sustainable use and protection of aquatic and marine resources (WTR);
- the transition to a circular economy (CE);
- pollution prevention and control (PPE);
- the protection and restoration of biodiversity and ecosystems (BIO).

The Group must then present the share of its revenue, capital expenditure ("Capex"), and its operating expenses ("Opex"), associated with eligible and aligned economic activities, where applicable, associated technical criteria as defined by the Taxonomy. An economic activity is eligible when it is explicitly described in the list included at this stage in the annexes of the Regulation and it is likely to contribute substantially to one of the six environmental objectives.

An eligible activity then becomes aligned when it meets all the technical screening criteria, consisting of specific conditions and the performance thresholds necessary to demonstrate a substantial contribution to one of the six environmental objectives, without significantly harming the other environmental objectives and in accordance with minimum safeguards related to human rights, corruption, taxation, and competition law.

(1) https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32020R0852&from=EN
(2) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=PI_COM:C (2021)2800&from=EN
(3) https://eur-lex.europa.eu/resource.html?uri=cellar:aeb97864-150e-11ee-806b-01aa75ed71a1.0022.02/DOC_2&format=PDF
(4) https://eur-lex.europa.eu/resource.html?uri=cellar:aeb97864-150e-11ee-806b-01aa75ed71a1.0022.02/DOC_3&format=PDF
(5) Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council with the criteria for technical examination to determine the conditions under which an economic activity can be considered as contributing substantially to the sustainable use and protection of aquatic and marine resources, the transition to a circular economy, the prevention and reduction of pollution, or the protection and restoration of biodiversity and ecosystems, and if this economic activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the information to be published specifically for these economic activities (europa.eu)

DEFINITION

Eligible activities become aligned if they meet the following technical criteria:

1 SUBSTANTIAL CONTRIBUTION (SC)

The activities comply with the technical screening criteria set for each environmental objective.

2 DO NO SIGNIFICANT HARM (DNSH)

The activities do not have a material impact on any of the other five environmental objectives.

3 MINIMUM SAFEGUARDS (MS)

Activities are carried out in accordance with the International Charter of Human Rights and the principles set by the OECD, the UN, or the ILO, in particular on corruption, taxation, and competition law.

Building on its environmental, social, and societal commitments, VusionGroup closely monitors the work of the European Commission to analyze activities in order to direct the investments of public and private players toward projects contributing to the transition to a sustainable and low-carbon economy.

To meet these obligations, VusionGroup has set up a working group composed mainly of members of the ESG and Management Control unit, supported by a specialized firm since the 2022 fiscal year. This organization will be renewed for the 2024 fiscal year.

Assessment and methodologies

Qualification of the business model's eligibility for Taxonomy

Determination of activities eligible for taxonomy

The analysis of our eligible activities was carried out on all six objectives of the Taxonomy regulation. For the 2023 fiscal year, the following activities are considered eligible:

Name of the activity	Objective	Group activities	Section of the ESG report concerned
6.5 Transportation by motorcycle, private car, and light commercial vehicle	Objective 1: Climate change mitigation Objective 2: Climate change adaptation	Long-term vehicle leasing	4.3
7.7 Acquisition and ownership of buildings	Objective 1: Climate change mitigation Objective 2: Climate change adaptation	Property purchase or lease	4.3

VusionGroup has retained the same approach as last year to value its capital expenditure under individual measures to lead to reductions in greenhouse gas emissions. The capital expenditure used corresponds to the right-of-use expenditure calculated in accordance with IFRS 16, mainly associated with the leases of buildings and vehicles.

In 2023, we did not report eligibility for the following activities. The aim is to continue our work in order to include it in our future publications:

Name of the activity	Objective	Group activities	Section of the DPEF concerned
8.2 Data-driven solutions for greenhouse gas emission reductions:	Objective 1: Climate change mitigation Objective 2: Climate change adaptation	Use of VUSION technology to centralize online order preparation directly in stores, avoiding the construction of a building dedicated to e-commerce activity. Better management of inventory and consumption deadlines, elements of the emission value chain (Captana camera). Greater transparency for the consumer thanks to the expression areas of ESLs. Optimization of servers to save energy. Centralization of servers of several companies in the same place. Microsoft Azure partnership with the aim of powering servers with 100% renewable electricity by 2025	The avoided emissions induced by our solutions associated with activity 8.2 are subject to calculations that are in the process of being made more reliable by VusionGroup. In order to demonstrate that our solutions make a substantial contribution to objectives 1 and 2, we prefer to benefit from an additional year to validate the entire approach
5.1. Repairs, refurbishment, and remanufacturing (Circular Economy)	Objective 4: Transition to a circular economy	Repackaging and recycling of Vusion labels.	All of our "Second Life" offer, attached to activities 5.1 and 5.4, is being implemented gradually and has not yet generated sufficient revenue to justify work on its eligibility.
5.4. Sale of second-hand goods (Circular Economy)	Objective 4: Transition to a circular economy	Sale of recycled Vusion labels.	

Approach to identifying financial indicators (revenue, capital expenditure, and operating expenditure)

The financial information used is taken from the Group's information systems (investment monitoring and consolidated financial statements) at the annual account closing date. They were the subject of a joint analysis and control by the consolidation and management control teams in order to ensure consistency with the consolidated revenue and the Capex presented in the Notes to the consolidated financial statements.

1. Revenues

Definition[6]: The proportion of economic activities eligible for the Taxonomy in the total revenue was calculated as the share of revenue from products and services associated with the economic activities eligible for the Taxonomy (numerator) divided by the revenue (denominator), in each case for the fiscal year from January 1, 2023 to December 31, 2023. The denominator of the indicator relating to the revenue is based on consolidated revenue.

2. Capital expenditure (Capex)

Definition[7]: The CAPEX indicator is defined as the Capex eligible for Taxonomy (numerator) divided by the total Capex (denominator). Total Capex consists of acquisitions of property, plant, and equipment and intangible assets (excluding goodwill) during the financial year, before depreciation and amortization and excluding changes in fair value.

3. Operating Costs (Opex)

Definition[8]: the operating expenses used by the Group in application of the provisions of the Taxonomy, as planned for 2023, were restricted to the following categories:

a) research and development expenses, including, in particular, the associated personnel costs, restated for tax credits received over the period;

b) short-term leases;

c) maintenance, upkeep, and repair costs for industrial processes and buildings, including the associated personnel costs.

(6) For more details on the accounting principles applied to consolidated revenue, see Section 6.1.2. Note II.1.18 of the financial statements included in the 2023 Universal Registration Document. Reconciliation: Consolidated revenue can be reconciled with the financial statements, see Section 6.1.2. Note 15 and Section 6.1.1. Note 1.2 in the 2023 Universal Registration Document.

(7) It includes, in particular, assets related to right-of-use assets (IFRS 16). For more details on the accounting principles applicable to Capex, see Section 6.1.2. Note II.1.2. of the financial statements included in the 2023 Universal Registration Document. Reconciliation: Total capital expenditure may be reconciled with the financial statements, see Notes 1 and 2, Section 6.1.2 of the financial statements included in the 2023 Universal Registration Document. They correspond to the total of the types of movements (acquisition and production costs).

(8) These categories constitute the numerator of the ratio of operating expenses in relation to the Group's total Opex (see Notes 17 and 18 Section 6.1.2 to the consolidated statements).

1 2 3 4 5 6 7 8 9

Methodology for evaluating activities with regard to technical screening criteria (DNSH and MS)

In order to assess the current level of alignment of the activities identified as eligible, the Group carried out a verification of the compliance with the generic technical screening criteria (GNHS) of these activities and the minimum safeguards.

Generic GNHSs listed in Appendix A relating to climate change adaptation:

As part of the Group's operational risk management, several risks have been identified as described in section 2.1 of this Universal Registration Document, as well as in section 4.3.5 of the DPEF, relating to physical climate risks. This analysis was carried out in collaboration with our insurance broker according to the RCP scenario methodology proposed by the IPCC[8].

This analysis was initiated in 2023 and covers all the buildings owned or leased by the Group, as well as the production plants of VusionGroup's subcontractors.

Compliance with Minimum Safeguards

In accordance with the guiding principles of the minimum safeguards described in Article 4 of the Taxonomy Regulation, we conducted an analysis of compliance with these criteria across the entire Group.

We conducted the work based on the clarifications provided by the Sustainable Finance Platform and the "Final Report on Minimum Safeguards" document[9]. Four themes are highlighted by the report and must be covered by the minimum safeguards: (I) human rights (including labor and consumer rights), (II) corruption, (III) taxation, and (IV) competition law.

Compliance with the minimum safeguards was analyzed with regard to the criteria proposed in this report in order to ensure that the Group is not the source of violations of rights and regulations related to these four topics.

We have conducted the review of minimum safeguards centrally via workshops conducted with the departments concerned.

- **Human rights:** VusionGroup is committed to respecting and promoting recognized human rights and fundamental freedoms in all its activities (see Section 4.2.4).
- **Anti-corruption and competitive practices (competition law):** the Group has implemented anti-corruption procedures (see section 4.2.4). In addition, the Group's Code of Ethics promotes a culture of integrity throughout the Company, as well as responsible business practices in compliance with the laws on competitive practices (see section 4.2.4). This code is supplemented by the Supplier Code of Conduct to ensure that social concerns are properly taken into account throughout the supply chain. The Group has also introduced procedures to ensure compliance with the Sapin II law on the fight against corruption (see section 4.2.4).
- **Taxation:** The Company considers tax governance and compliance to be important monitoring elements: appropriate tax issue management processes are in place (see section 4.2.4).

Results

Revenues

For the 2023 fiscal year, the Group carried out its analyses including all the activities covered by the annexes of the Taxonomy Regulation, relating to the six objectives as well as the amendments to objectives 1 and 2.

As the Group's activities representing a significant portion of revenue are not yet described by the regulations, the conclusions of our analysis are identical to those of last year. We must in fact model the avoided emissions induced by our solutions before being able to claim the eligibility of these activities. The Group's activities described by the regulations do not yet generate a significant share of revenue. As a result, we do not have any revenue eligible for Taxonomy.

In 2024, we plan to continue our efforts in order to publish a percentage of revenue eligible and aligned with the Taxonomy for the next fiscal year (see Outlook section). At the same time, the Group will continue to adapt its methodology and analyses as regulations evolve.

Share of revenue from eligible economic activities and/or aligned with the taxonomy by environmental objective — Information for the year 2023

	Share of revenue/Total revenue	
	Aligned with taxonomy by objective	**Eligible for taxonomy by objective**
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capex related to individual measures:

The eligibility analysis focused on all six objectives of the Taxonomy regulation. Under the multi-objective, an analysis of the eligibility of activities 6.5 and 7.7 was carried out on both the climate change mitigation and adaptation objectives.

For the 2023 fiscal year, as we did not have sufficient information to define the eligibility of our activities for the adaptation to climate change objective, the Group decided to maintain a cautious approach and to report only on the eligibility for the climate change mitigation objective.

Eligible investments as defined by the Taxonomy Regulation amounted to €5.8 million in 2023 (relating to long-term leases of buildings and vehicles), compared to an investment total (as defined by the taxonomy regulation) of €92.9 million, i.e. a Capex eligibility ratio of 6.2%.

[8] The "Representative Concentration Pathway" scenarios are scenarios of radiative forcing up to the 2100 horizon, established by the IPCC: Intergovernmental Panel on Climate Change.
[9] https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

VusionGroup has not yet put in place sufficient reporting to assess the alignment of these eligible investments with the European Taxonomy. We have not yet released the necessary resources to implement this reporting, given the insignificance of the CapEx identified this year.

Share of CapEx from eligible economic activities and/or aligned with the taxonomy by environmental objective - Information for the year 2023

	Share of CapEx/Total CapEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	6.2%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Opex related to individual measures:

Due to the absence of eligible revenue to date, operating expenses related to activities contributing to revenue could not be classified as eligible. As a result, the various actions implemented to reduce the carbon footprint of the Group's digital solutions were not taken into account in the performance indicators relating to operating expenses.

For the 2023 fiscal year, we have decided to maintain the same methodology as for the 2022 fiscal year and to use the Opex exemption regime provided for by the Taxonomy regulation. This year, the % of eligible Opex amounted to 6.8%.

Share of OPEX from eligible economic activities and/or aligned with the taxonomy by environmental objective - Information for the year 2023

	Share of Opex/Total of Opex	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The Group will continue to adapt its methodology and eligibility analysis as the Taxonomy is implemented and as regulations, listed activities, and technical screening criteria evolve (see Outlook section).

Outlook

Environmental effects are fully integrated into the Group's strategic thinking, both in terms of R&D efforts dedicated to reducing the carbon footprint of solutions offered to its customers and in terms of thinking about the virtuous uses of its solutions within distribution networks.

The Group is committed to continuing its efforts to consider the eligibility and alignment of certain activities during the 2024 fiscal year. This involves defining and implementing an action plan to transform the reporting processes and maintaining the Group's ambitions in terms of its ESG strategy (see Outlook section):

a. Activity 6.5 (CCM & CCA): we plan to integrate the requirements of the technical criteria into our dealer information collection process. The objective is to work on collecting this information to carry out the analysis of the alignment criteria on the vehicles available in our catalog as a first step (see section 4.3);

b. Activity 7.7 (CCM & CCA): in the first instance, we plan to collect the information to justify the alignment of our European buildings with this activity. At the same time, we will begin to identify local benchmarks that can be used to align our investments in buildings outside the EU (see section 4.3);

c. Activity 8.2 (CCM): we plan to continue developing our tools to identify avoided carbon emissions through the use of our cloud solutions and Vusion labels (see section 4.4.1);

d. Activity 5.1 (EC) & 5.4 (EC): continue developing our program to refurbish our labels *via* the Second Life program with the objective, in years to come, of publishing a share of revenue in line with these two objectives (see section 4.3.3);

e. Adapt our analyses according to the requirements of the sustainability report in preparation for its application in the 2024 fiscal year.

Revenues		2023		Substantial contribution criteria						Criteria for do no significant harm (DNSH)									
Economic activities (1)	Code(s) (a) (2)	Absolute revenue (3)	Share of revenue (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of revenue aligned with the Taxonomy (A.1.) or eligible for Taxonomy (A.2.), Year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		(€m)	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Revenue from environmentally sustainable activities (aligned with the Taxonomy) (A.1)		0	**0%**	0	0	0	0	0	0	**O**	**O**	**O**	**O**	**O**	**O**	**O**	0%		
Of which enabling		0	**0%**	0	0	0	0	0	0	O	O	O	O	O	O	O	0%	E	
Of which transitory		0	**0%**	0						O	O	O	O	O	O	O	0%		T
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy (g)																			
Revenue from activities eligible for the Taxonomy but not environmentally sustainable (not aligned) (A.2.)		0	**0%**	0	0	0	0	0	0								0%		
A. Revenue from activities not eligible for the Taxonomy (A.1. + A.2.		0	**0%**	0	0	0	0	0	0								0%		
B. Activities not eligible for the Taxonomy																			
Revenue from activities not eligible for the Taxonomy		802	100%																
TOTAL (A + B)		**802**	**100%**																

Capex		2023		Substantial contribution criteria						Criteria for do no significant harm (DNSH)									
Economic activities (1)	Code(s) (a) (2)	CapEx (3)	Share of CapEx (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of CapEx aligned with the Taxonomy (A.1.) or eligible (A.2.) for the Taxonomy, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		(€m)	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Environmentally sustainable CapEx (aligned with the Taxonomy) (A.1)	NA	0	**0.0%**	0	0	0	0	0	0	**O**	**O**	**O**	**O**	**O**	**O**	**O**	0%		
Of which enabling		0	**0.0%**	0	0	0	0	0	0	O	O	O	O	O	O	O	0%	E	
Of which transitory		0	**0.0%**	0						O	O	O	O	O	O	O	0%		T
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy (g)																			
7.7 Acquisition and ownership of buildings	**CCM** & CCA	5.0	**5.4%**	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.5 Transport by motorcycles, passenger cars, and light commercial vehicles	**CCM** & CCA	0.8	**0.8%**	EL	EL	N/EL	N/EL	N/EL	N/EL										
Capex eligible for the Taxonomy but not environmentally sustainable (not aligned) (A.2)		5.8	**6.2%**	5.8	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								4.6%		
A. Capex of activities eligible for the Taxonomy (A.1 + A.2)		5.8	**6.2%**	5.8	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								4.6%		
B. Activities not eligible for the Taxonomy																			
Capex not eligible for the Taxonomy (B)		87.1	**93.8%**																
TOTAL (A + B)		**92.9**	**100.0%**																

1 2 3 4 5 6 7 8 9

Opex	2023			Substantial contribution criteria						Criteria for do no significant harm (DNSH - Do No Significant Harm)									
Economic activities (1)	Code(s) (a) (2)	OpEx (3)	Share of OpEx (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of OpEx aligned with the Taxonomy (A.1.) or eligible for the Taxonomy (A.2.), Year N-1 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
		(€m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Environmentally sustainable OpEx (aligned with the Taxonomy) (A.1)		0	**0%**	0	0	0	0	0	0	**O**	**O**	**O**	**O**	**O**	**O**	**O**	0%		
Of which enabling		0	**0%**	0	0	0	0	0	0	O	O	O	O	O	O	O	0%	E	
Of which transitory		0	**0%**	0						O	O	O	O	O	O	O	0%		*T*
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
Opex activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2.)		0	**0%**	0	0	0	0	0	0								0%		
A. Opex of activities eligible for the Taxonomy (A.1 + A.2)		0	**0%**	0	0	0	0	0	0								0%		
B. Activities not eligible for the Taxonomy																			
Opex not eligible for Taxonomy (B)*		121.2	100%																
TOTAL (A + B)		**121.2**	**100%**																

*Only Opex targeted by the Taxonomy of which 3.3 million euros in non-capitalized R&D costs

	Nuclear energy activities	
1	The Company carries out, finances, or is exposed to research, development, demonstration, and deployment of innovative facilities for the production of electricity from nuclear processes with a minimum of waste from the fuel cycle.	NO
2	The Company carries out, finances, or is exposed to the construction and safe operation of new nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purpose of industrial processes such as hydrogen production, including their safety upgrades, using the best available technologies.	NO
3	The Company carries out, finances, or is exposed to the safe operation of existing nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purpose of industrial processes such as hydrogen production from nuclear energy, including their safety upgrades.	NO
	Fossil gas activities	
4	The Company carries out, finances, or is exposed to the construction or operation of facilities for the production of electricity from gaseous fossil fuels.	NO
5	The Company carries out, finances, or is exposed to the construction, refurbishment, and operation of combined heating/cooling and electricity from gaseous fossil fuel production facilities.	NO
6	The Company carries out, finances, or is exposed to the construction, refurbishment, or operation of heat production facilities that produce heat/cold from gaseous fossil fuels.	NO

4.5 Social and societal ambitions

The company's purpose is to invent technologies that create a positive impact on society by enabling sustainable and people-centric retail.

The main social and societal objectives of VusionGroup can be broken down as follows:

- To generate widespread positive social impact through our technological innovation and solutions
- To ensure that our supply chain is sustainable
- To contribute to keeping physical stores open and attractive: central living spaces for the vitality of cities;
- To be a good place to work for our employees

4.5.1 Guarantee the safety of its products and solutions

KPI	GRI Code	Topic	SDG	Topic
Compliance with RoHS and REACH standards	416	Customer health and safety	3	Good health and well-being
	417	Marketing and labeling	12	Responsible consumption and production

In accordance with its environmental policy, VusionGroup's products comply with the European REACH regulation[1], the European RoHS directive[2] and WEEE[3], in all the countries in which we operate, with the aim of reducing and restricting substances that are potentially harmful to humans and the environment.

The EU RoHS directive stipulates that electrical and electronic products sold on the EU market must not contain lead, cadmium, mercury, hexavalent chromium, polybrominated diphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), and other controlled substances (including DEHP/BBP/DBP/ DIBP phthalates).

The EU RoHS directive therefore aims to limit the impact and exposure of consumers and the environment to specific hazardous substances. It also reduces occupational exposure when products or equipment are manufactured, recycled, or sent for final disposal.

Under the EU REACH regulation, all chemicals manufactured in the EU or imported into the EU market must be registered before the specified number of years when the annual volume used exceeds 1 metric ton.

VusionGroup ensures that all its products fully comply with all these requirements. In 2023, we did not record any product recalls relating to potential safety issues:

	2023
Number of products recalled for safety reasons	0
Value of financial losses associated with legal proceedings regarding product safety issues	€0

Also, when customers return ESLs to us (for refurbishment, for example), we send them an information leaflet to warn them of the precautions to take to avoid any risk due to the lithium battery.

(1) REACH: Registration, Evaluation, Authorization, and Restriction of Chemicals
(2) RoHS: The Restriction of Hazardous Substances Directive 2002/95/EC (RoHS 1), short for Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment
(3) WEEE: Waste Electrical and Electronic Equipment

4.5.2 A sustainable supply chain

KPI	GRI Code	Topic	SDG	Topic
EcoVadis rating	205	Anti-Corruption		Responsible consumption and production
	308	Supplier environmental assessment		
	414	Supplier social assessment		Climate Action

"VusionGroup values transparency, ethical business practices, and integrity within its supply chain. The working conditions of the staff employed by our suppliers as well as the traceability of raw materials are closely monitored by the entire company. In 2023, our industrial subcontractors were audited through an ESG questionnaire and on-site visits."

Christian Weissensteiner
EVP Global Manufacturing Operations & Sourcing - Co-CEO Vusion

A clear policy

The Group relies on strong ethical principles and standards in the conduct of its activities. In particular, the Group has published its Responsible and Sustainable Purchasing Policy. This defines the Group's main guidelines and commitments in terms of responsible purchasing, covering environmental, human rights, and ethical issues. This document is available online at www.vusion.com.

It is based on the Group's values and its international commitments through the ILO's[(1)] fundamental conventions, the United Nations Global Compact, and the OECD[(2)] Guidelines.

This purchasing policy is supplemented and enhanced by several fundamental reference documents of the Purchasing Department, which are:

- our supplier Code of Conduct, which was the subject of a signature campaign led by the strategic purchasing department, with a signature rate covering 98.2% of our industrial purchases (see audit results below);
- our policy on sourcing to ban sourcing from conflict zones;
- our policy on compliance with ROHS and REACH certifications.
  - anti-corruption and sustainable purchasing clauses in contracts with our industrial suppliers, specifying:
  - comply with the VusionGroup Code of Conduct and all applicable international and local anti-corruption laws and standards (Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010);
  - the prohibition of offers of compensation or benefits in kind that constitute or could constitute a bribe or an attempted bribe with a view to obtaining the performance of a contract in return;
  - comply with the 10 principles of the United Nations Global Compact (www.unglobalcompact.org/ what-is-gc/mission/principles);
  - maintain, for the duration of the contract, an ESG rating issued by recognized international organizations such as ISS (B+), MSCI (B +), Sustainalytics, or EcoVadis (>50) and, if necessary, to improve the rating within an agreed period;
  - comply with all laws, regulations, and requirements relating to the prohibition or restriction of hazardous substances as well as to identify and manage hazardous chemicals and other materials included in the products, in particular those listed as hazardous substances in the REACH regulation to ensure their safe use, recycling or reuse, and their safe disposal;
  - supply electrical and electronic equipment that complies with all relevant European Union legislation, including RoHS and REACH, regardless of the country where the product will be used, including non-European countries;
  - that their policies and procedures must be aligned with the OECD due diligence guidelines for responsible supply chains of minerals from conflict-affected or high-risk areas. This means that VusionGroup's suppliers must refrain from using any ore from conflict-affected or high-risk areas.

(1) ILO: International Labor Organization
(2) OECD: Organization for Economic Co-operation and Development

1 2 3 4 5 6 7 8 9

Assessing the whole supply chain

We don't own the production plants that manufacture our products. We have opted for a factory-free production model, outsourcing our production processes to External Manufacturing Services (EMSs). Our main assembly partners have long-established programs in ESG[3] and environmental initiatives. They follow global reporting standards for sustainability and are all certified to ISO International Standards that provide guidance on environmentally and socially-responsible behavior for organizations. The scope of their environmental management systems extends far beyond what is typically found in an ISO 14001:2015 system, and includes such elements as product environmental compliance and e-waste management. We subcontract the manufacturing of IoTs to specialized service providers (EMS-Electronics Manufacturing Services), while retaining the design and intellectual property rights of our products. Most of our EMS partners are located in mainland China or Southeast Asia, or more recently in Central America (Mexico).

The Group assesses quality and ESG issues within its supply chain through three types of audits:

1) supplier self-assessment questionnaire to be completed by potential suppliers: in order to identify any major breach of the Group's social and environmental requirements, a self-assessment questionnaire was designed by the Product Quality Department and the Group's purchasing teams and is systematically submitted to current and potential suppliers.

This questionnaire, composed of 19 questions, includes topics such as quality management policy, environment, labor and human rights, ethics, and sustainable procurement.

The results are assessed by VusionGroup's quality team, which systematically shares the results of the self-assessment questionnaire and the corrective actions with these suppliers as part of its improvement process. In the event of lower-than-expected performance, the supplier is required to implement the identified corrective actions and improve its overall performance with a progress strategy before being able to become a VusionGroup supplier. The implementation of the defined corrective action is closely monitored until its completion, and in the event of unsatisfactory performance, the Group reserves the right not to enter into a business relationship with this supplier.

2) an internal audit of our suppliers, managed by the Group's product quality teams, during regular on-site visits to our subcontractors and suppliers. These audits are formalized using a questionnaire adapted to each category of supplier according to its sector of activity, including a section dedicated to ESG, and are supplemented by findings made on site. This questionnaire includes topics such as the quality management policy, the environment, labor and human rights, ethics, and sustainable procurement.

This audit consists of an on-site visit to ensure the quality and compliance with the principles of the purchasing policy and the Supplier Code of Conduct. The Group has created an "evaluation of its suppliers" which covers, among other things, the application of human rights, the imperatives of health, safety, respect for the environment, and the traceability of minerals (not coming from countries in conflict).

In the event of unsatisfactory performance, the supplier is required to implement the corrective actions identified during the audit and to improve its overall performance with a progress strategy within an agreed timeframe. The implementation of mutually agreed corrective actions is closely monitored by the Group.

In exceptional circumstances, this audit may be conducted remotely. The monitoring tables below show the proportion of audits that took place on site and remotely in 2023.

3) The Group has entrusted a third party (the ESG rating company EcoVadis) with the performance of ESG audits. They measure the performance of VusionGroup's main suppliers on 21 ESG criteria grouped into four themes:

Environment, Labor & Human Rights, Ethics, and Responsible Procurement.

The EcoVadis rating model is specifically designed to measure and benchmark sustainability management systems *via* an online platform, using a questionnaire adapted to size, industry and location of the supplier, rigorous verification of inputs *via* a team of analysts and proprietary tools, and a multi-channel approach to verifying the reliability of evidence.

EcoVadis Ratings are then used to engage suppliers in benchmarking, monitoring and improving their sustainability performance.

VusionGroup also accepts ratings from international companies such as ISS ESG, MSCI, and Sustainalytics.

Suppliers below the target must implement a plan to improve their ESG performance. This is monitored by the Purchasing teams. The successful completion of an action plan is systematically validated by a reassessment. Results deemed structurally insufficient or a lack of commitment to sustainable development issues may lead the Purchasing Department to review its contractual relationship with the supplier or even to terminate it. This decision is subject to a collegial reflection which takes into account the consequences of such a decision.

<u>2023 monitoring</u>

During 2023, all audits carried out focused on industrial suppliers of electronic components and merchandise, and external manufacturing services (EMSs) assembling our finished products (labels).

(3) Corporate social responsibility

Reporting and conflict minerals policy

Particular attention is paid to the supply of minerals from conflict zones (tin, tungsten, tantalum, and gold): the Group's purchasing policy stipulates that suppliers and subcontractors must comply with applicable laws and regulations regarding the sourcing of these minerals. It requires them to establish a policy enabling them to reasonably ensure that the purchase of these minerals is not used to finance, directly or indirectly, armed groups whose activities contravene human rights. They must also, as may be required by law, exercise due diligence in the choice of the source and the traceability of the minerals and, consequently, require the same diligence on the part of their suppliers.

Reports on conflict minerals are required from our suppliers and are an integral part of our audits, supplier self-assessment questionnaires or the EcoVadis questionnaire. When no reporting on conflict minerals is available, corrective actions are defined and the supplier is required to implement them with a progress approach. The implementation of mutually agreed corrective actions is closely monitored by the Group.

2023 indicator reporting:

All potential suppliers must complete our self-assessment questionnaire to proceed to the next stage of qualification.

In addition, VusionGroup's Quality team carries out audits (on site or remotely) with its suppliers:

- Tier 1 (direct purchases);
- Tier 2 (indirect purchases);
- and as a finalization of the qualification process.

In total in 2023, 19 audits were carried out, including three remotely[4] and 16 on site. Of these 19 audits, six were carried out with our direct suppliers, eight with our indirect suppliers, and five on-site audits for potential suppliers, of which three were qualified as shown in the table below:

1
2
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4
5
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Audit of the industrial supply chain of VusionGroup and signature of the supplier code of conduct

Type of industrial supplier	**Number of suppliers/ % of industrial purchases covered**	**Audits carried out by VusionGroup in number of suppliers/ % of industrial purchases**		EcoVadis assessment out of 100	**Signature of the Code of Conduct in number of suppliers/% of industrial purchases covered**
		On-site	remote		
Potential	5	5 (3 qualified)	0		
Direct	6	5 (qualified)	1 (qualified)	6	6
	97.18%	94.76%	2.42%	100% with satisfactory score:> 50	97.18%
Indirect	8	6 (qualified)	2 (qualified)		
Other direct suppliers	15	0	0	15	11
	2.15%			80% with satisfactory score: > 50	1.02%
% of industrial purchases covered	99.33%	97.18%			98.20%

To supplement these audits conducted by the Quality team on our 15 smallest suppliers (representing 2.15% of our direct industrial purchases), VusionGroup uses the basis of the documentary audits of the ESG rating company EcoVadis.

Highlights of the audits carried out by VusionGroup:

Among our audited direct and indirect suppliers, 100%:

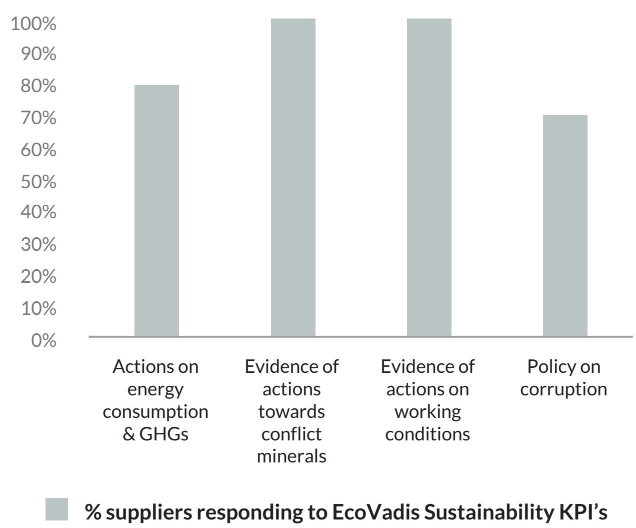
- have an environmental policy that is measured through qualitative commitments and quantitative objectives;
- take measures in relation to water management;
- are certified by an environmental management system (ISO14001 or other);
- have implemented a sustainable purchasing policy;
- integrate social or environmental factors into their supply chain;
- adhere to labor and human rights policy;
- have defined key performance indicators regarding labor and human rights;
- comply with local laws and ILO requirements in terms of working hours and paid leave;

(4) Three audits were carried out between the end of 2022 and the beginning of 2023 in China with our direct and indirect suppliers due to the Covid-19 situation

- pay candidate recruitment fees;
- are certified according to ISO45001/OHSAS 18001;
- have a Code of Conduct on fraud, money laundering, corruption, conflicts of interest, anti-competitive practices, and information security ;
- have a defined information security action plan;
- have ISO9001 certification.

Across all the suppliers assessed by EcoVadis, the main performances observed in the areas of Environment, Social & Human Rights, Ethics, and Responsible Purchasing audited were:

EcoVadis audit Scorecard analysis



4.5.3 A good working environment

The Diversity & Inclusion program illustrates the Group's ambitions: to create an equal, diverse, and committed community over the long term. The eNPS satisfaction survey was very encouraging, and the feedback was particularly positive. To break the glass ceiling, VusionGroup strengthened its international parenting policy in 2023. Men are all entitled to one month of paternity leave so that they can be involved in the birth of their child. For women, adjustments are made throughout their pregnancy, and their return to work is facilitated. We guarantee equal treatment before, during, and after their pregnancy. Parents are allocated four additional days of paid leave per year to deal with unforeseen circumstances. Lastly, a hybrid work system ensures maximum flexibility. At VusionGroup, we are very proud to operate in a particularly multicultural, gender-balanced, and multigenerational context, a source of innovation and professional fulfillment."

Marianne Noel
SEVP Group Human Resources

Fostering a highly motivating and inclusive workplace

Our people are characterized by their committed and innovative mindset. Each makes a strong contribution to achieving excellence and creating long-term value for physical retail and society as a whole. They are driven by a strong motivation to design innovative products, solutions and services to improve physical retail.

Long-term and stable workforce, in constant growth-driven renewal

Our management team is very stable. Thierry GADOU has been the Chairman and Chief Executive Officer for eleven years. The average tenure of Executive Committee members is 10 years.

We are also particularly proud to have built an international Group that keeps its employees for the long term. In fact, 49% of the workforce at year-end 2012 were still with us on December 31, 2023. These employees were part of the very first generation of electronic labeling in the world and are able to pass on the legacy of a pioneering company in our field. Since then, they have adapted to the context of strong growth, internationalization, and innovations around our solution. The company has been able to support them in these transformation challenges to retain them over the long term.

The average age of our employees, which stabilized at 36 at the end of 2023 (as in the last two years), testifies to the Company's ability to integrate new managers and younger employees while retaining its employees over time. We have a well-balanced, multi-generational team, stable senior management, and a talent pool equipped with new skills to be trained in the latest technologies.

Our global and diverse community

GRI Code	Topic	SDG	Topic
202	Market presence		
401	Employment	11 Sustainable cities and communities	Sustainable cities and communities
405	Diversity and equal Opportunity		
406	Non-discrimination		

In light of our global market and robust growth, we have implemented an agile, horizontal, and internationally-oriented organization. Our geographic expansion strategy has resulted in the mobility or recruitment of local sales teams, which are based as close to our customers as possible, to their physical stores and decision-making centers.

We are committed to offering our employees equal opportunities for recognition and career development, irrespective of national origin, gender or beliefs, and we follow all applicable regulations and agreements. Employees are hired solely on the basis of their education, professional experience, their potential and ability to adapt, as well as their motivation to join us.

At year-end 2023, the Group had 847 employees across the world, spanning different cultures, languages, genders, ages, and levels of expertise. They work together across the globe, providing our Group with one of our most significant strengths: diversity.

Our diversity enables innovative thinking and original ideas, generating added value for customer solutions.

We are particularly mindful of the range of backgrounds of our teams and of the expression of the cultures to which each individual belongs. We promote the diversity of our collective cultures and of every individual. Our employees (of which 47% are located in France) represent 51 different nationalities and speak 25 different languages, the most prevalent being English, French, German, Mandarin Chinese, Spanish, and Italian.

The workforce increased by 39% between 2022 and 2023 following the organic growth of the Group's activity and the additions to the scope of the two acquisitions (Memory and Belive.ai) that year.

Workforce by contract type	**December 31, 2023**	**% of the workforce**	December 31, 2022	% of the workforce
Permanent	802	95%	570	94%
Fixed-term contracts	45	5%	38	6%
Including apprenticeship	*36*		*33*	
TOTAL	**847**	**100%**	**608**	**100%**

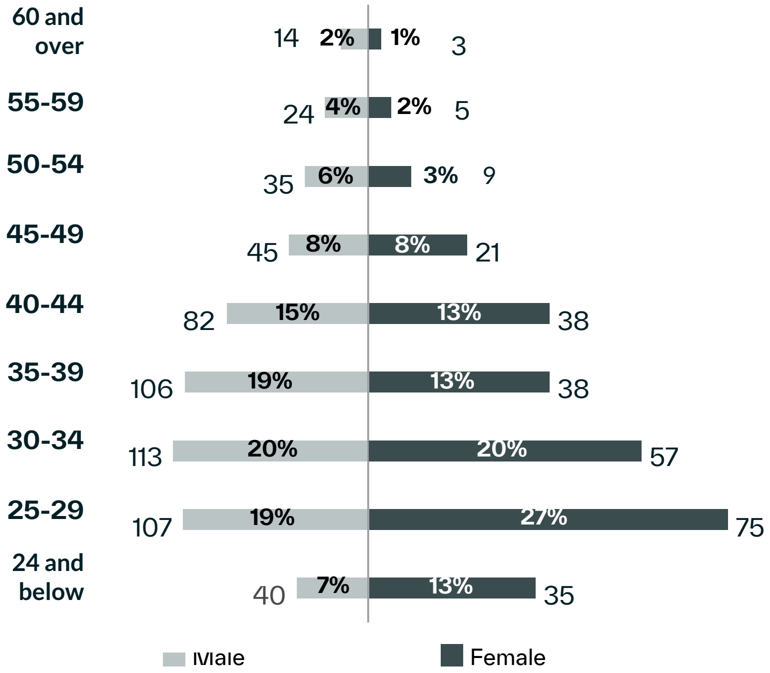
Employee turnover	**December 31, 2023**	December 31, 2022
Recruitment	**381**	**206**
of which permanent	*332*	*169*
of which fixed-term contracts	*49*	*37*
Departures from the organization	**142**	**151**
of which resignations	*50*	*46*
of which dismissals and terminations with severance packages	*29*	*19*
of which scope effect (exit of BOE Digital Technology Ltd), end of fixed term contract (e.g., apprenticeships), end of probationary period	*63*	*86*

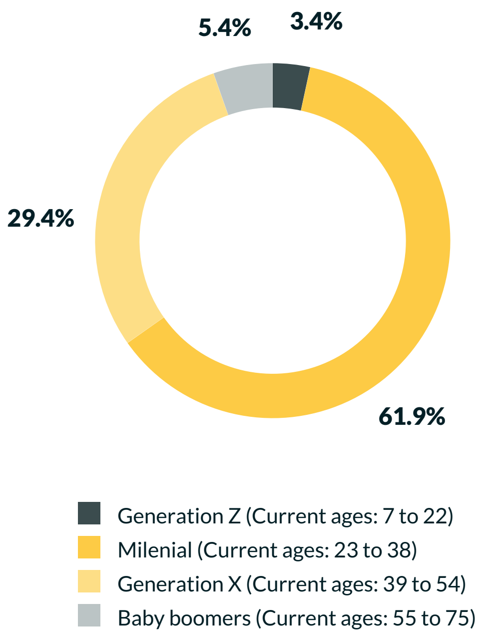
Average tenure	**December 31, 2023**	December 31, 2022
Female	3	3
Male	4	5
TOTAL	**4**	**4**

Average age of the workforce	**December 31, 2023**	December 31, 2022
Female	34	34
Male	37	38
TOTAL	**36**	**36**

2023 age pyramid

"13 % of women, i.e. 35 employees, are 24 and below".





A goal of leadership parity

KPI	GRI Code	Topic	SDG	Topic
% of women among new hires	401	Employment	5 GENDER EQUALITY	Gender equality
Workforce by gender - mentoring program	405	Diversity and equal opportunity		
% of women in top management	405	Diversity and equal opportunity		
% of women among new hires	406	Anti-discrimination		

As a global Group encompassing diverse communities, we are committed to providing equal opportunities to every woman and man employed in the Company, wherever they live or work. Despite this intention, under-representation of women in the overall technology sector remains an issue to be addressed. Not only does technology need more female representation, we are also convinced that diversity in management teams leads to better business performance. Therefore, our objective is to significantly improve the representation of women in management positions.

VusionGroup strives to promote equal opportunities and gender equality at all stages of career development. The Company has made strides in improving the gender balance, with women as a percentage of the workforce increasing from 23% in 2016 to 33% in 2023.

The Company also increased the proportion of female managers, from 22% in 2020 to 27% in 2022 and 28% in 2023.

To achieve better gender representation, the Group initiated an internal program aimed at expanding the representation of women in managerial roles by:

- identifying women who have the potential, in the short to medium-term, to access roles that are in the Company's top 10% most senior positions; and
- implementing a mentorship program with Executive Committee members and *via* individual development plans, whereby women are encouraged to make connections with senior management members as mentors who can help to guide them toward the skills that they will require to be able to assume leadership positions in the future.

	December 31, 2023 %	**December 31, 2023 - Value**	December 31, 2022 %	December 31, 2022 Value	December 31, 2021 %	December 31, 2021 - Value
Proportion of women in the workforce	33%	281	34%	205	33%	180
Technical roles held by women	19%	82	17%	50	15%	40
Proportion of women recruited	34%	130	41%	85	37%	72
Female managers (managing at least one person)	28%	79	27%	42	24%	33
Female managers under 35 years old	49%	25	49%	18	40%	12
Among senior executives (GMB members), women represent [1]	19 %	6	22%	6	17%	4

(1) GMB = Global Management Board - see section 3 of this report for more details.

These figures show clear progress in the representation of women in senior positions as well as technical roles. In addition, parity is almost reached among managers under the age of 35, which is a particularly encouraging sign for the future trajectory.

Diversity & Inclusion (D&I) – Our five-year vision

2021 and 2022	2023	2024 to 2025
Discover, measure and embed D&I into our DNA	**A year focused on parenthood and well-being at work**	**Drive positive societal change through all our objectives**

2021 and 2022

- **Raise awareness on D&I**
  Global webinar, Mandatory training
- **Create a community**
  42 contributors, clear internal and external action plan
- **Fast-track program for women**
  Mentoring, Training plan, Development plan

2023

- **Facilitating parenthood within the VusionGroup**
  Flexibility at work, extended & paid leave for all countries, three free days per year until children turn 12, one free back-to-school day
- **Specific support for young parents**
  Mental load training, Return to work interview after birth
- **Promise equal treatment in the workplace**
  4.3/5 for H1 then 4.4/5 for H2 on eNPS "Development opportunities are the same for everyone in the company"

2024 to 2025

- **Improving our employer brand**
- **Employee participation to create an engaged community**
- **Inclusive culture**
- **Support for engineering schools with the highest rates of gender diversity**
- **Total gender parity for senior management positions**
- **Attracting and retaining top talent**

Professional Equality Index - France only

The Professional Equality Index was designed to promote gender pay equity within companies. It makes it possible to transparently measure gender pay gaps and highlight any progress made.

	2023	**Maximum indicator score (2023 calculation)**	2022	2021	Maximum indicator score (2022/2021 calculation)
1 - Pay gap	38	40	35	34	40
2 - Difference in individual increase rates (in % or equivalent number of employees)	20	20	35	35	35
3 - Difference in promotion rate (in %)	15	15	NA	NA	NA
4 - Percentage of employees who benefited from a raise in the year following their return from maternity leave	15	15	15	0	15
5 - Number of employees of the under-represented gender among the 10 highest-paid employees	5	10	5	5	10
TOTAL	**93/100**	**100**	**90/100**	**74/100**	**100**

Our workforce increased significantly in 2023 and we no longer use the same calculation methodology. We are including a new indicator, "Promotion rate gap," which we did not monitor in previous years. The score of 93/100 in 2023 is very satisfactory, and we will do everything we can to continue this progress.

Commitment to social and professional integration of people with disabilities

VusionGroup is committed to the social and professional integration of adults with disabilities.

Parts of the second life ESL repair process are sub-contracted to organizations specialized in the social and professional integration of adults with disabilities. The ESAT of Éragny (an organization that places people with disabilities in appropriate work environments, in the Val-d'Oise department of France) has supported our ESG refurbishment efforts since the 2000s.

In addition, the Group directly employs six people with disabilities worldwide.

Talent management

We believe that motivation is the first driver of performance, and that all our employees can achieve strong results if they are motivated, trained, rewarded, filled with a sense of long-term belonging and convinced that their work is important, meaningful and positive. The breadth of the positions we offer, our rapid growth in a global context and a very strong culture of innovation enable us to offer our employees a number of career paths as well as swift and fulfilling personal development.

Our proactive recruitment policy targets talent from the best schools and with an international orientation. Therefore, we benefit from a generational balance, multiple expertise and experience, and a strong ability to train and integrate new recruits.

Training

KPI	**GRI Code**	**Topic**	**SDG**	**Topic**
Training and carbon footprint training	404	Training and Education	8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth

We are committed to providing our employees with ongoing training. As we operate in a particularly innovative sector, we aim to ensure that all of our employees have the necessary skill sets to grow within the Company and the industry, and so that they can fully develop their abilities and expertise.

We are encouraging a more flexible learning culture where our associates can access upskilling classes *via* our e-learning platform, anywhere and at anytime. We have also increased our investment to offer a wider selection of content. Our aim is to combine a proactive training policy with a very broad training offer in which employees can choose the online training courses that are relevant to their career and skills according to the time they have available and their personal motivation.

Additionally, during our bi-annual performance reviews, managers and employees look to identify training opportunities in keeping with our people's needs and the Company's challenges.

The table below details the training expenses over the last three years, excluding the two acquisitions of Memory and Belive.ai. It should be noted that the pandemic has changed behavior and that e-learning is increasingly popular with employees who are more tech-savvy.

This is why the Company has stepped up its efforts and invested in new e-learning licenses with LinkedIn Learning to complement the 360 learning platform used for internal e-learning courses.

Year	Training budget	Number of face-to-face training hours	Number of e-learning training hours	Number of face-to-face training hours per employee	Number of e-learning training hours per employee
2023	€189,067	3,250	2,317	11.9	4.6
2022	€146,633	5,128	1,547	22.2	3.1
2021	€107,461	2,903	1,437	19.75	3.5

The training budget has increased considerably to enable employees to follow more technical and expensive face-to-face training courses, while expanding our e-learning training offer, which is particularly suited to younger generations and the geographical spread of our teams around the world.

Lastly, a blended in-person and e-learning training course is systematically offered to new employees joining the Group.

Training on climate change and ESG

In addition to these training hours, a common global training session on carbon emissions was provided in the second half of 2021 to the entire staff by the consulting company performing the independent Group-wide carbon footprint This training program was organized to:

- raise awareness about climate change and its consequences, risks and opportunities;
- improve the company's employees' understanding of the environmental footprint of their activities, products and actions, with a view to reduce the carbon footprint related to our operations;
- integrate climate considerations into risk management policy (reputation, transition or physical risks).

More generally, these training sessions aimed at thinking about how energy and climate issues will become an essential element in the strategies of all economic players, and to anticipate changes that are likely to occur through regulation, taxation or market forces. Getting ahead of future disruptions will enable the Company to plan ahead, to be resilient in the context of transition, and thus ensure the economic sustainability of its operations.

Since 2023, we have also had access to the EcoVadis Academy platform which is composed of several training modules on the environment, responsible purchasing, human rights, ethics, etc. These training courses (32 hours in 2023) are attended by certain employees when their business scope can have a real impact on the Group's ESG ambitions.

VusionGroup will also lead internal "Climate Fresk" workshops, in order to engage employees on current environmental issues and, more broadly, to understand planetary limits. We will combine these workshops with a "Climate Change" e-learning module.

Remuneration policy

In accordance with the commitments enshrined in the principles set out in the labor rights policy, the Human Resources Department ensures that each employee receives sufficient compensation to achieve a decent standard of living, as stated in the United Nations' Universal Declaration of Human Rights. We compensate our employees fairly and competitively in accordance with the industry and the labor markets of each of our countries. We are committed to providing a fair and decent wage and strive to ensure full compliance with applicable laws regarding wages, hours of work, overtime, and benefits.

We pay particular attention to social protection and offer quality health and retirement coverage to all our employees, as well as to their families and dependents, which is usually well above local regulations and consistent with the high social standards in France.

95% of employees have a permanent employment contract and are recruited locally, thus contributing to the employability and economic development of each of the countries where we operate.

The rapid growth trajectory in VusionGroup sales and financial performance since 2012 is directly linked to the level of commitment and expertise of our teams. It is thus essential that their variable compensation reflect their contributions to the Group's growth and success.

The Company's overall compensation policy is strongly focused on performance, entrepreneurship, and individual responsibility: variable compensation is subject to the achievement of specific and measurable objectives at 80%, the remaining 20% is based on the Group's performance.

The objectives are set in a transparent manner and formally accepted every six months by the employee, before being evaluated at the end of the half-year period through a Human Resources Information System (HRIS), which allows the Group's objectives to be defined at each managerial level and in accordance with professional duties.

Value sharing

KPI	GRI Code	Topic	SDG	Topic
Employees participating in LT compensation plans	201	Economic performance	8	Decent work and economic growth
	401	Employment	11	Sustainable cities and communities

In addition to certain local regulations, which govern profit-sharing plans for employees, the Group has voluntarily granted performance shares or performance shares and stock options to key contributors to the Company's performance on several occasions since it was listed:

- National plans:
  - a new third agreement for the 2023 to 2025 period was signed by VusionGroup SA in 2023. It provides for an even larger potential incentive bonus allocation compared to previous periods.
- VusionGroup Italy has also benefited from an incentive agreement since 2016;
- Specific RSU (Restricted Stock Unit) plans have been implemented in the US entity;
- Global stock incentives:
  - following several performance share plans, performance shares are distributed each year to employees. The scheme, in place since 2020, is based on the VUSION strategic plan. Distributed more and more widely to key people, it concerns a significant portion of our workforce (about 33% in 2023 and 30% in 2022), who are likely to receive performance shares of the Company's stock if specific performance criteria are met. These plans make motivation the primary driver of the Company's performance and have become key leverage tools for attracting and retaining the most talented employees, and for involving them in our entrepreneurial culture.

In addition, the plans motivate the beneficiaries on essential value creation targets such as Growth, Sustainability (through profitability and cash management) and Stock Price.

Section 7 of the Universal Registration Document provides detailed information on the performance share plans.

Considering the success of this policy, both in terms of attractiveness, performance, and retention, the Group's objective in 2024 is to include 100% of eligible employees in the long-term incentive plan.

This incentive plan will be aimed at all employees on permanent contracts, employed by the company for at least six months, and demonstrating performance in line with or above expectations.

Dialogue with employees

Regular management appraisals

KPI	GRI Code	Topic	SDG	Topic
Managerial dialogue: rate of completion	401	Employment	8	Decent work and economic growth
	404	Training and Education		

The Group conducts biannual individual appraisals. The appraisal interviews evaluate employee performance and set individual objectives, consistent with the Company's strategy.

In order to standardize practices across the Group and ensure a consistent and fair application of the appraisal policy, we use our "Foederis" tool, a digital platform that creates a paperless biannual performance interview process. This tool is particularly relevant in light of the Group's rapidly-expanding geographic footprint.

Each employee and each manager must follow this process according to a consistent method and in coordination with the human resources department: alignment of objectives, identification of training needs, assessment of performance and skills, career management and mobility.

100% of the Group's employees are subject to a performance review and managerial discussion.

Employee satisfaction survey

KPI	GRI Code	Topic	SDG	Topic
eNPS (Employee Net Promoter Score)	401	Employment		Decent work and economic growth

Twice a year, we conduct an employee satisfaction survey, outsourced via the Supermood platform to ensure anonymity.

a. measure employee experience based on the Net Promoter Score concept;

b. develop and conduct targeted employee surveys that assess perceptions of specific issues;

c. collect comments and suggestions to build action plans for continuous improvement of employee satisfaction;

d. track results and progress over time and benchmark the results with comparable companies.

The results of our Employee Net Promoter Score (eNPS) survey were very positive. The participation rate was 87% in the first of the year and 84% in the second half of the year. Overall, on a scale from -100 to +100, the result obtained in the second half of 2023 was 40. This score has been constantly increasing since 2021 during the first post-pandemic survey, which resulted in a score of 4.

The best score of 4.4/5 in response to the question "are the opportunities for development the same for everyone?" was recorded in the first half of 2023. This score is representative of an inclusive and reassuring environment for all VusionGroup employees, regardless of gender, ethnic origin, religion, or sexual orientation.

	2023		2022	
Survey statements	**H2**	**H1**	H2	H1
I trust the leaders of my company	4.3	4.4	4.3	4.3
I see myself working here in three years	4.1	4.1	4.1	4
I understand and can identify with the company's values	4.3	4.2	4.2	4.1
I'm satisfied with my workspace	4.3	4.2	4.2	4.1
I am able to contribute to the implementation of the strategy	4.2	4.1	4	4.1
I strongly feel that I belong in my company	4.2	4.1	4.1	4
Development opportunities are the same for everyone (regardless of gender, ethnic origin, religion, sexual orientation, etc.).	4.3	4.4	4.3	4.3
Global eNPS score	**40**	**37**	**36**	**25**

Based on the responses to the question "Would you recommend your company as a great place to work?" 51% of employees are considered "ambassadors". In other words, on a scale of 0 to 10, 51% of employees gave a score of 9 or 10.

The ongoing improvement in the score semester after semester is the result of concrete action plans to improve satisfaction in countries or teams for which the scores are more mixed (actions in favor of diversity, major investments to improve the working environment, IT equipment, internal communication, decompartmentalization of certain teams, etc.).

How the ENPS survey works:

The feedback of employees can vary from 0 to 10:

- Scores from 0 to 6: Detractors, dissatisfied employees who do not recommend the organization);
- Scores 7 to 8: Passives, employees who are fairly satisfied but not really passionate about their profession or job;
- Scores from 9 to 10: Promoters, the most satisfied, happy, and motivated employees.

To calculate the eNPS score and thus assess employee satisfaction, it is necessary to calculate the percentage of Promoters and the percentage of Detractors among all the responses. Exclude passives and perform the following calculation:

eNPS =% Promoters -% Detractors

Theoretically, an eNPS score can range from +100 (all employees are fully satisfied and recommend the employer) to -100 (all employees are dissatisfied and are considered detractors).

In reality, an Employee Net Promoter Score:

- Greater than 0 is acceptable;
- Between 10 and 30 is good;
- Greater than 30 is excellent.

The score obtained at VusionGroup has been excellent since the second half of 2022.

The In The Memory entity did not respond to the questionnaire in 2023 because a similar survey had already been conducted internally.

The eNPS questionnaire was therefore conducted within VusionGroup with 773 employees. The scope of employees surveyed includes all types of contracts including interns, fixed-term, and VIE (international business volunteer program).

Right to assembly and collective bargaining

KPI	GRI Code	Topic	SDG	Topic
Collective Bargaining, Health and Safety	401	Employment		Decent work and economic growth
	407	Freedom of association and collective bargaining		

VusionGroup recognizes and considers freedom of association and collective bargaining as fundamental rights of its employees: this recognition is formalized in its Labor Rights Policy (available on our website). The Company is also a signatory of the Global Compact. VusionGroup undertakes to comply with the various local regulations and laws in each of the countries where it operates. The Group respects the individual right of its employees to form, join or not join, to participate or leave freely, trade unions or any other body of their choice to assert and/or defend their interests as well as to bargain collectively to support and/or defend their mutual interests without fear of retaliation (intimidation, discrimination or harassment in any form, loss of salary or dismissal).

VusionGroup also recognizes the importance of dialog with freely appointed employee representatives, employee representative bodies (such as economic social committees), and organizations (such as trade unions), and supports social dialog.

Finally, at VusionGroup, we comply with all requirements aimed at establishing and maintaining fruitful and mutually beneficial relationships within joint bodies.

Any behavior that does not comply with these rights must be reported. The whistleblowing system is available to all on our employee platform in English and French.

Social dialogue is managed by the Human Resources Department, chaired by the Head of the establishment, and coordinated locally in collaboration with employee representatives according to the regulations in each country.

With nearly 50% of the workforce located in France, VusionGroup SA's Social Economic Committee sets the tone for social dialogue.

Several company agreements have been negotiated and signed with employee representatives (where this body exists in the subsidiary concerned), then applied worldwide to ensure consistency of practices.

Some programs have been developed together:

- Agreements on the organization of working hours;
- Teleworking agreement;
- Code of Ethics;
- IT Charter;
- Right to disconnect;
- Diversity and Inclusion Program.

Social dialogue is conducted constructively. Thus, the mandatory annual negotiations have always led to an agreement.

In the same way, during the Covid-19 pandemic, we limited the impact on the business thanks to our proven practice of social dialogue, such as the negotiations on part-time work that was implemented in many European countries, as well as in Canada. The safety protocols implemented locally were all developed in consultation despite the need to act very quickly.

Providing a healthy and safe working environment

KPI	GRI Code	Topic	SDG	Topic
Work/life balance: eNPS, teleworking agreements, collective bargainings	401	Employment		Decent work and economic growth
	403	Occupational health and safety		
	407	Freedom of association and collective bargaining		

Work-life balance

Since 2020, a teleworking agreement has been in place to allow employees to work from home two days a week. These agreements are rolled out in all the countries in which we operate and are widely used, except in certain departments where their work cannot be carried out remotely.

Thus, more than 70% of employees are covered by a teleworking agreement. This policy meets a dual objective of performance and improvement of the quality of life of employees, by promoting a better balance between professional and private life, by limiting the constraints related to travel, by contributing to sustainable development by reducing the number of car trips while ensuring social ties are maintained.

We ensure that this new way of working takes place in a secure environment. Remote connection is provided by VPN platforms and is authorized for employees who have read the IT Charter and our Code of Business Conduct. This approach is supplemented by employee support systems in order to preserve balance and quality of life, particularly in terms of connection time and health monitoring.

We recognize the importance and benefits of being an agile organization, both in relation to productivity and caring for our employees. For us, flexible schedules that meet the needs of the organization while catering to each individual's personal circumstances provide the best model.

In order to foster productive teamwork, we have invested in the development of coworking areas intended to offer all of our employees a ground to foster social interactions, knowledge sharing, reflection and creativity. These new connected spaces are friendly, airy, bright, flexible. and agile enough to allow the organization of internal and external events in the future, and the installation of a new, more spacious and modern showroom to showcase our products and innovations.

We are making these investments around the world so that all our employees can benefit from offices that are easily accessible and well-served by public transport, met state-of-the-art standards for office design and well-being at work. The Group's headquarters moved to a "High Environmental Quality" (HQE) building in 2014 with best-in-class standards regarding comfort, lighting, ergonomics, social spaces and other facilities. In 2019, the R&D center and headquarters in Austria were transferred to a brand-new building in Fernitz, south of Graz. With space in abundance, it includes a restaurant, a training room for sports, a climbing wall, and leisure areas.

In 2023, the Taiwan office was completely refurbished to the Group's high standards. The Dallas office in the United States has moved to new and ultra-modern premises. The Belive team from Amiens in France moved close to the station and the interior fittings were carried out in the same spirit. In Mexico City, the team has also recently relocated to benefit from the same working conditions and many other offices such as in Chicago, Milan, and Japan have been extended to facilitate growth and modern, connected, and spacious facilities.

The Group uses these collaborative spaces to organize and promote numerous social events to foster an interactive environment and effective internal communication. For example, a CEO update is organized at the French headquarters every six weeks and broadcast live around the world in all collaborative spaces in order to share the Group's strategy and transformation programs and provide an opportunity for a social gathering at the office.

Kids Days are organized every year in our main offices in France, Austria, and Taiwan. These events are particularly enjoyed by children and parents, but also all employees who are invited to help organize this very special day for all.

In terms of sports activities, the Group's Human Resources Department promotes local initiatives such as the provision of a gym for employees in Austria and the organization of yoga or pilates classes at the headquarters in Nanterre.

Ensuring team cohesion is essential in supporting and maintaining strong growth. Within a dynamic and stimulating work environment, it is important to establish an innovative and collective spirit enabling the Company to successfully face the challenges it has set for itself.

In addition, VusionGroup opts for the most favorable benefits for its employees in each of its subsidiaries. In addition to the application of the legislation in force in terms of social protection, the best social standards are put in place, in particular with regard to health and retirement coverage. Very often, French practices are applied to the entire group. For example, parental leave policies are consistent between France and the other subsidiaries.

Finally, VusionGroup recognizes the importance of the link between the nation and the army and supports the commitment of reservist employees (or another equivalent system in foreign countries). As such, the Group offers flexibility in the time to be devoted to these reserve missions.

Health and safety

The Group has formalized its health and safety policy, which is available online.

KPI	GRI Code	Topic	SDG	Topic
Collective Bargaining, Health and Safety	401	Employment	8 DECENT WORK AND ECONOMIC GROWTH	Decent work and economic growth
	403	Occupational health and safety		
	407	Freedom of association and collective bargaining		

The Group directly employs 847 people worldwide and also sometimes uses temporary employment agencies and subcontractors. The Group's employees work in very diverse environments and thus face different constraints and risks depending on whether their working environment is industrial or tertiary, nomadic or sedentary.

For example, in the context of logistics activities and the installation of in-store solutions, both personnel and subcontractors may be exposed to risks:

- related to the equipment and organization of sites (mechanical and electrical risks, risks related to the ergonomics of facilities, forklifts and lifting machines).

In addition, personnel, particularly in the service sector, nomadic or commercial, are exposed to:

- risks related to business travel (accident or health risks);
- psychosocial risks, in particular since the increase in teleworking.

These risks can have consequences on the health and well-being of personnel and subcontractors. They are subject to appropriate detailed prevention and mitigation measures (in particular checks of personal protective equipment for our installation teams as well as for our logistics teams).

For the sake of personal safety, an external audit was carried out in 2022 and 2023, a prevention plan was implemented in 2023, and an occupational risk matrix was developed:

In 2023, VusionGroup carried out an assessment of the risks related to the various activities carried out by its employees in order to determine their impact. This analysis was carried out in consultation with the publications of the International Labor Organization's (ILO) International Hazard Datasheets on Occupations (HDO).

The matrix describing the occupational risks identified is presented below:

Type of risk	Ergonomic risks	Physical risks	Psychological risks
probability	high	moderate	moderate
severity	medium	medium/high	medium/high
level of risk	medium/high	medium/high	medium/high

Although employees in the service sector are generally less exposed to the risk of workplace accidents, concerns include musculoskeletal disorders due to poor posture, slips, bacterial infections, and psychological stress.

In order to mitigate the high and medium risks identified in the matrix and improve occupational safety, we have implemented countermeasures. Occupational health and safety best practices have been established and include the monitoring of occupational health and safety indicators:

Contingency plan	• on-site training of staff in emergency situations (fire prevention) • clear emergency exit signage and unobstructed route • conducting evacuation and fire drills • regular checks of fire alarms and extinguishers • implementing a designated and trained emergency team • providing first aid kits and other first aid equipment
Prevention of musculoskeletal disorders	• medical visits focused on the prevention of ergonomic risks • providing ergonomic workstations
Protection of mental health	• online access to mental health modules through our e-learning platform, • developing a comprehensive prevention policy covering work organization and working conditions • offering flexible working hours options through teleworking agreements to promote a healthy work-life balance • IT Disconnection Charter to ensure a healthy balance by establishing guidelines for IT disconnection.

These measures reflect our commitment to ensuring the well-being and safety of our employees in all areas of their work.

The HR contacts of each subsidiary are also the health and safety representatives: each country is responsible for coordinating the health and safety of employees, in accordance with the regulations and the local level of risk.

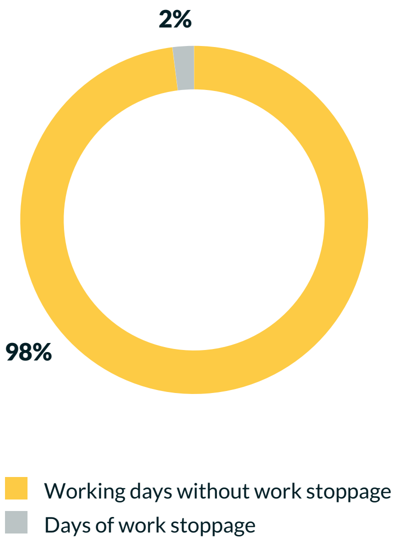
International reporting is centralized, summarizing Group-wide days of absences, divided into three categories:

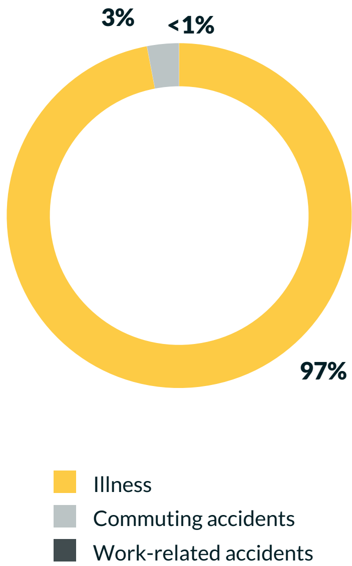
- sick leave
- accidents on the way to/from work
- workplace accidents

Out of a total of 4,564 days of downtime worldwide out of a possible 228,200 working days, i.e., 2%, the vast majority of downtime was the result of short-term sick leave.

1 2 3 4 5 6 7 8 9

Work-related accidents





	Number of employees
Number of deaths	0
% of fatalities resulting from work-related accidents	0
Number of serious work-related accidents	0
Number of days not worked due to serious accidents at work	0
% of serious work-related accidents	0
Number of work-related accidents	4
Number of days not worked following a work-related accident	142
% of work-related accidents	2.73%
Number of cases of work-related health problems	0

The above data covers all VusionGroup regions.
Commuting accidents are not included.
Definition of indicators:

- Percentage of work-related fatalities: number of work-related fatalities/number of hours worked
- Serious work-related accidents: work-related accidents that prevented employees from returning to a state of health enjoyed prior to the injury for more than six months.
- Percentage of serious work-related accidents: number of serious work-related accidents (excluding fatalities)/number of hours worked
- Number of work-related accidents: excluding fatalities and serious accidents
- Percentage of work-related accidents: number of work-related accidents/number of hours worked
- Number of illnesses directly related to the work environment: must be approved by a medical institution
- Work-related accident frequency rate: ratio between the total number of workplace accidents resulting in death or total incapacity for at least one day and the number of hours of exposure to the risk, multiplied by 1,000,000
- Work-related accident severity rate: ratio between the number of calendar days actually lost due to work-related accidents (in the workplace) and the number of hours of exposure to risk, multiplied by 1,000

Work-related accident frequency rate : **2.73%**
Work-related accident severity rate: **0.1%**

Accidents per employee: **0.47%**

4.6 Principal Adverse Impacts & standard GRI tables

Main negative impacts (PAI: *Principle Adverse Impact indicators)*

Topics	PAI	Information for VusionGroup
GHG emissions (GHG)	1. GHG emissions	Section 4.3.1 "Scope 1, 2, and 3 carbon footprint and carbon intensity"
	2. Carbon footprint	
	3. Intensity of greenhouse gas emissions of invested companies	N/A
	4. Exposure to companies operating in the fossil fuel sector	No exposure to the fossil fuel sector
	5. Share of non-renewable energy consumption and production	Section 4.3.1 "Scope 1, 2, and 3 carbon footprint and carbon intensity"
	6. Energy consumption intensity by sector with a high climate impact	N/A
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	N/A
Water	8. Water consumption	Section 4.3.4 "Water and energy consumption at our corporate offices: the impact on our carbon audit is not deemed significant"
Waste	9. Hazardous waste ratio	Section 4.3.3 "Decarbonizing our solutions": Circular economy
Social and employee issues	10. Violation of the principles of the United Nations Compact and the main guidelines of the Organization for Economic Co-operation and Development (OECD) for Multinational Enterprises	No violation
	11. Lack of processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Section 4.2.4 "Group ESG Governance"
	12. Unadjusted gender pay gap	Section 4.5.2 "A goal of leadership parity": 93/100 for professional gender equality index in France
	13. Gender diversity on the Board of Directors	Section 3.2 "The Board of Directors": 50% women on the Board of Directors at December 31, 2023
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	No exposure

GRI Content Index

Declaration of use	VusionGroup has disclosed the information cited in this index of the content of the GRI standard for the period 1/1/2023 - 12/31/2023 with reference to the GRI standards
GRI 1 used	GRI 1: Foundation 2021
Applicable Industry Standard(s)	No applicable industry standard(s)

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
	General information		
GRI 2: General information 2021	2-1	Organization details	Section 7 "The Company, its capital, and shareholders and in particular Section 7.9 "Legal information" and Section 1"Introduction and presentation of the Group's activities" 2023 URD
	2-2	Entities included in the organization's sustainability reporting	Section 4.3.1 "Scope 1, 2, and 3 carbon footprint and carbon intensity" and Section 4.7 "Scope and methodology" 2023 URD
	2-3	Reporting period, frequency, and contact point	Section 4.7 "Scope and methodology" 2023 URD
	2-4	Restatements of information	Section 4.3.1 "Scope 1, 2, and 3 carbon footprint and carbon intensity" and Section 4.7 "Scope and methodology" 2023 URD
	2-5	External assurance	Section 4.8 "Report from the independent third party" 2023 URD
	2-6	Activities, value chain, and other business relationships	Section 4.2 "Market and challenges": Section 4.2.1 "Our business model" and Section 4.5.2 "A sustainable supply chain" 2023 URD
	2-7	Employees	Section 4.5.3 "Sustainable and stable headcount in constant renewal" 2023 URD
	2-8	Workers who are not employed	N/A
	2-9	Governance structure and composition	Section 3.1 "Management bodies" and 3.2 "The Board of Directors" 2023 URD
	2-10	Nomination and selection of members of the highest governance body	Section 3.1 "Management bodies" and 3.2 "The Board of Directors" 2023 URD
	2-11	Chair of the highest governance body	Section 3.1 "Management bodies" 2023 URD
	2-12	Role of the highest governance body in overseeing the management of impacts	Section 3.2 "The Board of Directors" and Section 4.2.4 "Values and governance" 2023 URD
	2-13	Delegation of responsibility for managing impacts	Section 4.2.4 "Group ESG governance" 2023 URD
	2-14	Role of the highest governance body in sustainability reporting	Section 4.2.4 "Values and governance" 2023 URD
	2-15	Conflict of interest	Section 4.2.4 "Values and governance" 2023 URD
	2-16	Communication of critical concerns	Section 4.2.3 "Materiality analysis" and Section 4.2.4 "ESG governance" 2023 URD
	2-17	Collective knowledge of the highest governance body	Section 4.2.4 "Values and governance" 2023 URD
	2-18	Evaluation of the performance of the highest governance body	Section 3.2.2 "Responsibilities and work of the Board of Directors" and Section 4.2.4 "Values and governance" 2023 URD
	2-19	Remuneration policies	Section 3.3 "Compensation and benefits of corporate officers" 2023 URD
	2-20	Process to determine remuneration	Section 3.2.3.3 "Membership and responsibilities of the Nomination and Remuneration Committee" and Section 3.3 "Compensation and benefits of corporate officers" 2023 URD
	2-21	Annual total compensation ratio	Section 3.3.2.1 "Information relating to compensation for 2023 paid to executive and non-executive corporate officers in respect of their term" 2023 URD
	2-22	Statement on sustainable development strategy	Section 4: "Message from the Chairman", Sections 4.2.2 "ESG Strategy" and 4.2.4 "Values and governance," and Section 3.2.3.1 "Membership and responsibilities of the Strategy and ESG Committee" 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 2: General information 2021 (continued)	2-23	Political commitments	Section 4.2.4 "Group ESG governance" 2023 URD
	2-24	Embedding policy commitments	N/A
	2-25	Processes to remediate negative impacts	Section 4.2.4 "Group ESG governance" 2023 URD
	2-26	Mechanisms for seeking advice and raising concerns	Section 4.2.4 "Values and governance", Section 4.5.3 "Regular managerial assessments", Section 4.5.3 "Employee satisfaction survey", and Section 4.5.3 "Right to assembly and collective bargaining" 2023 URD
	2-27	Compliance with laws and regulations	Section 4.2.4 "Values and governance" 2023 URD
	2-28	Membership associations	Section 4.2.3 "Recognition of our commitment" 2023 URD
	2-29	Approach to stakeholder engagement	Section 4.2.1 "Our business model" and 4.2.4 "Interacting with our stakeholders" 2023 URD
	2-30	Collective bargaining agreements	Section 4.5.3 "Right to assembly and collective bargaining" 2023 URD
Relevant topics			
GRI 3: Relevant topics 2021	3-1	Process to determine material topics	Section 4.2.3. "Materiality analysis" and Section 4.3.5 "TCFD reporting" 2023 URD
	3-2	List of material topics	Section 4.2.3 "Materiality analysis", 4.2.4 "Interacting with our stakeholders" 2023 URD
	3-3	Management of material topics	Section 4 "ESG Report" 2023 URD
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Section 5 "Comments on the fiscal year" and Section 6 "Financial statements" and Section 4.5.3 "Value sharing" 2023 URD
	201-2	Financial implications and other risks and opportunities due to climate change	Section 4.3.5 "TCFD reporting (Task Force on Climate-related Financial Disclosures)" 2023 URD
	201-3	Defined benefit plan obligations and other retirement plans	N/A
	201-4	Financial assistance received from government	Section 5 "Comments on the fiscal year" and Section 6 "Financial statements" 2023 URD
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to the local minimum wage	N/A
	202-2	Proportion of senior managers hired from the local community	Section 4.5.3 "Our global and diverse community" and Section 4.5.3 "A gender parity objective within the management team" 2023 URD
GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	Section 4.2.4 "Interacting with our stakeholders" 2023 URD
	203-2	Significant indirect economic impacts	Section 4.2.1 "Our business model", 4.2.2 "ESG strategy: the roadmap for positive retail", 4.4.1 "Decarbonizing our customers" of the 2023 URD
GRI 204: Purchasing practices 2016	204-1	Proportion of spending on local suppliers	N/A
GRI 205: Anti-corruption 2016	205-1	Operations assessed in terms of risk related to corruption	Section 4.2.4 "Values and Governance" 2023 URD
	205-2	Communication and training about anti-corruption policies and procedures	Section 4.2.4 "Values and Governance" 2023 URD
	205-3	Confirmed incidents of corruption and actions taken	Section 4.2.4 "Values and governance" 2023 URD
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Section 4.2.4 "Values and governance" 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 207: Taxation 2019	207-1	Approach to tax	Section 4.2.4 "Values and Governance" 2023 URD
	207-2	Tax governance, control, and risk management	Section 2.2 "Insurance program and internal control" 2023 URD
	207-3	Stakeholder engagement and management of concerns related to tax	Section 2.2 "Insurance program and internal control" 2023 URD
	207-4	Country-by-country reporting	Confidentiality constraint
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Section 4.3.3 "Electronic waste management" 2023 URD
	301-2	Recycled input materials used	Section 4.3.3 "Decarbonizing our solutions: circular economy" 2023 URD
	301-3	Reclaimed products and their packaging materials	Section 4.3.2 "Improvements made to packaging and logistics" 2023 URD
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Section 4.3.1 "Scope 1,2, and 3 carbon audit and carbon intensity" 2023 URD
	302-2	Energy consumption outside of the organization	N/A
	302-3	Energy intensity	N/A
	302-4	Reduction of energy consumption	N/A
	302-5	Reduction in energy requirements of products and services	Section 4.3.2 "Decarbonizing our offering" and Section 4.3.3 "Decarbonizing our solutions: circular economy" 2023 URD
GRI 303: Water and effluent 2018	303-1	Interactions with water as a shared resource	N/A
	303-2	Management of water discharge-related impacts	N/A
	303-3	Water withdrawal	N/A
	303-4	Water discharge	N/A
	303-5	Water consumption	N/A
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2	Significant impacts of activities, products, and services on biodiversity	N/A
	304-3	Habitats protected or restored	N/A
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Section 4.3.1 "Scope 1,2, and 3 carbon audit and carbon intensity" 2023 URD
	305-2	Indirect (Scope 2) GHG emissions	Section 4.3.1 "Carbon footprint scopes 1, 2, and 3 and carbon intensity" and 4.3.2 "Decarbonizing our offering" 2023 URD
	305-3	Other indirect (Scope 3) GHG emissions	Section 4.4 "Our climate strategy: decarbonizing our customers' sites" 2023 URD
	305-4	GHG emissions intensity	Section 4.3.1 "Scope 1,2, and 3 carbon audit and carbon intensity" 2023 URD
	305-5	Reduction of GHG emissions	Section 4.3.1 "Carbon reduction ambitions", 4.3.2 "Decarbonizing our offering" and 4.3.3 "Decarbonizing our solutions: Circular economy" 2023 URD
	305-6	Emissions of ozone-depleting substances (ODS)	N/A
	305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-2	Management of significant waste-related impacts	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-3	Waste generated	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-4	Waste diverted from disposal	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-5	Waste directed disposal	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
GRI 308: Environmental assessment of suppliers 2016	308-1	New suppliers that were screened using environmental criteria	Section 4.5.2 "A sustainable supply chain" 2023 URD
	308-2	Negative environmental impacts in the supply chain and actions taken	Section 4.5.2 "A sustainable supply chain" 2023 URD
GRI 401: Employment 2016	401-1	New employees hires and employee turnover	Section 4.5.3 "Our global and diverse community" 2023 URD
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section 4.5.3 "Remuneration policy" and 4.5.3 "Value sharing" 2023 URD
	401-3	Parental leave	Section 4.5.3 "A gender parity objective within the management team" 2023 URD
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Section 4.5 3 "A good working environment" 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Section 4.5.3 "Health and safety" 2023 URD
	403-2	Hazard identification, risk assessment, and incident investigation	Section 4.5.3 "Health and safety" 2023 URD
	403-3	Occupational health services	Section 4.5.3 "Health and safety" 2023 URD
	403-4	Worker participation, consultation and communication on occupational health and safety	Section 4.5.3 "Health and safety" 2023 URD
	403-5	Worker training on occupational health and safety	Section 4.5.3 "Health and safety" 2023 URD
	403-6	Promotion of worker health	Section 4.5.3 "Health and safety" 2023 URD
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section 4.5.3 "Health and safety" 2023 URD
	403-8	Workers covered by an occupational health and safety management system	Section 4.5.3 "Health and safety" 2023 URD
	403-9	Work-related injuries	Section 4.5.3 "Health and safety" 2023 URD
	403-10	Work-related ill health	Section 4.5.3 "Health and safety" 2023 URD
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Section 4.5.3 "Talent management" 2023 URD
	404-2	Programs for upgrading employee skills and transition assistance programs	Section 4.5.3 "Talent management" 2023 URD
	404-3	Percentage of employees receiving regular performance and career development reviews	Section 4.5.3 "Regular management appraisals" 2023 URD
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity of governance bodies and employees	Section 4.5.3 "Our global and diverse community" and Section 4.5.3 "A gender parity objective within the management team" 2023 URD
	405-2	Ratio of basic salary and remuneration of women to men	Section 4.5.3 "A gender parity objective within the management team" 2023 URD
GRI 406: Fight against discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Section 4.5.3 "Fostering a highly motivating and inclusive workplace", Section 4.5.2.3 "Our global and diverse community", and Section 4.5.3 "A goal of gender parity within the management team" 2023 URD
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Section 4.5.3 "Right to assembly and collective bargaining" 2023 URD
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Section 4.2.4 "Values and governance" 2023 URD
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Section 4.2.4 "Values and governance" 2023 URD
GRI 410: Safety practices 2016	410-1	Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Section 4.2.4 "Group ESG governance" 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Section 4.5.3 “A great place to work” 2023 URD
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414: Social assessment of suppliers 2016	414-1	New suppliers that were screened using social criteria	Section 4.5.2 “A sustainable supply chain” 2023 URD
	414-2	Negative social impacts on the supply chain and actions taken	Section 4.5.2 “A sustainable supply chain” 2023 URD
GRI 415: Public policies 2016	415-1	Political contributions	Section 4.2.4. “Interacting with our stakeholders” 2023 URD
GRI 416: Consumer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	0% - Our R&D department continually strives to ensure that our products have no impact on health and safety, Section 4.5.1 "Guaranteeing the safety of products and solutions" 2023 URD
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Section 4.2.4 “Values and governance” 2023 URD
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	Section 4.5.1 “Guaranteeing the safety of products and solutions” 2023 URD
	417-2	Incidents of non-compliance concerning product and service information and labeling	Section 4.2.4 “Values and governance” 2023 URD
	417-3	Incidents of non-compliance concerning marketing communications	Section 4.2.4 “Values and governance” 2023 URD
GRI 418: Customer data confidentiality 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Section 4.2.4 “Values and governance” 2023 URD

4.7 Scope and methodology

4.7.1 Methodological note on non-financial reporting

VusionGroup approach to non-financial reporting aims to address the obligations stipulated in Articles R. 225-105, R. 225-105-1, and L. 225-102-1 of the French Commercial Code.

4.7.2 Reporting period and frequency

The data gathered covers the period from January 1 to December 31, 2023. No distinctions were made between the data. The data is reported on an annual basis. Certain indicators do not include historical data because monitoring for these indicators started in 2023.

4.7.3 Scope

The purpose of the non-financial reporting scope is to be representative of VusionGroup's operations.

It is defined in accordance with the following rules:

- only companies fully consolidated in the financial statements are included in the non-financial reporting scope;
- entities consolidated or created during a given year (Y) will be included in the following year (Y+1) in order to implement a gradual consolidation approach;
- entities divested during a given year are excluded from the reporting scope for that year;
- Group management updates the reporting scope for a given year on December 31 of that same year;
- the non-financial reporting scope for the 2023 fiscal year comprises all of the Group's consolidated entities for all of the indicators mentioned.

The specificities associated with scope limitations regarding certain indicators are detailed below:

Policy choices and results and non-financial performance indicators

The policy choices and results and the non-financial performance indicators presented in the statement of non-financial performance are made with regard to the main social and environmental risks associated with the Company's operations.

Due to the nature of VusionGroup's operations, the following information listed in the second paragraph, section III of Article L. 225-102-1 of the French Commercial Code is not considered relevant: the fight against food insecurity, a responsible, sustainable, and fair food chain, and respect for animal welfare.

However, the same nutrition score that applies to food products meant for humans could be applied to pet food and thus may contribute to animal welfare.

Risk policies covering product composition and consumer health as well as food safety, and sustainable food supply chain are being rolled out by the Group, and will be presented in more detail in the coming years.

4.7.4 Consolidation and internal control

Data is gathered centrally or from each entity included in the non-financial reporting scope from the following sources: extractions from information systems, Excel monitoring files, invoices, etc. Qualitative information is gathered centrally by Group management. The data is controlled and approved by the Group's operational departments.

4.7.5 External controls

In accordance with the provisions of Article R. 225-105-2 of the French Commercial Code, VusionGroup appointed one of its Statutory Auditors to be the independent third party responsible for verifying the statement of non-financial performance as of the 2022 fiscal year. The reasoned opinion on the compliance of the statement of non-financial performance, as well as on the accuracy of the information, is presented on the last page of this Non-Financial Performance Report (NFPR).

4.7.6 Methodological specificities and limitations

The indicator numbers correspond to the numbering of the challenges and ambitions table in section 4.2.4. When the indicators have not been included in this table, the section of the report in which they are cited is mentioned:

Indicator 1: Number of active patents

All patents filed by the Group's entities are managed centrally within the R&D Department in order to manage and monitor any patent filings and potential defenses. This indicator includes all patents filed and granted, as they illustrate VusionGroup's continuous innovation efforts.

Indicator 2: Carbon intensity

The carbon intensity was obtained until this year only as follows: the simple division of the Group's total carbon footprint (Scopes 1, 2, and 3) by the Group's consolidated revenue, before IFRS 15 restatement.

In 2023, we integrated a new methodology, to comply with that required by the SBTi (Science-Based Targets Initiative). The Group's carbon intensity will be calculated as follows: Group's Scope 3 carbon footprint only, divided by the Group's variable cost margin before IFRS 15 restatement (as defined in section 5.1).

The two methods co-exist and are each used according to the use case.

When the carbon intensity is limited to Scope 3 (example according to the SBTi), the Scope 1 and 2 emissions generated by VusionGroup will also be subject to reduction targets, but in absolute terms and no longer in intensity.

GHG emissions

Emissions relate to scopes 1, 2, and 3 according to the regulatory methodology for the preparation of greenhouse gas emissions assessments for the year 2023.

VusionGroup measures the carbon footprint of its activities, that of its employees, and its energy consumption on Scopes 1, 2, and 3 according to the general framework proposed by the *GHG Protocol*[1]. Carbon accounting, common to all Group companies, is based on international standards:

GHG Protocol, International Energy Agency, ISO 14064-1-2016.

The data for all Group subsidiaries are consolidated to produce the statement: we aggregate the greenhouse gas emissions by corresponding item for each of our offices and subsidiaries around the world.

To compare these different greenhouse gases, which do not have the same warming potential, they are converted into "CO_2 equivalent." CO_2 is thus considered as the reference gas. The "Global Warming Potentials" are determined by the IPCC[2] and calculated over 100 years. Thanks to the CO_2 equivalent, greenhouse gases are comparable and cumulative, which makes it easier to analyze company activity data.

Scope 1: consideration of emissions from LPG (butane, propane), natural gas, domestic fuel oil or diesel, heavy fuel oil and kerosene for stationary and mobile sources as well as emissions related to refrigerant leaks. The inclusion of vehicles used by the entire Group scope is ensured by monitoring IFRS 16 restatements, making it possible to inventory the fleet of vehicles under a long-term lease, as well as their respective engines.

Purchases of natural gas to heat our warehouses were also recorded.

Scope 2: consideration of emissions from purchases of electricity, steam, heating and cooling. Electricity emission factors only take into account combustion. Emissions expressed for Scope 2 using the location-based method (corresponding to CO_2 emissions calculated using "country emission" factors from ADEME for the years 2018-2020 and from the IEA (International Energy Agency) for the year 2021) calculated on the basis of standard emission factors per country of location, per square meter occupied, and per headcount present.

Scope 3 Manufacture and use of products sold: the life cycle analysis of the Group's products (ESLs) was entrusted to RDC Environment[3], which carried out a detailed analysis of the components listed in the industrial nomenclature of our IoTs (screen, printed circuit, plastic frame, etc.) from mining to transportation to the assembly plant, taking into account the energy required at each industrial stage, from packaging and transport at each stage to the finished product and its storage. Rails and fasteners are included in this analysis.

The use of these ESLs by customers (server consumption, for example) as well as the end-of-life of the product were also taken into account (destruction by approved organizations), as well as its possible refurbishment ("second life ESL" program) for a comprehensive view of the life cycle, assessed according to the GHG Protocol.

A portion (9.1% of revenue) of the products and services marketed by the Group, consisting mainly of IoT ranges in end of marketing cycle, has not been subject to a life cycle analysis.

Scope 3 Freight: the scope selected mainly concerns internal freight and upstream and downstream freight (to our European warehouses). The calculation method used is that of emission factor per km travelled, which make it possible to associate CO_2 emissions with the distance travelled according to the mode of transport (road, air, rail).

Scope 3 Assets used: assets used by the entire Group are taken into account by monitoring IFRS 16 restatements, making it possible to inventory offices and warehouses under long-term leases, as well as their respective surface areas.

Scope 3 Business travel: emissions related to business travel within the Group are taken into account thanks to the centralized travel agency reporting. The Group plans to have only one travel agency for more homogeneous information reporting.

(1) GHG Protocol: Greenhouse Gas Protocol (https://ghgprotocol.org/)
(2) Intergovernmental Panel on Climate Change
(3) RDC Environment is a company of experts and solutions in sustainable development

Scope 3 Commuting: emissions related to commuting were estimated by taking an average of https://www.moneybarn.com/co2-commutes/. Emissions from commuting represent an estimate and not an exact calculation due to the availability of data, to be associated with the various assumptions. The level of uncertainty remains significant for this item.

Scope 3 Purchases of goods and services: the emissions caused by the Group's purchases of goods and services have been estimated using monetary emission factors that combine CO_2 emissions with the value of purchases made for different types of goods or services. The scope includes all of the Group's consolidated entities.

Indicator 3: *Second life ESL* (recycling of labels)

Second Life ESL or recycled labels: the calculation of the indicator is based on the quantity of labels that has been in use for more than six years and that has been recycled within our European centers. The data is for Europe only and excludes entities located in Asia and North and South America: the entities included in the "recycling of labels" indicator account for €642 million of the Group's annual revenue (i.e. 80% of the consolidated revenue).

Entities from Asia or North and South America account for €160 million of the Group's annual revenue: these entities would not significantly distort the indicator since the labels installed across these regions are, generally speaking, recent and have been in use for less than six years.

Indicator 4: Avoided emissions

This indicator will be the subject of a methodology in the 2024 report.

Indicators 5 and 6: Audit of our supply chain and signature of the Supplier Code of Conduct

The department in charge of the Group's industrial supply manages the quality audit and ESG audit of suppliers by selecting the most significant suppliers based on purchases for the current fiscal year (information provided by the accounts departments).

On this basis, internal or outsourced audits (EcoVadis questionnaire) are carried out on the most significant suppliers and make it possible to calculate the number of suppliers and therefore the procurement portfolios that have been audited and/or have signed the Supplier Code of Conduct.

Human resources indicators:

Indicators 7, 9, 10

All of the indicators describing the age pyramid, gender ratios, training hour and managerial interview ratios are based on digitized reports compiled by the HR department, whose scope covers all of the Group's entities, without exception.

The long-term remuneration policy indicator is also based on an analysis covering all of the Group's consolidated entities, without exception.

Training indicator accounts for each and every training provided to employees (including trainees and "VIE") whether or not they are still in the headcount by year-end. However, the accounting of training hours does not take into account all entities: the new acquisitions in 2023 had already planned their annual training schedule for 2023 and are therefore not recognized (Memory and Belive.ai representing 15% of the workforce) but will be included in 2024.

This is also the case for the Code of Ethics signature indicator. This comes from this code's distribution platform, coupled with the DocuSign software, enabling the real-time measurement of the return rate: only employees already integrated into internal software receive this request. Memory and Belive.ai have not yet had the opportunity to sign it.

Indicator 8: eNPS

Employees Net Promoter Score: feedback from employees may vary from 0 (Not at all likely) and 10 (Very likely). Based on their answer, the respondents are divided into four categories: ambassadors (above 8.5), passives (6.5 to 8.49), non-ambassadors (2.5 to 6.49), and detractors (0 to 2.49).

The eNPS score is then calculated using the following formula: eNPS = % of ambassadors - (% of non-ambassadors + % of detractors).

NPS scores range from a minimum of -100 (if every team-member is a non-ambassador or a detractor) to a maximum of 100 (if every team-member is a promoter). Employees who rate the company between 9 and 10/10 are promoters; between 7 and 8 are passive; and between 1 and 6 are detractors.

The scope of employees surveyed includes all types of contracts including interns, fixed-term contracts, and VIE (international business volunteer program), with the exception of the Memory entity, which already had a similar survey at the time of the launch of the campaign. (The exclusion represents 8.74% of the workforce, 74 out of 847).

The eNPS survey is carried out twice a year (in H1 and H2) and the two results have been published since 2024 compared to the previous year when an average of the two results was published.

Indicator 11: Composition of the Board of

Directors

This indicator reflects the statistics provided in the corporate Governance report and in particular section 3.2.1. This information complies with French regulations as well as the recommendations of the French Financial Markets Authority *(AMF - Autorité des Marchés Financiers)* and the AFEP-MEDEF Code.

Indicator 12: External ratings

All of the external ratings to which the Group is subject (EcoVadis, ISS, CDP) require for the scope of investigation to be a Group scope.

In the case of ISS-type external assessments, they are based on public information and, in particular, the information and indicators published in this report.

In the case of the EcoVadis assessment, which is based on a documentary audit, the requirement is the same: a document that is valid only for the parent entity will not be recognized as valid for the Group.

4.7.7 Other indicators

NPS indicator: customer satisfaction (section 4.5.1)

Customers Net Promoter Score: the calculation of this indicator is based on feedback from the Group's clients (scope includes worldwide customers, except China). The NPS indicator assesses the extent to which clients recommend a company.

Clients who rate a supplier between 9 and 10/10 are promoters; between 7 and 8 are passive; and between 1 and 6 are detractors.

The NPS is calculated using the difference between the percentage of promoters and the percentage of detractors.

Indicator: Packaging savings (section 4.3.2.2)

The calculation of optimized pallet loads *via* packaging optimization is the result of a close cooperation with one of our industrial partners in Southeast Asia.

This cooperation resulted in a reduction in the number of boxes, removing the protective plastic sheets from the label screens and using recyclable material only for the final packaging of electronic devices. These results are then applied to the ESL's quantities actually transiting through the upstream logistics since July 2021.

Eventually, in addition to reducing the weight and volume of packaging, this has significantly improved shipping container filling rates and the number of shipments.

Indicator: Employees' carbon footprint (section 4.3.2)

Statistics on the type of engine used in the Group's vehicle fleet were compiled for all Group entities, based on the file of the Finance/Consolidation Department managing all leases subject to an IFRS 16 restatement.

The makes and models of the leased vehicles made it possible to identify the type of combustion engine (hybrid or electric).

Ethical business conduct and anti-corruption indicator (section 4.2.3)

The Group's consolidated revenue is published under a new analytical axis determined by the intersection of the distribution of the geographical areas where the Group invoiced its customers during the fiscal year, and the ranking of the latter in terms of corruption according to the 2022 corruption index, published by Transparency International available on the website: https://www.transparency.org/en/cpi/2022

Point of contact: EVP ESG Legal

The point of contact for questions regarding reporting or information provided in this sustainability report is Ms. Pascale Dubreuil, EVP ESG Legal of VusionGroup.

4.8 Report from the independent third party

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31st 2023

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884[1], we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended January 31st, 2023 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(code de commerce).*

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidate non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- preparing the Statement by applying the entity's "Guidelines" as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code,
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

[1] Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), and provisions against corruption and tax evasion law),
- The fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- the compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, *"Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière"*, acting as the verification program, and with the international standard ISAE 3000 (revised)[2].

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement.

Means and resources

Our work engaged the skills of six people between November 2023 and April 2024 and took a total of four weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around ten interviews with the people responsible for preparing the Statement.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We obtained an understanding of all the consolidated entities' activities and the description of the main related risks,
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance, anti-corruption and tax avoidance legislation, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code,
- We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Our work was carried out at the [consolidating] entity's headquarters,
  - We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code.
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information,

(2) ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out at the entity's headquarters and covers 100% of the data relating to the key performance indicators and outcomes selected for these tests,
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)*, a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, le April 25, 2024

KPMG S.A.

Mathilde Fimayer
Partner

Anne Garans
ESG Expert

Appendix

Qualitative information (actions and results) considered most important
Supply chain CSR evaluation system
Guiding principles of the code of ethics and dissemination to stakeholders
Measures to combat tax evasion

Key performance indicators and other quantitative results considered most important
Headcount and breakdown by gender, category, and age
Number of training hours per employee
Total number of training hours
Number of employees who attended at least one training session during the year
Employee Net Promoter Score (E-NPS) Q1
Employee Net Promoter Score (E-NPS) Q2
Number of departures
Number of arrivals
Proportion of female managers
Number of women in management
Number of people in management
Net Promoter Score (NPS)
Scope 1 greenhouse gas emissions
Scope 2 greenhouse gas emissions
Scope 3 greenhouse gas emissions: 3.1 Purchased products and services 3.3 Emissions related to fuels and energy (not included in Scope 1 or 2) 3.4 Upstream freight transport and distribution 3.5 Waste generated 3.6 Business travel 3.7 Employee commuting 3.8 Upstream leasing assets 3.11 Use of sold products 3.12 End-of-life of sold products
Number of labels recycled
Carbon intensity (Margin on variable cost)
Carbon intensity (Consolidated revenue)

5

Management report on financial results

5.1 Analysis of 2023 results

The 2023 financial statements were approved by the Board of Directors, which met on April 23, 2024. The audit procedures for the 2023 consolidated and parent financial statements of VusionGroup SA were carried out. The consolidated financial statements are prepared in accordance with IFRS standards. The table below shows the main aggregates of the consolidated income statement for the fiscal years ended December 31, 2022 and 2023, as well as their changes.

The following 2023 financial figures are presented under IFRS standards, and also in adjusted terms before IFRS 15 adjustments related to the Walmart U.S. contract which began in Q4 2023, and which do not have a cash impact. These adjustments are detailed below.

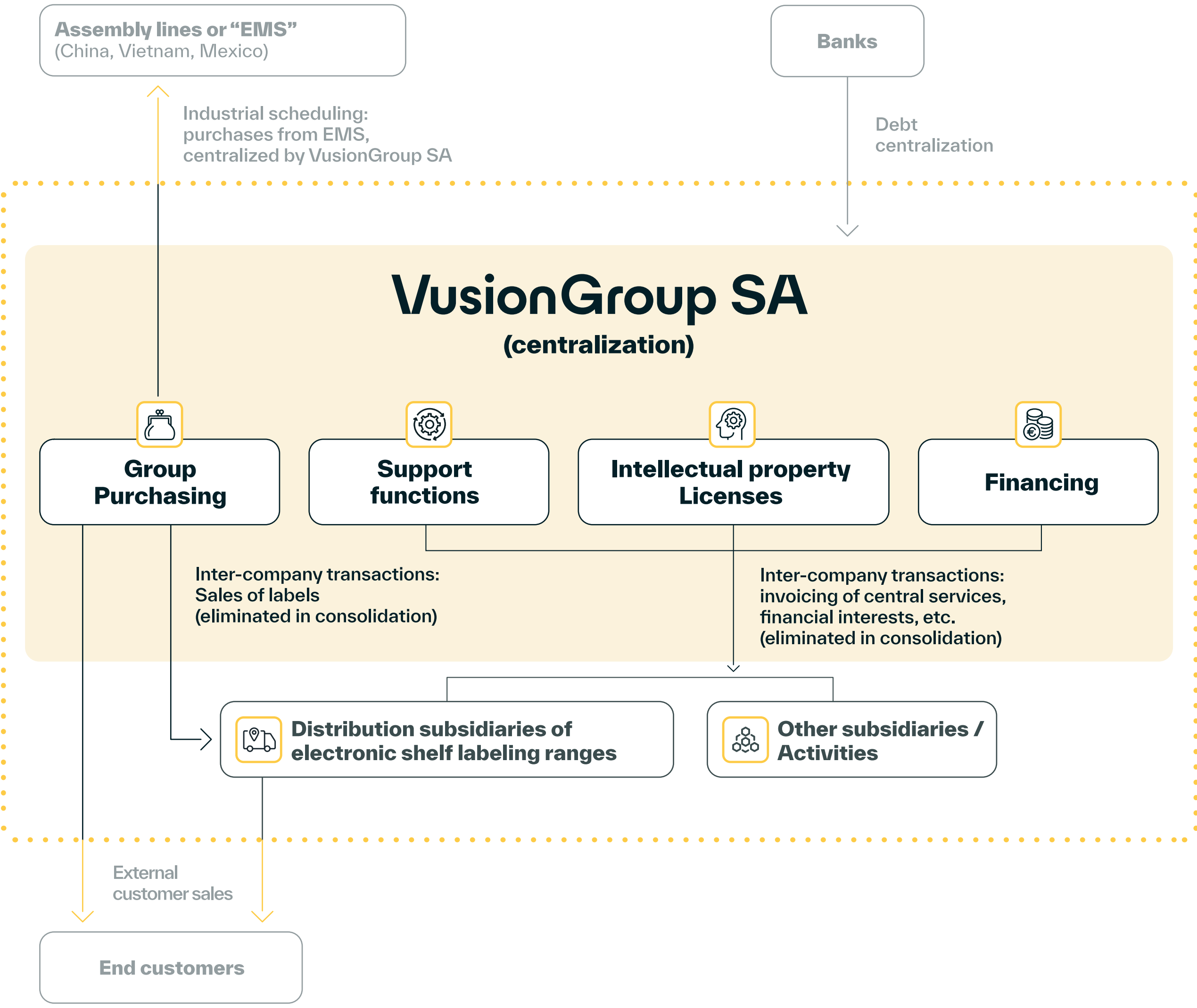
Income statement

€M	2023	Adjustment[(1)] IFRS 15	2023 adjusted [(1)]	2022	Change IFRS	Change adjusted
Revenue	**802.0**	**(3.7)**	**805.6**	**620.9**	**29%**	**30%**
Variable costs margin	201.9	(3.7)	205.5	131.4	54%	56%
% of revenue	25.2%		25.5%	21.2%	+4.0 pts	+4.3 pts
Operating Costs	(99.5)		(99.5)	(72.8)	37%	37%
% of revenue	12.4%		12.4%	11.7%	+0.6 pt	+0.6 pt
EBITDA	**102.3**	**(3.7)**	**106.0**	**58.6**	**+75%**	**+81%**
% of revenue	12.8%		13.2%	9.4%	+3.4 pts	+3.7 pts
Depreciation	(36.5)		(36.5)	(27.2)	+34%	+34%
Non-recurring items/non-cash items	(14.3)		(14.3)	0.3	NA	NA
EBIT	**51.5**	**(3.7)**	**55.1**	**31.7**	**62%**	**74%**
% of revenue	6.4%		6.8%	5.1%	+1.3 pt	+1.7 pt
Financial income/(loss)	43.0	48.6	(5.6)	(6.1)	NA	(7%)
Taxes	(14.9)		(14.9)	(7.1)	111%	111%
Net profit/(loss)	**79.6**	**44.9**	**34.6**	**18.6**	**+328%**	**+87%**
% of revenue	10%		4%	3%	+6.9pts	+1.3pt

(1) Adjusted figures reflect the reported financials before adjusting for certain non-cash IFRS restatements related to the Walmart U.S. contract, which began in Q4 2023. The non-cash impact of these restatements is -€3.7 million for actual sales invoiced on the new Walmart U.S. contract. Net income also reflects a +€48.6 million adjustment in financial result related to the revaluation of the fair value of the warrants granted to Walmart, which are subject to specific conditions.

5.1.1 Group organization and main performance indicators

Group's Organization



VusionGroup SA, the Group's parent company, centralizes a number of transactions on behalf of the Group:

Industrial scheduling: VusionGroup SA orders and purchases ESL and IoT from the Group's EMS that will be sold to external customers. The parent company centralizes these purchases and sells the ESL and IoT directly and to the subsidiaries that market them abroad.

Centralization of financing: most financing is provided by the parent company, which carries the debt and in turn centralizes the subsidiaries' cash positions through cash pooling agreements. Financing of subsidiaries is mainly provided, where applicable, by the parent company.

Support functions: most support functions are carried by the parent company and rebilled to the subsidiaries through management fees.

Ownership of industrial property: most of the industrial property relating to the products and solutions developed by the Group is held by the parent company, which protects them and rebills user fees to its subsidiaries.

All services provided by VusionGroup SA on behalf of its subsidiaries and rebilled to them, as such, are eliminated in the Group's consolidated financial statements.

Main performance indicators

The Group uses EBITDA as its main performance indicator.

EBITDA is not a standardized accounting aggregate that meets a single, generally accepted definition. It should not be considered a substitute for operating profit (loss), net profit (loss), cash flows from operating activities or a measurement of liquidity. Other issuers may calculate EBITDA differently from the breakdown used by the Group below.

For the Group, this is a performance indicator that presents operating income before the depreciation and amortization of fixed assets restated for the few items for the period that are detrimental to comparisons with previous fiscal years. It also provides a good approximation of the cash flow generated by operating activities before taking into account investments and changes in working capital requirements. As such, it is restated for significant non-recurring items or items that will never give rise to cash expenditure.

The Variable Cost Margin (VCM) consists in deducting the cost of goods sold, as well as a certain number of services such as installation costs and transportation costs, from total revenue.

A reconciliation table is proposed below between operating profit (loss) and EBITDA:

€ millions	**12/31/2023**	12/31/2022
Operating profit (loss)	**51.5**	**31.7**
(-) Fees and commissions on capital and debt transactions	(1.9)	
(-) Share-based payments (IFRS 2)	(12.4)	(7.6)
(-) Claims		1.2
(-) Effect of the deconsolidation of the joint venture in China		6.7
(-) Depreciation and amortization expense of property, plant and equipment and intangible assets	(36.5)	(27.2)
= EBITDA	**102.3**	**58.6**

Net debt/Net cash

These indicators respectively define the Group's net financial debt or cash position calculated on the basis of the following aggregates in the consolidated statement of financial position: (-) Borrowings (-) Current and non-current lease liabilities (IFRS 16) (+) Cash and cash equivalents.

If the result is negative, the level of long term loans and lease liabilities exceeds the level of cash and cash equivalents, and is therefore considered net debt or net financial debt. If, however, the result is positive, then the level of loans and lease liabilities is lower than the level of cash and cash equivalents and is considered a net cash surplus.

Working Capital Requirement

The working capital requirement is calculated based on the following aggregates from the consolidated statement of financial position: (+) receivables (gross value, before depreciation) (+) inventory and work-in-progress (gross value, before depreciation) (-) trade payables (+) current taxes (+) other current receivables (-) other debt and accrual accounts.

Order entries

Order entries represents the year-to-date cumulative value of ESL orders received from customers. These orders are valued based on negotiated selling prices, i.e. before any impact of IFRS 15. Order intake also includes year-to-date VAS revenues.

5.1.2 Comments on Operations

Revenue

€ millions	**2023**	2022	% Change
Europe and Middle East / Africa	642	487	32%
Asia & Americas	160	134	19%
Total revenue	**802**	**621**	**29%**

The Group's 2023 full year revenue reached €802.0 million and €805.6 million in adjusted terms, for +30% growth *versus* 2022.

In EMEA, revenue increased almost +32% *versus* the previous year to €642 million and accounted for close to 80% of the Group's total annual revenue.

Revenue in the Americas and Asia-Pacific (Rest of the World) totaled €160 million and €163 million in adjusted terms for growth of almost +22% compared to 2022. This growth is expected to accelerate sharply in 2024 in North America where the Group made a decisive breakthrough when it signed a contract with Walmart. Several other significant contracts have also been signed.

Software, Services, and Non-ESL Value Added Solutions (VAS[1])

One of the important axes of the Vusion'27 strategic plan lies in the expansion of our non-ESL solutions towards Cloud/SAAS, Data, Computer Vision, AI and Retail Media solutions, to fully digitalize stores and enable retailers and their suppliers to better take advantage of this digitization in terms of operational performance and customer experience. In this regard, 2023 was an important build-out year in this area, notably with the acquisition of Memory and Belive. The integration and collaboration of these new entities with Captana, Markethub and Engage allows us to work on very innovative and high value-added solutions that will be launched in 2024. In parallel, the Group has started recruiting teams internationally for the expansion of these solutions, notably in the United States.

Our installed base of Cloud-connected ESLs grew rapidly in 2023 to reach more than 17,000 stores and 82 million ESLs. This momentum is expected to continue its accelerated course.

Revenue from Software, Services, and Non-ESL Solutions (VAS) reached €109 million in 2023, an increase of +17% compared to 2022.

Within VAS revenue, recurring services[2] which represent 39% of VAS sales or €42 million, are growing at a faster rate than total VAS revenue. Conversely, non-recurring services[3] decreased slightly to €67 million in 2023 within a challenging macroeconomic environment in which retailers have slowed or delayed some of their projects, often due to internal resource constraints.

A similar momentum is expected to continue for the VAS revenue in 2024, with non-recurring revenue impacted by ongoing macroeconomic-related pressure, and continued growth in recurring revenue.

Order entries

Global order entries grew +39% in 2023 to €950 million.

Variable costs margin

In 2022, the Group saw its profitability improve significantly, with EBITDA of €58.6 million at 9.4% of revenue, an improvement of almost 2 points of EBITDA margin compared to 2021. This trend continued into 2023 with an EBITDA margin that grew by almost 3.4 points compared to 2022, for an increase of EBITDA margin of more than 5 points in two years. For the first time in several years, and in line with the announcement at the Capital Markets Day in November 2022, this growth comes mainly from improvements in the variable cost margin (VCM).

The variable cost margin (VCM) amounted to €201.9 million in 2023, for a margin rate of 25.2% of revenue. In adjusted data, the VCM reached €205.5 million in 2023, compared to €131.4 million in 2022, up +56%, and a VCM margin rate of 25.5% of revenue in 2023 compared to 21.2% for the previous fiscal year, marking a 4.3-point improvement during the year.

The improvement in the VCM rate was driven mainly by three factors:

a. More favorable purchase prices for components, following the strong price increase at the end of the COVID pandemic, with 2022 showing the highest costs since 2020;

b. A more favorable EUR/USD exchange rate for the Group in 2023 compared to 2022;

c. An improvement in the mix within VAS, which was more favorable to high growth and high-margin recurring services (cloud, data, AI), compared to non-recurring services, which did not grow between 2022 and 2023.

Operating expenses

Operating expenses were €99.5 million in 2023 compared to €72.8 million in 2022. Expressed as a percentage of revenue, operating expenses represented 12.4% of 2023 revenue *versus* 11.7% in 2022. This increase is due primarily to the acquisition of Belive and Memory, whose business models – as is typical of software companies – comprise higher operating expenses, at least in the early years of the business, alongside higher operating margins. The Group does not anticipate a decrease in the operating expense ratio in 2024 due to the significant increases in headcount that are taking place at the central corporate level, and to support the strong growth in the United States (where average salaries are higher than elsewhere in the Group).

EBITDA

EBITDA, or operating income before depreciation, amortization expense and other non-recurring and non-cash items, was €102.3 million in 2023 and €106.0 million on an adjusted basis, for +81% growth *versus* €58.6 million in 2022.

Adjusted EBITDA margin was more than 13% of revenue in 2023, compared to 9.4% of revenue in 2022, a +3.7-point improvement, driven mainly by the improved variable cost margin.

Allowances for depreciation and amortization

Depreciation and amortization expense increased +34% in 2023, for a total of €36.5 million (compared to €27.2 million in 2022). This increase is directly tied to VusionGroup's significant capital expenditure in R&D and innovation, and particularly to the start of amortization of the development expense tied to the new EdgeSense solution.

Non-recurring and non-cash items

Non-recurring and non-cash items represented an expense of €14.3 million in 2023, compared to income of €0.3 million in 2022. In 2023, these €14.3 million are comprised primarily of a non-cash IFRS 2 expense of €12.4 million related to the performance shares granted to the Group's employees between 2020 and year-end 2023. It also includes legal fees related to M&A and the refinancing which took place in December 2023. The €0.3 million

(1) VAS: Software, services, and non-ESL solutions
(2) "Recurring VAS" revenue includes revenue generated by subscriptions to VusionCloud and its SaaS Computer vision (Captana and Belive) and Data Analytics (Markethub and Memory) solutions, as well as contracts for recurring services.
(3) Non-recurring VAS" revenue includes the revenue generated by installation and non-recurring professional services; the sale of equipment such as Captana cameras, video rails and other screens used for retail media (Engage), as well as the sale of industrial and logistical solutions (PDidigital).

income reported in 2022 includes a €7.6 million IFRS2 expense and a €6.7 million gain related to the Group's sale of its stake in the Chinese joint venture.

Financial income (loss)

Net financial income was €43.0 million in 2023. As was the case in the financial statements of H1 2023, IFRS net financial income or expense includes the impact of the change in fair value of the share subscription warrants granted, under specific conditions, to Walmart. The initial fair value of these share subscription warrants, at the time they were granted in early June 2023, was €163 million. Factoring in the change in VusionGroup's share price, the fair value of these shares subscription warrants was assessed at €115 million on December 31, 2023. The difference between these two valuations, i.e. +€48.6 million, is accounted for in net financial income/expense.

Other than this IFRS restatement, which has no cash impact, net financial expense was -€5.6 million, compared to -€6.1 million in 2022, or a decrease of -7%, They are split between the borrowing cost of -€11.4 million, and the balance mainly consisting of the net effects of foreign exchange rate gains and losses for +€5.8 million.

Taxes

Pre-tax income totaled €94.5 million in 2023, compared to €25.6 million in 2022. On the basis of this positive result, the Group incurred an income tax expense of -€14.9 million in 2023, compared to an income tax expense of -€7.1 million in 2022.

Net income

VusionGroup's 2023 net income reached €79.6 million. The adjusted net profit (loss) for the period totaled €34.6 million, for +87% growth compared to €18.6 million in 2022.

5.1.3 Capital expenditure

Capital expenditure

Capital expenditure (CAPEX) in €m	H1 2023	H2 2023	FY 2023	FY 2022
R&D and IT expenditure	44.9	19.3	**64.2**	**44.2**
Of which: EdgeSense (HW)	30.8	6.3	37.2	22.4
Industrial investments	1.6	17.6	**19.1**	**4.4**
Of which: EdgeSense production lines, financed by customers	-	16.5	16.5	0.0
Others	1.6	2.5	4.1	2.5
TOTAL CAPEX	48.0	39.5	**87.5**	**51.1**
Customer financing of production lines		(16.5)	(16.5)	
Cash Capex	48.0	23.0	**71.0**	**51.1**
Cash Capex / Revenue	12.6%	5.4%	8.8%	8.2%

R&D expenditure accounted for most of the capital expenditure. During 2023, the Group launched EdgeSense, a system that revolutionizes ESLs and the digitalization of shelves, and VusionOX, the new secure IoT cloud platform, based on the Bluetooth protocol. These major innovations, developed over several years, were critical to signing the Walmart contract. The powerful functionalities they provide retailers, consumers, and suppliers will profoundly change the market in the years to come.

The other significant capital expenditure item is accounted for by the industrial production lines for the new EdgeSense range of products. As these lines are pre-financed by the first large customer to roll out this innovation, VusionGroup's cash position is not impacted by this investment.

In 2023, the Group's capital expenditure totaled €87.5 million before pre-financing, €71.0 million in Cash Capex (net of customer pre-financing - see comment below) compared to €51.1 million the previous year.

In H2 2023, the Group invested directly in production lines operated by its assembly partners, in order to produce the EdgeSense range of products. This investment, which is expected to continue over the coming years, aims to guarantee sufficient levels of production capacity to ensure the large volumes required by the first large customer to roll out the new solution. This customer has agreed to pre-finance the entire investment, as their volume needs will absorb a large portion of the production capacity. Additionally, if these production lines were used to manufacture products for other customers, VusionGroup would pay a fee to the customer who pre-financed these industrial assets. The first of these pre-financed lines is expected to be operational during Q2 2024.

The Group makes a distinction between total capital expenditure (Capex) and the expenditures that have a cash impact (Cash Capex), i.e. the capital expenditure net of pre-financing by customers.

Cash Capex was temporarily higher in 2022 and H1 2023 when the Group finalized and industrialized the new EdgeSense solution. This project, in particular, accounts for the increase in the Cash Capex/Revenue ratio to over 8% in 2022 and 2023. However, from H2 2023, the Cash Capex/ Revenue ratio decreased to approximately 5%, in line with the Group's guidance for a ratio in a range of 5% to 7% by 2027.

5.1.4 Cash Flows

The Group ended 2023 with a positive net cash position of +€27.2 million, for an improvement of €67.7 million compared to the net debt position of -€40.5 million at year-end 2022.

Consolidated Cash Flow Statement excluding IFRS 16 impact (€ millions)	**FY 2023**	FY 2022
Adjusted EBITDA	106.0	58.6
Impact of IFRS 16	(3.8)	(2.3)
Capex	(87.5)	(51.3)
Change in Working Capital Requirement	155.9	(27.7)
Tax	(13.2)	(2)
Free Cash flow	157.4	(24.7)
Financial income (loss)	(6)	(5.2)
Share buy-back	(5)	
Acquisitions	(91.5)	
Impact of the changes in consolidation scope	4.7	(18.6)
Others	8.2	(0.3)
Change in Net Debt	**67.7**	**(48.8)**
Net Cash / (Debt) before IFRS16	27.2	(40.5)
Cash	199.9	33.9
Debt (before impact of IFRS16)	(172.7)	(74.4)

At the end of the year, the Group successfully refinanced its maturing lines of credit by:

a. the establishment of a large international bank pool for a loan totaling €150 million, comprised of (i) an amortizable €90 million term loan, to be used in particular to refinance the bridge loan for the acquisition of the companies In the Memory and Belive, and (ii) a €60 million revolving credit facility (RCF) to meet the Group's general financing needs;

b. the issue of a €40 million bond, maturing in 2030, as a Euro Private Placement, to be used to refinance the existing €40 million bond which matured at year-end 2023.

Regarding 2023 cash flow, both the first and second half years saw a positive evolution in net cash (+€34.5 million in H1 and €33.2 million in H2). This achievement is particularly noteworthy in light of:

- the financing needs for strong growth;
- strategic R&D and external growth investments (Belive and Memory) in the first half year; out of the €91.5 million in the "Acquisitions" line in the table above, includes € 1.1 million acquisition-related expenses.
- an unfavorable seasonality effect on WCR in the second half year (fourth quarter much higher in revenue than the third quarter);
- share buybacks (€5 million).

These expenditures have been more than fully offset by the strong EBITDA and working capital improvements.

The Group continued to improve all items of operational working capital requirement thanks to rigorous management and efficient information systems, with inventories going from 100 to 51 days, receivables from 60 to 45 days, and supplier payables from 82 to 60 days. In total, the operational working capital requirement improved from 79 to 45 days (€121.6 million or 15% of revenue).

The increase in customer down-payments also strongly contributed to the improvement of total working capital. This is also an element inherently linked to the improvement of our strategic positioning and our business model. The Group is indeed better able today to negotiate satisfactory contractual terms that allow our company to manage large contracts without financing risks or weakening our statement of financial position. We develop with our major customers real partnerships of value creation in the long term that are balanced and healthy.

VusionGroup expects to continue to generate positive cash flow in 2024

5.2 Analysis of results for the fiscal year ended December 31, 2023

In accordance with Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, paragraph 5.1 "Analysis of results for the fiscal years ended December 31, 2022 and 2021" of the Company's 2022 Universal Registration Document approved by the French Financial Markets Authority (*Autorité des Marchés Financiers*) on May 2, 2023 under the number R.23-025, which is available on the Company's website (https://www.Vusion.com/fr/investisseurs/press-releases-documents/#), is included by reference in this Universal Registration Document.

5.3 Subsequent events

None.

5.4 Recent developments and outlook

With an order book at an all-time high, VusionGroup has a strong level of visibility and confidence in its objective of attaining the milestone of €1 billion in 2024 revenue.

This growth will be weighted toward the second half year due to the planned launch of new EdgeSense production lines in Q2 2024 to fulfill the Walmart contract. The Group expects to generate adjusted revenue of €175-180 million in Q1 and €420-440 million in H1 2024 (for growth of +10-15%) followed by a record H2 2024 with €580-600 million (+30-40%).

Regarding the geographic distribution, the estimated breakdown of target annual revenue is 50-60% of revenue to be generated in EMEA and 40-50% in the rest of the world, primarily the United States, which is set to become the Group's largest market, ahead of Germany this year. In light of the final stages of a large roll-out in Europe, sales in EMEA will decrease temporarily compared to the record levels reported in 2023 and are expected to begin to grow again in 2025 as a result of large contracts recently signed in the region. The United States is expected to show a strong acceleration to triple-digit growth.

Total VAS revenue is anticipated to reach €120–140 million, a target which takes into account the ongoing difficult macroeconomic environment for retail in Europe, which will most likely weigh on the Capex allocated by retailers to new and innovative projects, and in particular on non-recurring VAS in H1 which are expected to decrease. However, the recurring VAS objective is to continue to grow strongly compared to 2023, and to reach a year-end revenue target of over €60 million. It should be noted that 2024 forecast only includes a small part of the recurring revenues related to the significant roll-outs planned during the year, which will ramp-up in parallel of stores installations. This acceleration will take place from 2025. On the basis of planned roll-outs, the recurring VAS revenue is forecast to ALMOST than double in 2025.

VusionGroup expects to generate robust order growth during 2024.

Lastly, the Group also expects the profitability improvement to continue, with adjusted EBITDA margin growing by 50 to 100 bps in 2024 and continued positive cash flow for the year.

Given this positive outlook and the successful refinancing carried out at year-end 2023, the Group remains confident in its ability to secure sufficient financing through the life of its Vusion-27 strategic plan.

5.5 Report on the parent financial statements

1) Review of the financial statements and results

During the fiscal year ended December 31, 2023, the Company's revenue amounted to €720.2 million, compared to €596.6 million in 2022, i.e. an increase of 20.7%.

Operating expenses for the year consist mainly of the following items:

Revenue	€720.2m
Purchases consumed	€(565.6)m
Other purchases and external expenses	€(55.9)m
Employee expenses	€(22.1)m
Depreciation and amortization expenses and provisions	€(26.2)m
Taxes and related payments	€(2.4)m
Total operating profit (loss)	€48.0m
Total net financial income (expense)	€3.8m
Total current profit (loss) before tax	€51.8m
Corporate income tax	€(8.1)m
Total net profit (loss)	€43.7m

2) Proposed allocation of the Company's profit (loss)

VusionGroup submits to the General Meeting the approval of the annual financial statements (statement of financial position, income statement and notes to the financial statements), as they are presented,, reporting a net profit of €43,663,335, allocated as follows:

Profit (loss) for the period	€43,663,335
Statutory reserve	€587,980
Dividend distribution*	€4,787,597
Retained earnings	€38,287,757
Which, when added to the amount previously carried forward, is now	€31,383,624

** One has to note that the dividend distribution amount is calculated on the basis of the number of shares comprising the share capital as of 12/31/2023, without taking into account treasury shares. In accordance with the provisions of Article 243 of the French General Tax Code, the General Meeting also specifies that in 2012, the Company paid €5,491,011.50 in dividends.

Taking into account the proposed allocation of the Company's profit (loss) for the fiscal year, added to the previous legal reserve of €2,603,751, the legal reserve will be allocated to its maximum amount, i.e. € 3,191,732.

3) Non-tax deductible expenses

In accordance with the provisions of Article 223 *quater* of the French General Tax Code, the Company recorded expenditure and expenses provided for under Article 39-4 and 54 *quater* of said code that amounted to €233,419.

4) Payment terms: suppliers & customers (VAT included)

Accounts payable aging balance

Supplier category	2023 fiscal year, balance in € '000	Number of invoices	2022 fiscal year, balance in € '000	Number of invoices
Current	62,036	716	52,116	525
Overdue < 60 days	32,856	625	49,851	264
Overdue > 60 days(1)	18,710	123	15,685	154
Grand total	**113,602**		**117,652**	
	18% purchases excl. VAT		**22% purchases excl. VAT**	
Total Purchases in € thousand	625,168	1,464	523,066	943
	18%		22%	

(1) Includes €17,341 thousand of inter-company transactions in 2023 at more than 60 days.

Accounts receivable aging balance

Customer category	2023 fiscal year, balance in € '000	Number of invoices	2022 fiscal year, balance in € '000	Number of invoices
Current	62,918	2,514	69,621	2,647
Overdue < 60 days	17,994	1,704	586	1,400
Overdue > 60 days	28,747	3,557	27,406	3,966
Grand total (1)	**109,659**		**97,613**	
	15% revenue excl. VAT		**16% revenue excl. VAT**	
Revenue in € thousand	720,234	7,775	596,577	8,013
	15%		16%	

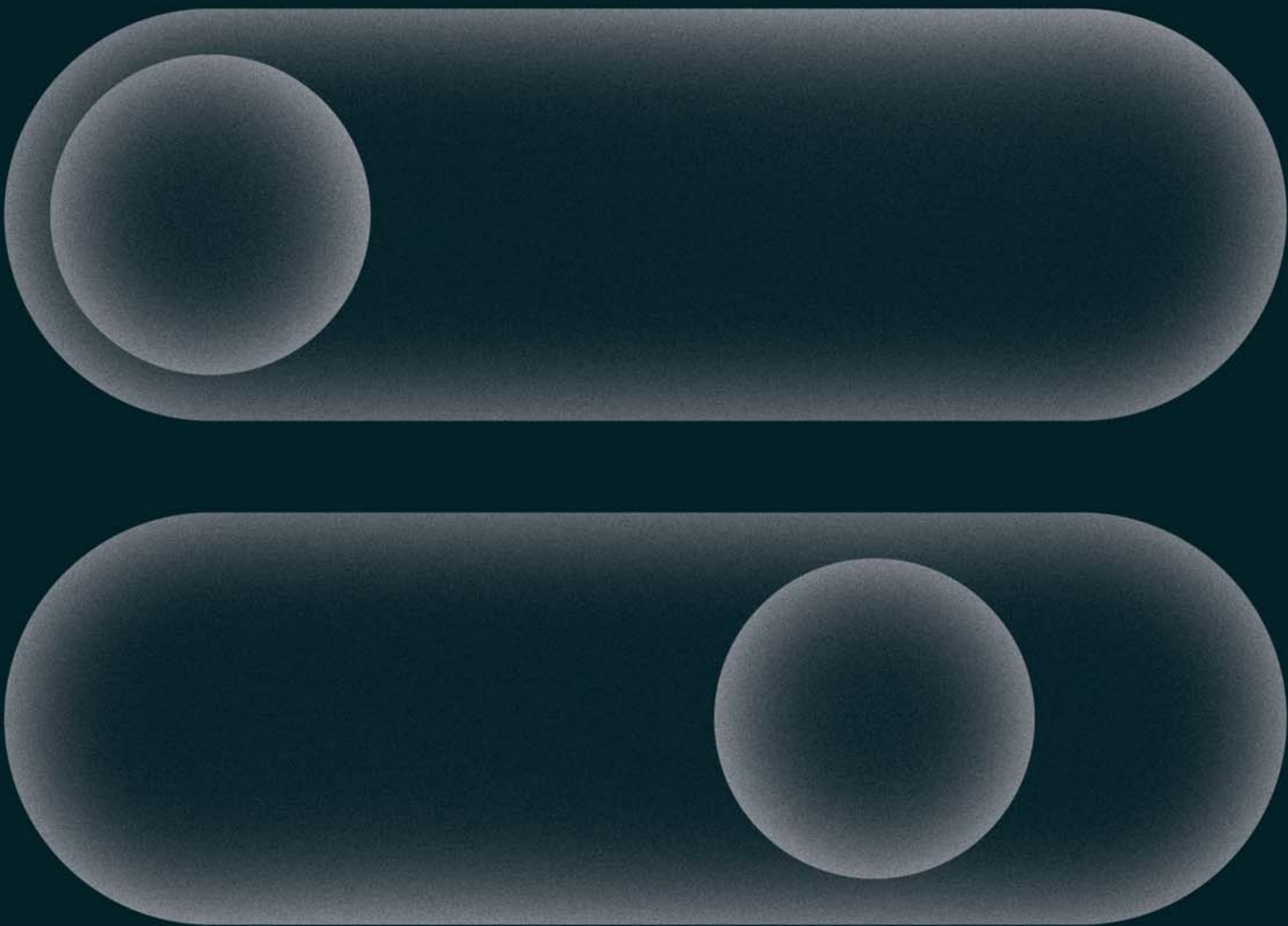
(1) Includes €39,862 thousand intercompany accounts receivables in 2023.

5) Five-year financial summary

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, the summary of the Company's results for the last five fiscal years is attached to this management report.

Type of information/Period/€	**2023**	2022	2021	2020	2019
I - Year-end financial position					
a) Capital	31,917,316	31,701,616	31,522,016	31,516,216	31,516,216
b) Number of shares (year-end)	15,958,658	15,850,808	15,761,008	15,758,108	15,758,108
II - Overall result of operations completed					
a) Revenue	720,233,684	596,576,713	371,256,979	244,434,723	198,340,706
Net income/loss	43,663,335	4,167,242	(4,643,067)	(11,923,028)	(17,186,552)
Allowances for depreciation and amortization	20,150,407	16,231,363	13,921,349	10,999,420	6,797,138
Release on depreciation and amortization					
Allowance for provisions	12,522,222	17,769,569	15,386,573	4,837,909	3,612,431
Release on provisions	(18,219,964)	(13,362,913)	(5,552,475)	(2,634,066)	(2,481,898)
b) Earnings before taxes, amortization and provisions	66,214,481	24,655,261	18,962,380	980,235	(9,837,903)
c) Corporate tax	8,098,481	(150,000)	(150,000)	(300,000)	(579,022)
d) Earnings after tax and before amortization, depreciation, and provisions	58,116,000	24,805,261	19,112,380	1,280,235	(9,258,881)
e) Earnings after tax, amortization, depreciation, and provisions	43,663,335	4,167,242	(4,643,067)	(11,923,028)	(17,186,552)

Type of information/Period/€	**2023**	2022	2021	2020	2019
f) Amounts of distributed earnings	4,787,597	0	0	0	0
g) Employee profit sharing	0	0	0	0	0
III - Result of operations expressed per share		**0**	**0**	**0**	
a) Earnings after tax and before amortization and depreciation per share	3.64	2	1	0	(1)
H/X					
b) Earnings after tax, amortization, depreciation, and provisions per share	2.74	0	0	(1)	(1)
A/X					
c) Dividend paid to each share	0.30	0	0	0	0
IV - Personnel					
a) Number of employees - average headcount	262	229	203	201	198
b) Total payroll	16,998,608	14,351,848	12,446,302	10,931,664	11,332,916
c) Total sums paid for corporate benefits	8,692,440	6,403,616	4,913,625	4,449,326	4,616,072
V - Allowances for depreciation and amortization					
Allowance for amortization of intangible assets	14,858,117	12,006,441	10,340,267	8,733,250	5,985,766
Allowance for depreciation of property, plant and equipment	5,292,290	4,224,922	3,581,081	2,266,170	811,372
Exceptional allowance to depr. of property, plant and equipment					
Total allowances for amortization and depreciation	**20,150,407**	**16,231,363**	**13,921,348**	**10,999,420**	**6,797,138**
VI - Provisions					
Allowance for provision for operating risks and expenses	6,467,895	0	293,000	100,000	50,000
Impairment of inventories	3,860,289	3,876,299	6,277,591	1,204,419	1,686,250
Impairment of doubtful receivables	208,469	173,895	147,798	168,038	284,207
Allowance for provision for financial risks and expenses	1,985,568	13,719,375	8,668,184	3,365,452	1,591,975
Total allowances for provisions	**12,522,222**	**17,769,569**	**15,386,573**	**4,837,909**	**3,612,431**
VII - Reversal of provisions					
Reversal of provisions for operating risks and expenses	62,000	0	100,000	113,000	284,000
Reversal of provisions for impairment of inventories	4,264,694	4,546,931	1,918,985	117,961	491,477
Reversal of provisions for impairment of doubtful receivables	173,895	147,798	168,038	284,207	99,894
Reversal of provisions for financial risks and expenses	13,719,375	8,668,184	3,365,452	2,118,899	1,606,526
Reversal of provisions for exceptional risks and expenses					
Total releases on allowances	18,219,964	13,362,913	5,552,475	2,634,066	2,481,898
VIII - Net Income Taxes					
Income tax	8,248,481				
Tax credit	(150,000)	(150,000)	(150,000)	(300,000)	(579,022)
TOTAL	**8,098,481**	**(150,000)**	**(150,000)**	**(300,000)**	**(579,022)**



6

Financial Statements

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following financial statements and auditors' reports are incorporated by reference in this Universal Registration Document:

- the consolidated and annual financial statements for the year ended December 31, 2022, presented in paragraphs 6.1 and 6.2 of the Company's 2022 Universal Registration Document approved by the French Financial Markets Authority on May 2, 2023, under number R.23-025 available on the Company's website (https://www.Vusion.com).

Consolidated financial statements at December 31, 2023 (IFRS)

VusionGroup is a company with a Board of Directors listed on Eurolist Euronext Paris (Compartment B, ISIN code FR 0010282822).

The consolidated financial statements of the VusionGroup Group (hereinafter "the Group") at December 31, 2023 cover a period of 12 months and present a balance sheet total of €1,051,945 thousand and a consolidated net profit of €79,569 thousand. They were approved by the Board of Directors on April 23, 2024.

6.1 Group consolidated financial statements for the year ended December 31, 2023

6.1.1 Consolidated financial statements

I.1 Consolidated balance sheet

Assets

In € '000	Notes	12/31/2023	12/31/2022
Intangible assets	1	296,193	152,051
Property, plant and equipment	2	36,168	20,046
Right of use	2	9,468	10,279
Financial assets	3	20,379	20,198
Deferred tax assets	22	14,530	13,796
Non-current assets		**376,739**	**216,370**
Inventories and Work In Progress	4	124,994	164,417
Trade receivables	5	131,686	109,247
Current taxes	6	–	3,683
Other current receivables	6	218,610	9,022
Cash and cash equivalents	7	199,916	33,937
Current assets		**675,206**	**320,306**
TOTAL ASSETS		**1,051,945**	**536,676**

Liabilities and shareholders' equity

In € '000	Notes	12/31/2023	12/31/2022
Capital	8	31,917	31,702
Consolidated reserves		248,562	164,143
Equity attributable to owners of the parent		280,479	195,845
Non-controlling interests		(3,532)	(2,520)
Shareholders' equity		**276,947**	**193,324**
Non-current provisions	10	12,392	2,700
Deferred tax liabilities	22	17,078	7,214
Long term loans	11	172,655	74,424
Non-current lease liabilities	11	7,076	6,423
Other non-current liabilities	12	12,426	3,752
Non-current liabilities		**221,627**	**94,513**
Trade payables	13	148,466	155,878
Current lease liabilities	11	3,373	1,686
Other debts and accrual accounts	14	401,533	91,275
Current liabilities		**553,372**	**248,839**
TOTAL EQUITY & LIABILITIES		**1,051,945**	**536,676**

I.2 Consolidated income statement

Income Statement

In € '000	Notes	12/31/2023	12/31/2022
Revenues	**15**	**801,958**	**620,860**
Purchases consumed	16	(579,312)	(479,586)
External expenses	17	(62,379)	(38,913)
Payroll costs	18	(67,596)	(47,514)
Taxes and duties		(2,828)	(2,387)
Depreciation and amortization expense	1 & 2	(36,529)	(27,202)
Other operating expenses	19	(2,772)	(1,493)
Other operating income	20	931	7,926
Operating profit (loss)		**51,473**	**31,691**
Other financial income	21	83,535	53,336
Other financial expenses	21	(40,185)	(59,131)
Leasing related interest expenses	21	(366)	(262)
Financial income		**42,983**	**(6,058)**
Tax expense or income	22	(14,887)	(7,060)
Total net profit/(loss)		**79,569**	**18,573**
Group share		79,767	18,954
Non-controlling interests		(197)	(381)

Earnings per share	12/31/2023	12/31/2022
Profit (Loss) - Group share in € '000	79,767	18,954
Weighted average number of shares	15,897,494	15,798,896
Performance shares [1]	238,748	223,700
Subscription warrants	1,761,200	–
Earnings per share (in €)		
• before dilution	5.02	1.20
• after dilution	4.46	1.18

I.3 Net income and comprehensive income

In € '000	12/31/2023	12/31/2022
Total net profit/(loss)	**79,569**	**18,573**
Items potentially classified to profit or loss (recyclable)	*625*	*(4,037)*
Translation differences	20	(53)
Cash flow hedge	605	(3,984)
Items not reclassified to profit or loss (non-recyclable)	*(40)*	*185*
Actuarial gains and losses on retirement plans	(40)	185
Comprehensive income	**80,154**	**14,721**
• parent company's share	80,351	15,102
• non-controlling interests' share	(197)	(381)

(1) Concerns shares granted but not delivered at the reporting date. At December 31, 2023, this corresponds to 112,900 shares under the 2022 plan and 125,848 shares under the 2023 plan.

I.4 Consolidated statement of changes in equity

In € '000	Capital	Reserves + Profit (Loss)	Equity attributable to owners of the parent	Non-controlling interests	Shareholders' equity
Equity at 12/31/2021	**31,522**	**152,996**	**184,518**	**(2,139)**	**182,378**
Capital increase	180	5,859	6,039		6,039
Treasury shares		(542)	(542)		(542)
Change in scope		(9,725)	(9,725)		(9,725)
Other changes		453	453		453
Shareholders' transactions	**180**	**(3,955)**	**(3,775)**	**0**	**(3,775)**
2022 profit (loss)		18,954	18,954	(381)	18,573
Other comprehensive income		(3,852)	(3,852)		(3,852)
Total comprehensive income for the period	**0**	**15,102**	**15,102**	**(381)**	**14,721**
Equity at 12/31/2022	**31,702**	**164,143**	**195,845**	**(2,520)**	**193,324**
Capital increase	215	9,319	9,534		9,534
Treasury shares		(4,521)	(4,521)		(4,521)
Change in scope			0	(815)	(815)
Other changes		(729)	(729)		(729)
Shareholders' transactions	**215**	**4,069**	**4,284**	**(815)**	**3,469**
2023 profit (loss)		79,767	79,767	(197)	79,569
Other comprehensive income		585	585		585
Total comprehensive income for the period	**0**	**80,352**	**80,352**	**(197)**	**80,154**
Equity at 12/31/2023	**31,917**	**248,562**	**280,479**	**(3,532)**	**276,947**

I.5 Consolidated statement of cash flows

In € '000	**12/31/2023**	12/31/2022	References
- Consolidated net income (including non-controlling interests)	79,569	18,573	
+/- Net allowances for depreciation, amortization and provisions	47,248	28,005	Notes 1, 2, 9
-/+ Other calculated income and expenses	(34,818)	6,756	Note 5.1.4
-/+ Gains and losses on disposals and profit (loss) on financial instruments	(770)	(6,096)	Note 5.1.4
Cash flow after cost of net financial debt and tax	91,229	47,238	
+/-Tax expense (including deferred taxes)	1,190	4,980	
= Cash flow from operations after cost of net financial debt and before tax	**92,419**	**52,218**	
+/- Change in WCR related to operations	155,896	(32,182)	(1)
= Net cash flow generated by operations	**248,315**	**20,036**	
- Disbursements related to acquisitions of property, plant and equipment and intangible assets	(87,519)	(50,999)	Notes 1 & 2
- Disbursements related to acquisitions of financial assets	(288)	(1,976)	Note 3
+ Proceeds from disposals of financial assets	283	99	
- Impact of changes in scope[2]	(80,673)	(13,807)	
= Net cash flow from financing activities	**(168,197)**	**(66,683)**	
+ Debt issuance	278,952	130	Note 11
+ Debt repayments	(185,195)	(7,166)	Note 11
+ Lease liability repayments	(3,395)	(1,543)	Note 11
-/+ Treasury share buybacks and resales[3]	(4,521)	(542)	
= Net cash flow from financing activities	**85,841**	**(9,121)**	
+/- Impact of changes in foreign currency exchange rates	20	(54)	
= Change in cash flow	**165,979**	**(55,822)**	
Opening cash position	**33,937**	**89,759**	
Closing cash position	**199,916**	**33,937**	

	12/31/2023	12/31/2022	Non-cash items	Change in cash WCR
Inventories	124,994	164,417	647	38,776
Trade receivables	131,268	109,247	(2,153)	(19,868)
Trade payables	(148,101)	(155,878)	2,423	(10,200)
Other receivables	218,245	12,705	(162,172)	(43,368)
Other payables	(401,114)	(91,275)	119,283	190,556
TOTAL				155,896

(2) Amount corresponding, on the one hand, to the purchase cost of shares in the companies In the Memory and Belive, i.e. -€90,408 thousand and, on the other hand, to the cash available at the entry into the scope of consolidation, i.e. €9,735 thousand. In section 5.1.4, the impact of changes in the scope of consolidation amounts to €4.7 million and includes a €9.7 million change related to cash and a -€5.0 million change in financial liabilities.
(3) Amount corresponds to +€5,000 thousand in respect of the share buy-back agreement and -€479 thousand in respect of the liquidity contract.

6.1.2 Notes to the consolidated financial statements

The consolidated financial statements of the Vusion (SES-imagotag) Group at December 31, 2023 were approved by the Board of Directors on April 23, 2024 and will be submitted for approval to the General Meeting on June 19, 2024.

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II.1 Accounting rules and policies

II.1.1 Basis of preparation of the consolidated financial statements

II.1.1.1 Consolidated financial statements Basis of preparation

The consolidated financial statements for the 2023 financial year have been prepared in accordance with international accounting standards as adopted by the European Union at December 31, 2023. International standards include the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

In the absence of standards or interpretations applicable to a specific transaction, the Group's management uses judgment to define and apply the accounting policies that will make it possible to obtain relevant and reliable information, so that the financial statements:

- present a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the economic reality of transactions;
- are neutral;
- are cautious, and;
- are complete in all material respects.

The presentation currency of the consolidated financial statements is the euro. All values are rounded to the nearest thousand, unless otherwise indicated.

The financial statements are prepared on a historical cost basis with the exception of a certain number of asset and liability accounts which have been measured at fair value.

The consolidated financial statements include the financial statements of the subsidiaries, listed in § II.6. The financial statements of the subsidiaries are prepared for the same financial year as those of the parent company, using the same accounting policies.

The Group's companies close their annual financial statements on December 31. All intra-group balances, intra-group transactions and unrealized proceeds, expenses and gains and losses included in the carrying amount of assets arising from internal transactions are eliminated in full.

New mandatory provisions applicable from January 1, 2023 and applied for the first time by the Vusion (SES-imagotag) Group:

NONE

New mandatory provisions applicable from January 1, 2023 and concerning the Group did not have a significant impact on the consolidated financial statements. They concern:

- amendment to IAS 1 - Presentation of Financial Statements - Disclosure of accounting policies;
- amendment to IAS 8 - Accounting policies, changes in accounting estimates and errors - Definition of an accounting estimate;
- amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;
- amendment to IAS 12 - Income Taxes - International tax reform — Pillar 2.

New published IFRS standards, interpretations and amendments that are not yet applicable or that have not been applied by the Group in advance:

The standards, amendments to standards and interpretations adopted by the IASB or the IFRS IC (IFRS Interpretations Committee) as well as by the European Union on December 31, 2023, but not mandatory on December 31, 2023, did not result in early application.

II.1.1.2 Business combinations

Business combinations are dealt with under IFRS 3 revised, which assesses the notion of "takeover" in the application to securities acquisition transactions. The impacts are recognized in shareholders' equity.

In a business combination, the fair value of the consideration transferred is allocated to the identifiable assets acquired and the liabilities assumed. Liabilities are measured at fair value on the acquisition date.

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants at the measurement date.

In this context, goodwill represents the residual excess of the consideration transferred plus non-controlling interests, and for business combinations carried out in stages, the revaluation of the former owned share over the fair value of the identifiable assets and liabilities and any contingent liabilities that can be reliably measured at the acquisition date.

The allocation period is limited to the period required to identify and measure the assets and liabilities of the acquired company, the non-controlling interests, the price paid and the fair value of the previously acquired share but cannot exceed 12 months.

Subsequently, goodwill is measured annually at its cost, less any impairment losses based on a decrease in value determined as indicated in the paragraph below "Intangible assets", in accordance with IAS 36. In the event of a decrease in value, the impairment is recorded as an operating loss in the income statement.

With regard to puts on non-controlling interests issued after first-time application of IFRS 3R and IAS 27R, the Group recognizes subsequent changes in debt in equity (transactions between the controlling shareholder and non-controlling interests, which involve equity securities but have no impact on control).

II.1.1.3 Estimates and judgments

The financial statements have been prepared according to the historical cost principle except for financial instruments which are recognized at fair value. The preparation of the financial statements requires, in accordance with the conceptual framework of IFRS, the making of estimates and use of assumptions that affect the amounts appearing in these financial statements. The significant estimates made by Vusion (SES-imagotag) for the preparation of the financial statements mainly relate to:

- fair value measurement of assets, liabilities and contingent liabilities obtained during an acquisition (IFRS 3 - Business combinations);
- the measurements used for impairment tests on assets, in particular the recoverable amount of goodwill;
- measurement of the fair value of financial instruments;
- the estimate of price discounts on future volumes, the amount of future royalties to be paid to customers and the measurement of the fair value of the share subscription warrants constituting a discount paid in advance to the customer, as part of the recognition of revenue;
- measurement of the recoverable amount of receivables and inventories;
- estimates of liabilities, particularly for litigation and uncertain tax positions;
- the assumptions used to recognize deferred tax assets;
- put obligations;
- right of use assets and lease obligations;
- fair value of equity instruments;
- share-based payment expense.

Due to the uncertainties inherent in any valuation process, Vusion (SES-imagotag) revises its estimates on the basis of regularly updated information. It is possible that the future results of the operations concerned may differ from these estimates.

II.1.2 Intangible assets (IAS 38)

Intangible assets include:

- development costs;
- patents;
- software;
- ERP;
- goodwill;
- customer databases;
- technologies.

Intangible assets acquired separately are recognized at their acquisition cost and are amortized.

Amortization is calculated using the straight-line method based on the estimated useful lives of the assets, on the following basis:

	Depreciation period
Technologies	**6 to 15 years**
Development expenses	**5 years**
Patents	**10 years**
ERP	**6-10 years**
Customer base	**15 years**
Software	**2-5 years**

No residual value is used to determine the basis for amortization.

Impairment testing

In accordance with IAS 36, goodwill is tested for impairment annually and other amortizable intangible assets are tested when there is evidence of impairment. The existence of this evidence is examined at each annual and interim reporting date.

Given the overall management of Vusion's (SES-imagotag) activities from a technological and geographical point of view, it is impossible to allocate assets and cash flow to clearly identified subgroups within the Group. Goodwill is monitored on the basis of a single cash-generating unit.

The impairment test consists of comparing the net carrying amount of the asset with its recoverable amount, determined as the higher of its fair value less costs to sell and its value in use.

Fair value less disposal costs is preferred in the rare cases where a recent transaction on the assets concerned makes the information available and reliable. In most cases, the value-in-use is estimated by using cash flow projections based on existing operating forecasts for a period of five years, including growth and profitability rates that are considered reasonable. The assumptions made are those of sustained market growth, driven by a current low penetration of ESL solutions and growing strongly under the effect of equipment from major global retailers as currently observed. In this context, the growth rate is high, above 20% per year until 2028, the rate of operating expenses decreased and the gross margin increased, thanks to the development of higher-margin recurring services.

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The main assumptions used are:

- the five-year activity forecast, carried out by management;
- the long-term growth rate of 3% reflects the growth rate of a technological market that is still dynamic at this time;
- a discount rate of 11.5% applied to cash flows.

The recoverable amount resulting from the impairment test is higher than the carrying amount of the assets.

The sensitivity of the result to variations of plus or minus 1 point in the assumptions used does not impact the results of the goodwill impairment test.

An impairment loss is recognized in the event of a loss of value. Impairment losses may be reversed when conditions have changed, except for goodwill. With the exception of goodwill, impairment losses affect the amortization schedule prospectively since they are charged against the amortizable base.

Development expenses

Vusion's (SES-imagotag) development expenses are recorded as expenses for the period during which they are incurred, with the exception of development expenses for projects that meet the following criteria:

- the product or process is clearly identified and the costs are reliably identifiable;
- the technical feasibility of the product is demonstrated;
- the product or process will be marketed or used internally and will generate probable future economic benefits;
- there is a potential market for the product or its internal usefulness is demonstrated;
- the resources to complete the project are available.

Development costs that do not meet the above criteria are recognized as expenses in the year in which they are incurred. Capitalized development costs are amortized on a straight-line basis over their useful life.

Patents

Concerning the assessment of patents, the Group used the acquisition cost method in the event there is no active market.

II.1.3 Property, plant and equipment (IAS 16)

Property, plant and equipment are recorded at cost less depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis over the following useful lives:

	Depreciation period
Industrial tools and equipment	**3-5 years**
Fixtures and fittings	**5-10 years**
Furniture, office supplies and IT hardware	**1-10 years**

No residual value is used to determine the basis for amortization.

Depreciation periods are reviewed annually at the end of each accounting period. Any change in duration is treated as a change in estimate applied prospectively in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and gives rise to the recognition of additional impairment.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes indicate that the carrying amount may not be recoverable. If there is any such indication and if the carrying amounts exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the higher of the selling price net of disposal costs and the value-in-use. To measure value-in-use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments, time value, money and the risks specific to the asset.

II.1.4 Leases (IFRS 16)

IFRS 16 “Leases”, whose application was mandatory as of January 1, 2019, replaces IAS 17 “Leases” and related interpretations. When entering into a lease with fixed payments, this standard requires the recognition of a liability in the statement of financial position corresponding to the discounted future payments, in exchange for rights-of-use to the asset depreciated over the term of the contract.

The Group applied the so-called “modified retrospective” transition method by which a liability is recognized at the transition date equal to only the discounted residual rents, in exchange for a right-of-use amount adjusted for the amount of rents paid in advance or recorded as accrued expenses, and the costs of refurbishment. In line with the various simplification approaches provided for by the standard, the Group has excluded leases with a residual term of less than 12 months.

Leases include offices and warehouses, production lines and industrial equipment, vehicles and IT equipment.

The term of the contract generally used to calculate the liability is that of the contract initially negotiated, without taking into account early termination or extension options, except in specific cases. The discount rate is determined for each contract by reference to the incremental borrowing rate, for the residual term of the contract.

II.1.5 Inventories (IAS 2)

Inventories are valued, in accordance with IAS 2, at the lower of cost and net realizable value.

The valuation of finished products consists of the following items:

- cost price of components valued at the weighted average unit cost;
- cost of the assembly service by the subcontractor;
- additional costs mainly consisting of storage costs for components;
- label transit costs.

The net realized value is the estimated selling price in the normal course of business, decreased by estimated costs for completion and the estimated costs required to complete the sale.

When the net realizable value is lower than the value of the inventory, a provision for impairment is recognized according to the following method:

The depreciation of inventories is determined according to the category of the product and the related rotation rules as described below:

For each category, the rule consists of:

1) Calculating the rotation of the products concerned. This gives the number of days since an article within a reference was last consumed;
2) Only products that have not been rotated for more than six months may be subject to a provision for impairment:

A. New products not refurbished :

- 50% of the gross value for assets that have not been rotated for more than six months;
- 80% of the gross value for assets that have not been rotated for more than 12 months;
- 100% of the gross value for assets that have not been rotated for more than 18 months;
- 100% of the gross value for assets that have never been rotated.
- Among these, the following items are excluded from the calculation of the provision, namely :
- Products for which there is a firm order for the coming 12 months or a minimum 90% chance of a business opportunity for the coming 6 months that would cover at least 50% of the inventory quantities,
- products subject to refurbishing or reworking in order to sell the products in question,
- innovative products for future product ranges;

B. refurbished or refurbishable goods

- depreciation of 50% of the gross value of these goods in the inventory exceeding 18 months past or future consumption if the product has yet been rotating over the last 12 months,
- depreciation of 100% of the gross value of these goods in the inventory exceeding 18 months past or future consumption if the product has not been rotating over the last 12 months,
- depreciation of 100% of the gross value of these goods that have never been rotated.

II.1.6 Financial assets, receivables and other current assets (IFRS 9)

For financial assets, upon initial recognition of an equity security that is not held for trading purposes, the Group may irrevocably elect to present in other comprehensive income subsequent changes in fair value of the security. This choice is made for each investment. At December 31, 2023, the Group held a minority stake (note 3 financial assets) to which this choice was applied.

For trade receivables including contract assets, the Group has assessed the losses actually incurred in recent years on its customer portfolio and concluded that the new IFRS 9 impairment model as of January 1, 2019 has no material effect on the Group's financial statements compared to the IAS 39 model.

Regarding the provision for impairment of trade receivables, the Company estimates, on an individual basis, the risk of expected credit losses.

II.1.7 Financial instruments (IFRS 9)

IFRS 9 sets out the requirements for the recognition and measurement of financial assets and liabilities, as well as certain contracts for the purchase or sale of non-financial assets.

All derivative instruments are valued in the statement of financial position at their fair value, in accordance with IFRS 9.

Derivative financial instruments consist of forward foreign exchange contracts.

The management of financial risks by the Vusion (SES-imagotag) Group (interest rate risk, foreign exchange risk, counterparty risk and liquidity risk) is described in note 26 of this document as well as in chapter 2.1.4 of the "Risk factors and uncertainties" section.

Derivative financial instruments are contracted by the Group as part of its foreign exchange risk management policy. The recognition of financial instruments as hedging instruments then depends on whether or not they are eligible for hedge accounting.

The Group has implemented a factoring contract that ensures the legal transfer of rights to assigned receivables to the extent that the assignment is made in accordance with the provisions of Article 1346-1 of the Civil Code and Articles L.313-23 to L.313-34 of the Monetary and Financial Code. The contract also provides for the substantial transfer of the credit risk and late payment associated with these same claims, taking into account the collateral approvals granted by the factoring company covering both the risk of non-payment (from the due date) as well as the risk of insolvency of the debtor, thus limiting the factoring company's right of recourse to the Group in the event of non-payment. In addition, the dilution risk, retained by the Group, was analyzed in light of the actual level of non-values on the basis of historical data on the scope of the receivables assigned. The terms of the compensation are fixed and not revisable after the transfer of the invoices. Thus, the result of these various analyses (transfer of contractual rights to receive cash flows and substantial transfer of risks and benefits) made it possible to conclude on the deconsolidating nature of the contract.

II.1.8 Forward purchases

The Group has opted for cash flow hedge accounting for its forward purchases.

Forward exchange contracts used by the Group may be qualified as cash flow hedges. A cash flow hedge is used to protect against changes in the value of cash flows denominated in foreign currencies. Derivatives are measured at their fair value upon initial recognition. Subsequently, at each reporting date, the fair value of the derivatives is re-estimated. The fair value of forward foreign exchange contracts is determined by reference to what the Group would receive (or pay) to unwind the current contracts at the reporting date.

Hedge accounting is applicable if, and only if, the following conditions are met:

- the hedging relationship is composed solely of items eligible for hedge accounting;
- a hedging relationship is clearly identified, formalized and documented from the date it is set up;
- the hedging relationship complies with the following effectiveness criteria:
  - there is an economic relationship between the hedged item and the hedge,
  - there is no preponderance of credit risk in the change in fair value of the hedging item and the hedged item,
  - the hedging ratio of the hedging relationship is equal to the ratio between the amount of the hedged item that is actually hedged by the entity and the amount of the hedging instrument that the entity actually uses to hedge that amount of the hedged item.

Changes in the value of the effective portion of cash flow hedges are recognized in Other comprehensive income. The ineffective portion of hedging derivatives is recognized in the income statement.

The deferral/discount component is excluded from the hedging relationship, and changes in value are recognized in profit or loss under Other finance income and expenses.

II.1.9 Cash and cash equivalents

Cash and cash equivalents include:

- financial investments, which are highly liquid and have a very limited risk of changes in value;
- bank accounts;
- cash accounts.

Marketable securities (SICAV money market funds) are recognized at fair value at the reporting date (fair value level 1).

Term deposit accounts are recognized at amortized cost.

II.1.10 Treasury shares (IAS 32)

According to IAS 32 "Financial Instruments", if an entity repurchases its own equity instruments, they must be deducted from equity. No gain or loss should be recognized in profit or loss on the purchase, sale, issue or cancellation of the entity's equity instruments.

Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. The consideration paid or received must be recognized directly in equity.

II.1.11 Provisions (IAS 37)

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Group recognizes a provision when, at the reporting date, it has an obligation (legal or constructive) vis-à-vis a third party resulting from a past event whose settlement is likely to result in an outflow of resources representing economic benefits for the Group, and when the amount of the loss or liability can be reliably measured.

In the event that this loss or liability is neither probable nor reliably measurable, but remains possible, the Group recognizes a contingent liability in its commitments.

Provisions are intended, in particular, to cover the probable costs that may be incurred due to ongoing lawsuits or litigation, the operative event of which existed at the reporting date.

II.1.12 Stock options and allocation of bonus shares (IFRS 2)

IFRS 2 "Share-Based Payment" provides for the recording of an expense in return for services obtained under share subscription plans (and similar) granted to employees.

The Group has set up stock option plans, bonus shares or share purchase plans and has issued warrants to certain employees. The purchase or subscription option prices are set by the Board of Directors, which grants the options.

Changes in values subsequent to the grant dates have no impact on the initial valuation of the options; the number of options taken into account to value the plans is adjusted at each closing date to take into account the presence of the beneficiaries and the achievement of internal performance conditions for the purposes of vesting periods.

The valued benefit is equivalent to compensation paid to the beneficiaries, which is therefore recognized in employee benefits expenses on a straight-line basis over the vesting period, with a corresponding adjustment in shareholders' equity.

Stock option subscription plans were valued by reference to the fair value of the instruments granted.

The fair value of the bonus shares granted corresponds to the value of the share on the day of the grant less the assumption of a dividend distribution during the vesting period. The overall plan expense corresponds to the estimated fair value multiplied by the number of shares granted over the vesting periods envisaged in the plan, multiplied by the probability of achieving the performance objectives.

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II.1.13 Employee benefits (IAS 19 revised)

End-of-career benefits

The provision for employee benefits relates exclusively to retirement benefits that are legally payable to employees in France.

The calculation is made in accordance with the revised version of IAS 19, using the projected unit credit method. Under this method, entitlements are allocated to periods of service according to the plan's vesting formula, taking into account a linearization effect when the rate of entitlement is not uniform over the course of the subsequent periods of service.

The amount of future payments corresponding to the benefits granted to employees is measured on the basis of assumptions for changes in salaries, retirement age and mortality, then reduced to their present value on the basis of interest rates on long-term bonds of first-class issuers.

The expense for the financial year corresponding to the change in the cost of services rendered is recognized in employee benefits expenses; the cost of discounting is recognized in finance expenses.

In addition, actuarial gains and losses resulting from experience-related adjustments and changes in actuarial assumptions are now recognized in "Other comprehensive income".

II.1.14 Deferred taxes (IAS 12)

Deferred taxes result from temporary differences between the carrying amount and tax value of assets and liabilities in the statement of financial position. In accordance with IAS 12 "Income Taxes", they are accounted for using the liability method, based on the future tax rates adopted at reporting date on December 31, 2023.

The Group recognizes a deferred tax asset for tax losses and unused tax credits carried forward, to the extent that it is probable that future taxable profits will be available against which these unused tax losses and tax credits can be offset, taking into account the carry-forward periods and applicable tax rates in each country.

II.1.15 Research tax credit (IAS 20)

The research tax credit is a tax incentive similar to a subsidy. It therefore falls within the scope of IAS 20. According to this standard, the research tax credit must be allocated according to whether R&D expenditure is recognized as an asset (recognition of development expenses as intangible assets according to IAS 38) or as a profit or a loss, when the development expenses cannot be recognized as an asset.

For the share of capitalized development costs, the recognition in the income statement of the research tax credit generated is deferred over time over the amortization period of the underlying capitalized development costs. For the share of research expenses recognized as expenses, the research tax credit is recognized immediately in the income statement. The Group has opted to recognize the entire research tax credit as a deduction from expenses recognized in the income statement, under other external expenses.

II.1.16 Translation of foreign currency items

The consolidated financial statements at December 31, 2023 were prepared in euros, which is the parent company's functional currency.

Each Group entity determines its own functional currency and the items included in the financial statements of each entity are measured using this functional currency.

Recognition of foreign currency transactions in the financial statements of consolidated companies

Foreign currency transactions recognized in the income statement are translated at the exchange rate prevailing on the transaction date, with the exception of transactions for which the Company has hedges (USD). On initial recognition, hedged items are recognized at the current exchange rate. However, if the hedged item is a purchase that will be held in inventory the impact of hedges is recognized in the initial amount of the inventory. Monetary items expressed in foreign currencies, recognized in the statement of financial position, are translated at the exchange rate prevailing at the reporting date, with the exception of debts denominated in US dollars which are translated at the hedge rate. The resulting exchange differences are recorded in the income statement.

Conversion of foreign subsidiaries' financial statements

The financial statements of Group companies, whose functional currency is different from the consolidation currency, are converted into euros:

- assets and liabilities are translated into euros at the exchange rate prevailing on the closing date;
- income and expenses are translated at the average exchange rate for the period as long as this is not affected by significant changes in exchange rates;
- the resulting translation differences are recognized in other items in the profit (loss).

II.1.17 Earnings per share

The Group reports basic earnings per share and diluted earnings per share.

Net earnings per share are obtained by dividing net profit or loss by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by using the conversion into ordinary shares of dilutive instruments outstanding at the reporting date.

II.1.18 Revenue from contracts with customers (IFRS 15)

Revenue is recognized and presented in accordance with IFRS 15 “Revenue from Contracts with Customers”.

The Group’s revenue can be broken down into revenue from goods and services. The operative event is the transfer of control to the customer. Depending on the services provided, this translates into:

- when the Group is in charge of installing the label systems, revenue is recognized when the system becomes operational. At the closing of the accounts, for installations invoiced but not yet completed, deferred income is recognized, and for installations completed but not yet invoiced, accrued income is recognized;
- when the Group only delivers labels, revenue recognition is based on the transfer of control to the client, taking into account contractual provisions and incoterms;
- the substantial rights granted to the customer result in the deferral of revenue to subsequent periods;
- training service is invoiced and recognized when the service is provided, independently of the delivery of the labels;
- annual flat-rate discounts granted to customers are deducted from revenue;
- maintenance contracts are billed in advance for periods of three to six months. Deferred income is recognized to cancel the revenue related to the following financial year on a pro rata basis;
- specific development costs incurred in connection with the acquisition of new customer contracts are expensed in the year in which they are incurred, and consideration paid to customers is recognized as a reduction in revenue, where applicable, except for those meeting the following criteria:
  - the costs of obtaining contracts (specific incremental),
  - contract fulfillment costs.
- At the end of each fiscal year, the specific incremental costs of obtaining contracts are capitalized and amortized in accordance with the expected recognition of revenue (IFRS 15 compliant).

Principal or agent

The Group has conducted an analysis of the nature of its relationships with its customers in order to determine whether it is acting as a principal or as an agent in the performance of the contract or part of the contract when the Group sells equipment, software or services.

Under IFRS 15, the Group is considered as acting as principal since it bears the primary responsibility with respect to the end customer and the inventory risk with respect to suppliers.

II.1.19 Operating segments (IFRS 8)

The Vusion (SES-imagotag) Group has only one operating segment corresponding to a homogeneous activity of installing and maintaining electronic shelf labels (ESLs).

Operating results are reviewed at Group level. The objective is to make decisions about the allocation of resources and the evaluation of performance. Isolated information at the lower level is not available, given the overall management of the activities, technologies, and geographical areas.

II.2 Highlights of the year

In April 2023, the Group signed a deployment contract with Walmart to equip its stores in the United States. This contract, consisting of several successive fulfillment orders, is of an unprecedented scale for the Group and provides for the equipment of all stores in the United States with EdgeSense, the new hardware solution developed by the Group, as well as the subscription to Cloud-hosted services developed by the Group.

As part of the IFRS 15 analysis of this contract, the Company has identified points of attention in particular:

- payments to customers and the pre-financing of production lines similar to an advance payment on future deliveries;
- discounts on volumes sold;
- the issuance of share subscription warrants (BSA) exercisable according to the future volumes to be delivered, similar to a discount granted in advance on future revenue.

In order to ensure consistent production volumes, Walmart and the Group have agreed to invest in one or more production lines. This investment is supported by VusionGroup and appears in its capital expenditure but it is fully pre-financed by Walmart. The Group considered this advance payment to be a contract liability on the date of the advance payment to the Group, for an amount of €75 million. The contract provides that the amount received as part of this pre-financing may be partially repaid if Vusion uses these lines for other customers. This repayment was treated as a “consideration payable to the customer” and recognized as a contract liability recognized under the Other current liabilities heading (Other debts and accrual accounts) in the statement of financial position, for the maximum expected amount. Any subsequent change in this amount will impact revenue. The estimated non-repayable portion of this advance is recognized in revenue as and when deliveries are made.

As this is a multi-year deployment agreement, Walmart and VusionGroup also agreed on a price reduction mechanism based on volumes. As a result, the Group has used an average volume-weighted selling price calculated from estimated volumes and projected revenue over the term of the contract to recognize hardware solutions sales in its revenue.

Lastly, in connection with the signing of this deployment agreement, the shareholders of VusionGroup agreed at the General Meeting of June 2, 2023 to allocate 1,761,200 Share subscription warrants (BSA) to Walmart. These share subscription warrants are exercisable subject to the achievement of a minimum of $700 million in expenditure incurred with VusionGroup. Once this amount of expenditure has been reached, Walmart may exercise its warrants pro rata to the expenses for the benefit of VusionGroup, with 100% of the warrants being exercisable if this amount of expenditure with VusionGroup reaches $3 billion. These share subscription warrants are also exercisable over a maximum period of seven years from the time the expenditure threshold of $700 million was reached. This threshold could be reached during 2024.

As the share subscription warrants were issued at a higher value than their subscription cost in conjunction with the sales contract, they are equivalent to a payment in kind made to the customer. Payments in kind to customers must be measured at fair value. IFRS 15 does not specify the date on which the payment in kind must be measured. The Company considered that this valuation should be made at the date of the decision of the General Meeting. This amount of €163 million, which will not be reassessed at a later date, was recognized as a discount paid in advance and presented under Other current receivables in the statement of financial position, and will be deducted from revenue as and when the corresponding deliveries are made.

The BSA contracts do not meet the conditions to be recognized in equity instruments (variable number of shares). Consequently, they have been recognized as financial liabilities and will be remeasured at each closing date, with changes being recognized in total net financial income (expense).

Acquisition of In The Memory

At the start of 2023, VusionGroup carried out a strategic external growth operation in Data with the acquisition of the French company In The Memory ("Memory") specializing in data analysis and business decision-making tools.

With this new acquisition, the Vusion (SES-imagotag) Group is continuing to build its Data division, which also includes Captana, a company specializing in real-time analysis of rays using image analysis and artificial intelligence, as well as several solutions within the VUSION platform.

Acquisition of Belive.ai

Captana GmbH, a wholly-owned subsidiary of Vusion (SES-imagotag), signed an agreement for the acquisition of Belive.ai, a French start-up specializing in artificial intelligence and image analysis for in-store retail. With this merger, Captana aims to round out its technological offering in order to offer a wider choice of solutions and better cover all the needs of retailers, both in terms of use cases and in terms of pre-existing digital infrastructure. The synergies between the Captana and Belive.ai solutions will also make it possible to offer the best of both technologies and accelerate innovation for the digitization of stores.

Refinancing

On December 21, 2023, the Group announced the refinancing of its financial debt through:

- the establishment of a large international bank pool for a loan totaling €150 million, comprised of (i) an amortizable €90 million term loan, to be used in particular to refinance the bridge loan for the acquisition of the companies In the Memory and Belive, and (ii) a €60 million revolving credit facility (RCF) to meet the Group's general financing needs, and
- the issue of a €40 million bond, maturing in 2030, as a Euro Private Placement, to be used to refinance the existing €40 million bond which matured at end December 2023;
- In support of its ambitious sustainable development strategy, this new financing incorporates criteria linked to the Group's ESG performance. The Group will thus benefit from an adjustment to the margin according to whether or not it achieves the objectives set for three key performance indicators;
- the reduction of greenhouse gas emissions in Scopes 1 & 2 on the one hand, and the reduction in the intensity of Scope 3 emissions per unit of value added on the other hand;
- the number of ESL recycled by the Group;
- the proportion of women managers, in line with the leadership parity target set by VusionGroup (SES-imagotag).

These transactions strengthened the Group's financial structure by providing it with the means to consolidate the financing of its VUSION '27 strategic plan while extending the maturity of its debt.

II.3 Post-closing events

None.

II.4 Notes to the financial statements

Notes to the statement of financial position

Note 1 – Intangible assets

Gross fixed assets in € '000	Opening	Increase	Transfers between line items	Decrease	Change in scope	Closing
Goodwill	51,274	71,575				122,849
Development[4]	70,701	40,045	42,998		1,331	155,075
Concessions, patents & similar rights	60,584	30,047	7,182	(13)		97,800
Intangible assets in progress	52,857	23,952	(50,180)	(76)		26,553
TOTAL	**235,416**	**165,619**	**-**	**(89)**	**1,331**	**402,277**

At December 31, 2023, the amount of goodwill breaks down as follows:

- SES-ESL merger: €12.6 million;
- Acquisition of SES-Imagotag GmbH: €13.4 million;
- Acquisition of Pervasive Displays Inc. (PDi): €18.3 million;
- Acquisition of Findbox (now Captana GmbH): €6.7 million;
- Acquisition of Market Hub: €0.3 million;
- Acquisition of In The Memory: €63.2 million;
- Acquisition of Belive: €8.3 million.

In The Memory Goodwill

Created in 2018 by a team of data science specialists from the retail sector, In The Memory has developed a powerful data management and decision analysis platform, and has rapidly built a significant customer base among leading retail chains and makers and consumer products. In The Memory's solutions combine strong business expertise and advanced technology for processing and analyzing large amounts of data from a range of sources. This dual expertise in business and data gives a unique quality to the decision-making tools of the Memory platform, for both retailers and brands.

With this new acquisition, following the finalization of MarketHub (Ireland) in early 2022, the Group is continuing to build its Data division.

Following the approval of the Board of Directors on December 5, 2022, an agreement was signed on January 12, 2023 for Vusion (SES-imagotag) to acquire 100% of the shares of In The Memory for €83,644 thousand. €81,644 thousand of this was paid on January 31, 2023. The remaining €2,000 thousand was due on January 31, 2024.

A €7.9 million conditional consideration was also determined by the Company, indexed to the performance of In The Memory in financial years 2023, 2024, 2025 and 2026. This amount will be payable in installments on the following dates: July 2025, May 2026 and May 2027 reflecting performance in, respectively, 2023 and 2024, 2025 and 2026.

The final goodwill amount recognized at December 31, 2023, amounted to €63.2 million. The purchase price allocation work made it possible to recognize intangible assets of €13.4 million for customer relations and €16.4 million for technology. Intangible assets have been valued using the royalty method and the excess revenue method over several periods. Technology is amortized over five years and customer relations over 15 years. The final goodwill has been calculated as follows:

Value of shares	83,644	€ '000
Conditional consideration (earn out)	7,930	€ '000
Total acquisition value of 100% of In The Memory shares	91,574	€ '000
In The Memory net position at 12/31/2022	6,194	€ '000
Final goodwill at 12/31/2023	85,380	€ '000
Of which identified technology and customer relations	29,800	€ '000
Final residual goodwill before impact of deferred tax	55,580	€ '000
Deferred tax	7,688	€ '000
Final residual goodwill after impact of deferred tax	63,268	€ '000

(4) Including €29,800 thousand corresponding to the intangible asset identified during the allocation of the purchase price of the shares of In The Memory.

Belive Goodwill

Founded in 2019, Belive has developed an artificial intelligence and image analysis platform enabling retailers to manage their store network in real time, notably by monitoring: availability of products on the aisles, waiting times at check-outs, shelf compliance, etc. . Belive solutions facilitate the daily lives of teams thanks to competitive technology that can be adapted to all types of stores and departments; data are available in real time for the store, head office and warehouses.

With this merger, the Group aims to round out its technological offering in order to offer a wider choice of solutions and better cover all the needs of retailers, both in terms of use cases and in terms of pre-existing digital infrastructure. The synergies between the Captana and Belive solutions will also make it possible to offer the best of both technologies and accelerate innovation for the digitization of stores.

Following the approval of the Board of Directors on December 5, 2022, an agreement was signed on February 28, 2023 for the acquisition by Captana GmbH, a wholly-owned subsidiary of the Vusion (SES-imagotag) Group, of 67.09% of the Belive shares for €6,655 thousand. This amount was paid in full on April 14, 2023.

The amount of goodwill recognized at December 31, 2023 amounts to €8.3 million and was calculated as follows:

Acquisition value of 67.09% of the Belive shares	6,655	€ '000
Belive net position at 03/31/2023 x 67.09%	-1,652	€ '000
Final goodwill at 12/31/2023	8,307	€ '000

Research and development expenses represent the cost of research and innovation expenses incurred by the Group and which have enabled it to improve and diversify its product offering.

Transfers between line items during the year corresponds to:

- the capitalization of €29.9 million of development costs for the EdgeSense program until December 31, 2022;
- the capitalization of other development costs, totaling €13.1 million, incurred mainly as part of the ongoing development of the Jeegy Cloud software and new listings in the Vusion range, and the Captana program;
- the capitalization of part of the development projects for the Group's information systems and IT infrastructure for an amount of €7,182 thousand.

Intangible assets in progress correspond to expenses incurred in connection with marketable research and development projects, the development of the Group's IT infrastructure, and costs incurred for the filing of patents which had not yet been granted by December 31, 2023.

The increase in assets under construction during the period is explained by the following items:

- research and development expenses for an amount of €15,093 thousand;
- expenditure for the development and restructuring of the Group's IT infrastructure and software for €8,846 thousand. These are mainly investments that have made it possible to extend SAP coverage to more subsidiaries and have concerned cybersecurity aspects.

Depreciation in € '000	Opening	Allowance	Transfers between line items	Reversal	Change in scope	Closing
Development	55,627	11,516			384	67,527
Concessions, patents & similar rights	27,739	10,828		(9)		38,558
TOTAL	**83,366**	**22,344**	**-**	**(9)**	**384**	**106,085**

Note 2 – Property, plant and equipment

Gross fixed assets in € '000	Opening	Increase	Transfers between line items	Decrease	Change in scope	Closing
Buildings and improvements	3,706	956	7	(335)	95	4,429
Machinery, equipment, and tools	23,200	1,174	2,754	(81)	1	27,048
Other property, plant and equipment and assets in progress	26,430	21,145	(2,761)	(120)	523	45,217
TOTAL	**53,336**	**23,275**	**-**	**(536)**	**619**	**76,695**

The increase in property, plant and equipment during the year is mainly due to:

- fitting out work and fixtures on premises, particularly in France;
- the equipment of production lines through the acquisition of industrial equipment for €1,174 thousand;
- other property, plant and equipment including mainly the delivery of label systems to customers under rental contracts for €1,335 thousand and expenditure on IT and office equipment for €1,834 thousand;
- fixed assets in progress for €17,975 thousand corresponding to investments in industrial equipment at our EMSs, in particular €16.5 million relating to the production lines of the EdgeSense range, financed entirely by customers.

Depreciation in € '000	Opening	Allowance	Transfers between line items	Reversal	Change in scope	Closing
Buildings and improvements	2,217	538		(214)	9	2,550
Machinery, equipment, and tools	17,491	2 700		(72)	0	20,120
Other property, plant and equipment	13,582	4,254		(117)	138	17,857
TOTAL	**33,290**	**7,492**	**0**	**(403)**	**147**	**40,527**

Rights of use

Gross fixed assets in € '000	Opening	Increase	Decrease	Change in scope	Closing
Buildings and improvements	10,198	4,972	(119)		15,051
Production line and industrial equipment	14,727				14,727
Vehicles and other property, plant and equipment	1,300	765	(189)		1,876
TOTAL	**26,225**	**5,737**	**(308)**	**0**	**31,654**

The increase in rights of use during the year is mainly due to:

- the new lease with In The Memory and Belive and the renewal of leases at various subsidiaries;
- the renewal of the car fleet, particularly in France and Germany.

The decrease in rights of use is mainly due to:

- the end of the leases of the subsidiaries for a usage value of €119 thousand;
- the end of vehicle leases for €189 thousand.

Depreciation in € '000	Opening	Increase	Decrease	Change in scope	Closing
Buildings and improvements	3,903	2,692	(118)		6,477
Production line and industrial equipment	11,455	3,272			14,727
Vehicles and other property, plant and equipment	588	581	(188)		981
TOTAL	**15,946**	**6,545**	**(306)**	**0**	**22,185**

Note 3 – Financial assets

Financial Assets in € '000	Opening	Increase	Decrease	Change in scope	Closing
Non-consolidated investments (1)	18,668				18,668
Deposits and sureties	946	116	(283)	176	955
Other loans	584	68			652
Miscellaneous	0	104			104
TOTAL	**20,198**	**288**	**(283)**		**20,379**

(1) The amount of non-consolidated equity investments corresponds to the value of the shares received in exchange for the Group's stake in the BOE Technology JV sold to Yi-Yun during the second half of 2022. Since that date, the percentage of ownership has remained below 10%.

Note 4 – Inventories

Inventories in € '000	**12/31/2023**	12/31/2022
Inventory of raw material	16,916	30,108
Inventory of finished products	105,493	127,123
Inventory of goods purchased for resale	14,007	16,086
Impairment of inventory	(11,422)	(8,900)
TOTAL	**124,994**	**164,417**

At December 31, 2023, the inventory turnover rate improved significantly compared to the previous financial year, i.e. 51 days compared to 100 days at December 31, 2022.

Note 5 – Trade receivables

Trade receivables in € '000	12/31/2023	12/31/2022
Gross trade receivables	132,573	110,532
Provision for impairment	(887)	(1,285)
TOTAL	**131,686**	**109,247**

At December 31, 2023, the average customer payment period improved compared to the previous financial year, i.e. 45 days compared to 60 days at December 31, 2022.

The provision for impairment of trade receivables breaks down as follows:

Breakdown of the provision for impairment of trade receivables in € '000	Gross value	Impairment
Receivables overdue less than 90 days	15,593	3
Receivables overdue between 91 days and 360 days	11,445	31
Receivables overdue more than 361 days	3,511	853
Receivables not yet due	102,024	0
TOTAL	**132,573**	**887**

Note 6 – Other current receivables and current taxes

As of December 31, 2022, current tax receivables amounted to €3,683 thousand and mainly corresponded to research tax credit receivables in France. These were charged to current tax liabilities as at December 31, 2023.

Other current receivables break down as follows:

Other current receivables in € '000	12/31/2023	12/31/2022
Tax receivables	23,651	3,397
Social security receivables	59	39
Suppliers – advance and prepayments	23,399	32
Suppliers – credit note	4,383	1,679
Financial instruments	0	501
Other current receivables	162,570	0
Prepaid expenses	4,549	3,375
TOTAL	**218,610**	**9,022**

Tax receivables consist of €20,093 thousand of VAT receivables on purchases, of which €9.4 million was paid in January 2024, and research tax credit receivables in Austria.

The amount in Other current receivables of €162,570 thousand corresponds to the discount paid in advance in respect of the Walmart warrants recognized in Contract assets and which will be reported as a reduction of revenue as and when deliveries are made as described in paragraph II.2 Significant events of the financial year in section 6.1.2.

Most of the credit note receivables are from our main suppliers of finished products and components and amount to €3,918 thousand, compared to €1,597 thousand at December 31, 2022.

All financial instrument contracts were unwound as of December 31, 2023. At December 31, 2022, the amount recognized in financial instruments corresponds to the fair value of the instruments subscribed but not used at the end of the financial year, i.e. €501 thousand.

Prepaid expenses relate to the company's current operating expenses invoiced but relating to the following fiscal year.

Note 7 – Cash and cash equivalents

Cash in € '000	12/31/2023	12/31/2022
Securities	15	15
Cash and cash equivalents - accounts receivable	199,901	33,922
TOTAL	**199,916**	**33,937**

Note 8 – Share capital

Number of shares variation	Number	Nominal value in €	Capital in €
Shares at the beginning of the period	15,850,808	2	31,701,616
Securities issued	107,850	2	215,700
Number of shares at the end of the period	**15,958,658**	**2**	**31,917,316**

The securities issued over the period correspond to the delivery of the shares of Tranche 2 of the performance shares plan.

At December 31, 2023, the Company held a total of 52,624 treasury shares, of which 1,964 related to the liquidity contract entered into during the 2021 financial year and 50,660 related to the new share buyback program entered into in October 2023. Treasury shares are restated as a deduction from equity in accordance with IAS 32.

Note 9 – Other equity instruments

Stock options and allocation of performance shares

Allocation of stock options (see note 7.7.2.2)

At its meeting of June 29, 2020, the Board of Directors decided to allocate performance shares. The grants will take place on one or more occasions. This concerns existing or future ordinary shares, subject to performance and continued presence conditions. The General Meeting set an overall limit of 3% of the share capital existing on the date of the Board of Directors' decision.

The definitive acquisition of the shares is subject to a condition of presence of the beneficiary and planned as follows:

- in 2022: delivery of Tranche 1 shares if the performance conditions are met (Target 2020);
- in 2023: delivery of Tranche 2 shares if the performance conditions are met (Target 2021);
- in 2024: delivery of Tranche 3 shares if the performance conditions are met (Target 2022);
- in 2025: delivery of Tranche 4 shares if the performance conditions are met (Target 2023).

For performance shares delivered during the years 2022 to 2025 (Target 2020 to Target 2023), the performance shares will not be subject to any retention period from the date of delivery of the shares (given the two-year period between grant and vesting).

Note 10 – Non-current provisions

Non-current provisions in € '000	Opening	Allowance	Release of allowance	Change in scope	Closing
Warranty provisions	139	1,008	(105)		1,042
Provisions for leased assets refurbishment	870				870
Provisions for retirement benefits	711	160			871
Other provisions for risks	981	7,884	(62)	807	9,610
TOTAL	**2,700**	**9,052**	**(167)**	**807**	**12,392**

Provisions for the repair of leased assets relate to leases under IFRS 16. The balancing entry is recognized in property, plant and equipment, as an increase in the right of use.

The other provisions for contingencies mainly concern quality problems identified during the fiscal year and related to the launches of new products marketed in recent years. The causes have been addressed and the Group does not anticipate any new quality problems with these products.

Note 11 – Loans and lease liabilities

Loans are recognized at the amortized cost using the effective interest rate method.

		With cash impact		No cash impact			
Loans and lease liabilities in € '000	Opening	Increase	Decrease	Change in scope	Translation differences	Other	Closing
Bonds	49,717	40,135	(40,000)				49,852
Other long-term loans from credit institutions	24,708	238,816	(145,195)	5,073		(599)	122,803
Current and non-current lease liabilities	8,109		(3,395)			5,736	10,450
TOTAL	**82,533**	**278,952**	**(188,590)**	**5,073**	**0**	**5,137**	**183,104**

At the end of the year, the Group successfully refinanced its maturing lines of credit by:

- the establishment of a large international bank pool for a loan totaling €150 million, comprised of (i) an amortizable €90million term loan, to be used in particular to refinance the bridge loan for the acquisition of the companies In the Memory and Belive, and (ii) a €60 million intended to finance the Group's general needs, of which only €20 million had been drawn down at December 31, 2023;
- the emission of a €40 million bond, maturing in 2030, as a Euro Private Placement, to be used to refinance the existing €40 million bond which matured at year-end 2023.

The cash decrease mainly relates to the €15,204 thousand repayment of the SGL.

The non-cash increase of €5,073 thousand reflects first-time consolidation of the new entities acquired during the first half of 2023, In The Memory and Belive.

At December 31, 2023, the Group complied with the consolidated leverage ratio (covenant) which refers to the ratio between net financial debt and EBITDA of less than 3.5 for Europp amounting to €10 million maturing in July 2025, and less than 2.5 for the €150 million bank loan and the €40 million Europp tranche raised in December 2023. The impact of the recognition of the lease liability following the application of IFRS 16 is excluded from the definition of financial debt for the purpose of calculating covenants.

Loans and lease liabilities in € '000	**12/31/2023**	Less than 1 year	1-5 years	More than 5 years
Long term loans	172,654	9,887	122,767	40,000
Current and non-current lease liabilities	10,450	3,374	7,076	
TOTAL	**183,104**	**13,261**	**129,843**	**40,000**

Note 12 – Other non-current liabilities

Other non-current liabilities in € '000	**12/31/2023**	12/31/2022
Other payables - earn-out	8,412	482
Research tax credit	4,014	3,271
Other provisions - operating grants	-	-
TOTAL	**12,426**	**3,752**

The change in other payables relating to earn-outs for an amount of €7.9 million corresponds to the estimated amount of earn-out as part of the acquisition of In The Memory.

Note 13 – Trade payables

Trade payables in € '000	**12/31/2023**	12/31/2022
Trade payables	101,927	107,767
Suppliers – invoices not received	46,539	48,111
TOTAL	**148,466**	**155,878**

The amount of invoices not received mainly corresponds to finished goods purchased in December, shipped by sea and still in transit as at December 31, 2023.

Note 14 – Other debts and accrual accounts

Other debts and accrual accounts in € '000	12/31/2023	12/31/2022
Customers – prepayments	245,356	61,419
Customers – accrued income	1,244	1,662
Social security and tax liabilities	28,471	17,945
Fair value of share subscription warrants	114,828	-
Deferred income and other liabilities	11,634	10,249
TOTAL	**401,533**	**91,275**

Deferred revenue corresponds to sales made in December but for which the contractual obligations had not been fully met by December 31, 2023. The revenue from these sales will be recognized in the next financial year.

Advances and deposits received from customers have increased significantly and correspond to the policy that the Group wishes to develop by negotiating satisfactory contractual terms to manage large contracts without financing risk.

The fair value of the subscription warrants corresponds to the reassessment made at each closing of the fair value of the shares subscription warrants granted to Walmart as described in paragraph II.2 Highlights of the year in section 6.1.2. No share subscription warrants granted to Walmart have been exercised to date.

Notes to the income statement

Note 15 – Revenue

Revenue for the financial year breaks down as follows:

Revenue by geographical area in € million	12/31/2023		12/31/2022	
Europe and MEA	642.4	80%	487.3	78%
France	70.6		65.2	
EMEA	571.8		422.1	
Asia and the Americas	159.6	20%	133.6	22%
TOTAL	**802.0**		**620.9**	

Revenue by sector in € million	12/31/2023		12/31/2022	
Electronic labels	693.0	86%	512.2	82%
Services, software and other value-added solutions	109.0	14%	108.7	18%
TOTAL	**802.0**		**620.9**	

The Group's 2023 full year revenue was €802.0 million, up 29% vs. 2022.

In EMEA, top line increased almost +32% versus the previous year to €642 million and accounted for close to 80% of the Group's total annual sales.

Revenue in the Americas and Asia-Pacific (Rest of world) totaled €160 million and €163 million in adjusted terms for growth of almost +22% compared to 2022. This growth is expected to accelerate sharply in 2024, fueled by sales in North America where the Group made a decisive breakthrough when it signed a contract with Walmart. Several other significant contracts have also been signed.

The order book corresponding to firm performance obligations, applying IFRS15 conditions, is €338 million. As such, only ESL orders have been included in the order book. This book should be recognized as revenue within the next 18 months according to current forecasts.

Note 16 – Purchases consumed

The amount of purchased consumed is composed of the following:

- consumption of purchases of raw materials, goods purchased for resale and finished product inventories;
- allowances and reversals of provisions on these purchases;
- transportation and incidental expenses relating to these purchases.

Note 17 – External expenses

Other external expenses in € '000	12/31/2023	12/31/2022
Variable external expenses	(20,791)	(12,129)
External staff costs and recruitment fees	(7,234)	(5,266)
Travel expenses	(7,361)	(5,345)
Marketing	(7,304)	(4,914)
Fees	(10,832)	(4,596)
IT and telecom expenses	(6,315)	(5,199)
Other external charges	(2,542)	(1,464)
TOTAL	**(62,379)**	**(38,913)**

Note 18 – Payroll costs

Payroll costs in € '000	12/31/2023	12/31/2022
Payroll costs	(55,134)	(39,797)
Performance shares (IFRS 2)	(12,446)	(7,598)
Retirement benefits	(16)	(118)
TOTAL	**(67,596)**	**(47,514)**

The IFRS 2 expense recognized in 2022 relates to the performance shares plans issued by VusionGroup SA to the Group's employees in 2020, 2021 and 2022 as well as the RSU plan issued by the US subsidiary and exercisable in 2024 in respect of the 2023 performance. The IFRS 2 expense recognized in 2023 relates to the performance shares plans issued by VusionGroup SA to the Group's employees in 2021, 2022 and 2023 as well as the RSU plan issued by the US subsidiary and exercisable in 2024 in respect of the 2023 performance. The increase in expense between 2022 and 2023 is due to the greater number of performance shares distributed at a higher price in 2023 compared to the allocations of the 2020 performance shares plan.

Note 19 – Breakdown of other operating expenses

Other operating expenses amounted to €2,772 thousand and mainly correspond to the net charge for provisions for risks for an amount of €2,393 thousand.

Note 20 – Breakdown of other operating income

Other operating income amounted to €931 thousand and mainly corresponds to the reversal of the provision for impairment of trade receivables for an amount of €704 thousand.

Note 21 – Other financial incomes and expenses

Net financial income/(expense) in € '000	12/31/2023	12/31/2022
Financial instruments	3,551	89
Foreign exchange gains	30,019	52,698
Other financial income	49,965	549
Other financial income	**83,535**	**53,336**
Bank interest expenses	(12,425)	(2,387)
Leasing related interest expenses	(366)	(262)
Foreign exchange losses	(26,269)	(55,805)
Other financial expenses	(1,491)	(939)
Other financial expenses	**(40,551)**	**(59,394)**
TOTAL	**42,983**	**(6,058)**

Note 22 – Income tax and deferred taxes

in € '000	12/31/2023	12/31/2022
Income tax expense	**(14,887)**	**(7,060)**

Deferred tax in € '000	12/31/2023	12/31/2022
Tax loss carryforwards	9,406	12,335
Temporary differences	5,124	1,460
Total deferred tax assets	**14,530**	**13,796**
Amortization of technologies	8,117	1,563
Capitalization of R&D expenses	6,386	5,126
Temporary differences	2,575	526
Total deferred tax liabilities	**17,078**	**7,214**

Proof of tax	€ '000
Applicable tax rate in France	**25.00%**
Net income/loss	79,569
Theoretical tax	(23,614)
Tax reported	(14,887)
Difference	8,727
Impacts:	
Permanent differences	2,981
Other - tax rate differences	5,746
TOTAL	**8,727**

Deferred tax assets relating to tax loss carryforwards concern the French and German entities.

Deferred tax liabilities relating to identified technologies following the goodwill allocation break down as follows:

- Pervasive Displays Inc: €635 thousand;
- Captana GmbH: €317 thousand;
- SES-imagotag Gmbh: €416 thousand;
- In The Memory: €6,749 thousand

Note 23 – Net income – Earnings per share

Net profit for the year amounted to €79,569 thousand.

Effect of potential dilution on the capital

Earnings per share	12/31/2023	12/31/2022
Profit (Loss) - Group share in € '000	79,767	18,954
Weighted average number of shares	15,897,494	15,798,896
Performance shares	238,748[1]	223,700
Subscription warrants	1,761,200	
Earnings per share		
• before dilution	5.02	1.20
• after dilution	4.46	1.18

[1] Concerns shares granted but not delivered at the reporting date. At December 31, 2023, this corresponds to 112,900 shares under the 2022 plan and 125,848 shares under the 2023 plan.

II.5 Other information

Note 24 – Headcount

The number of employees at December 31, 2023 is as follows:

Geographical area	12/31/2023	12/31/2022
France	397	252
International	450	356
TOTAL	**847**	**608**

Note 25 – Off-balance sheet commitments

Commitments given:

- comfort letter in favor of VusionGroup GmbH, a wholly-owned subsidiary of the company;
- comfort letter in favor of VusionGroup B.V., a wholly owned subsidiary of the company;
- rent payment guarantee of €376 thousand (CIC);
- pledge of interest-bearing bank account (CIC);
- At December 31, 2023, the Group complied with the consolidated leverage ratio (covenant) which refers to the ratio between net financial debt and EBITDA of less than 3.5 for Europp amounting to €10 million maturing in July 2025, and less than 2.5 for the €150 million bank loan and the €40 million Europp tranche raised in December 2023.

Note 26 – Degree of exposure to market risks

The company is mainly exposed to currency fluctuations on its purchases made in dollars.

Degree of exposure to market risk in $ '000	At 12/31/2023
Hedging portfolio at end-December 2022	60,000
Purchased in 2023 to cover cash flows in 2023	30,000
Settled in 2023	90,000
Hedging portfolio at end-December 2023	**-**

Note 27 – Research and development expenditure

Over the financial year, €15,093 thousand of research and development expenses were capitalized in the balance sheet under fixed assets in progress.

Note 28 – Corporate officer remuneration and retirement plan

The gross compensation paid to the Chairman and Chief Executive Officer for the period amounted to €637 thousand for his 2023 base pay and his 2022 bonus.

A contract under the Company Guarantee for Company Executives (GSC) was signed in 2012 for the benefit of the Chairman and Chief Executive Officer. The annual contribution for the year 2023 amounts to €21 thousand.

This contract includes the basic plan as well as a supplementary plan providing for compensation coverage over a 12-month period (former plan).

The compensation of the Chairman and Chief Executive Officer is detailed as follows and includes benefits in kind amounting to €23,171 in 2022 and €29,432 in 2023.

In €	12/31/2023	12/31/2022
Short-term benefits	636,886	665,156
Post-employment benefits		-
Other long-term benefits		-
End of contract indemnities		-
Valuation of free shares	659,483	305,200

Note 29 – Transactions with related parties

The related parties identified by the Group are:

- Group shareholders owning more than 10% of the share capital;
- members of the Board of Directors.

During 2023, the Vusion (SES-imagotag) Group carried out the following transactions with its shareholder BOE Smart Retail (Hong Kong) Co. Ltd or companies related to this company:

- 445.6 million in purchases with Chongqing BOE Smart Electronic System Co. Ltd relating to an industrial supply and subcontracting agreement ("Master Service Agreement");
- $0.2 million in sales of components with Chongqing BOE Smart Electronic System Co Ltd. This amount decreased significantly compared to 2022, when the Group purchased products from E-Ink which were then resold to the Chongqing BOE Smart Electronic System Co Ltd entity to produce labels. In 2023, the Chongqing BOE Smart Electronic System Co Ltd entity obtained its supplies directly from E-Ink, which explains the decrease. These flows of products purchased from third parties such as E-Ink and resold to the Group's suppliers for use in the production of labels then sold to the Group are restated to neutralize the impact in the consolidated financial statements; they do not impact the Group's consolidated revenue or its margin.

Note 30 – Statutory Auditors' fees

The expense recognized in respect of the Statutory Auditors' fees amounts to €894 thousand for the certification of the individual and consolidated accounts and €83 thousand for services other than the certification of the accounts and is detailed as follows:

	Deloitte	KPMG	Total
Statutory Auditors' fees in € '000	Amount	Amount	Amount
Fees related to the certification of the individual and consolidated financial statements			
• Issuer	395	421	816
• Subsidiaries	50	28	78
Services other than certification of financial statements			
• Issuer	8	71	79
• Subsidiaries		4	4
TOTAL	**453**	**524**	**977**

For KPMG, services other than certification of the financial statements concern services for the verification of the Group's statement of non-financial performance (SNFP) as an independent third-party body (ITO), certification of compliance with SBTi objectives, certification relating to revenue as well as tax compliance and assistance with the review of transfer pricing reports for the Pervasive Displays Inc. subsidiary. For Deloitte, services other than the certification of financial statements concern certification services relating to revenue.

Note 31 – Credit, liquidity, and cash flow risks

The company does not hold risky investments.

II.6 Consolidated scope

Company name	Registered Office	Consolidation method [1]	% controlled 12/31/2023	% interest 12/31/2023	% interest 12/31/2022
VusionGroup S.A.	Nanterre (France)	(Parent)	(Parent)	(Parent)	(Parent)
SES-imagotag Pte Ltd	Singapore	FC	100	100	100
SES-imagotag Mexico srl. de cv	Mexico	FC	99	99	99
VusionGroup Srl.	Italy	FC	100	100	100
VusionGroup GmbH	Austria	FC	100	100	100
Solutions Digitales SES-imagotag Ltée	Canada	FC	100	100	100
VusionGroup Ltd	Ireland	FC	100	100	100
VusionGroup INC.	United States	FC	100	100	100
VusionGroup BV	Netherlands	FC	100	100	100
VusionGroup Aps.	Denmark	FC	100	100	100
SES-imagotag Iberia S.L	Spain	FC	100	100	100
Captana GmbH	Germany	FC	100	100	100
Pervasive Displays Inc	Taiwan	FC	100	100	100
Pdi Digital GmbH	Austria	FC	70	70	70
VusionGroup Pty Ltd	Australia	FC	100	100	100
VusionGroup K.K.	Japan	FC	100	100	100
VusionGroup RDC d.o.o.	Croatia	FC	100	100	100
In The Memory SAS [2]	France	FC	100	100	NA
Belive SAS [2]	France	FC	67.09	67.09	NA

(1) FC: Fully consolidated.
(2) These companies were consolidated in the first half of 2023.

6.2 Parent company financial statements for the year ended December 31, 2023

6.2.1 Annual financial statements

Assets

In € '000	Year ended 12/31/2023 (12 months) Gross	Amort./Depr. & Prov.	Net	Year ended 12/31/2022 (12 months) Net
Research and development costs	112,671	41,820	70,850	8,826
Patents and similar rights	58,698	32,663	26,036	24,914
Goodwill	12,639		12,639	12,639
Right of use	14,727	14,727	0	3,273
Intangible assets in progress	14,703		14,703	38,161
Building and fixtures	3,916	2,341	1,574	1,097
Plant, machinery, and equipment	12,137	6,246	5,891	4,348
PPE - Other	16,115	11,952	4,164	6,026
PPE in progress	18,468		18,468	3,792
Participating interests	173,070		173,070	89,427
Receivables due from equity interests	12,318		12,318	7,150
Loans	652		652	584
Other long-term investments and loans	256		256	430
FIXED ASSETS	**450,370**	**109,749**	**340,621**	**200,667**
Raw materials, supplies	13,761	420	13,341	27,094
Intermediate and finished products	80,839	5,842	74,997	100,434
Goods purchased for resale	9,185	1,221	7,964	9,409
Advance payments to suppliers	0		0	0
Trade receivables	245,476	208	245,268	159,769
Other receivables	562,106		562,106	251,712
Short-term investments	5,229		5,229	708
Cash and cash equivalents	66,342		66,342	22,526
Prepaid expenses	3,367		3,367	2,728
CURRENT ASSETS	**986,305**	**7,691**	**978,614**	**574,381**
Unrealized foreign exchange losses	1,986		1,986	13,719
TOTAL ASSETS	**1,438,660**	**117,440**	**1,321,220**	**788,768**

Equity and liabilities

In € '000	**Year ended 12/31/2023 (12 months)**	Year ended 12/31/2022 (12 months)
Capital (of which, paid up: 31,917)	31,917	31,702
Issue, merger, and acquisition premiums, etc.	128,099	128,297
Statutory reserve	2,604	2,604
Retained earnings	(6,904)	(11,071)
Profit (loss) for the period	43,663	4,167
SHAREHOLDERS' EQUITY	**199,379**	**155,698**
Provisions for contingencies	8,684	14,012
Provisions for charges	0	0
PROVISIONS FOR CONTINGENCIES AND CHARGES	**8,684**	**14,012**
Bond issues	50,000	50,000
Loans and debts from credit establishments	118,889	24,724
Other financial debt	714,885	324,386
Customer down payments	5,078	5,486
Trade payables	185,191	186,767
Taxes and social security contributions payable	15,508	13,195
Other debts	5,320	3,513
Deferred income	4,474	1,010
LONG-TERM LOANS AND DEBTS	**1,099,345**	**609,081**
Unrealized foreign exchange gains	13,812	9,976
TOTAL EQUITY & LIABILITIES	**1,321,220**	**788,767**

Income statement

In € '000	**Year ended 12/31/2023 (12 months)**	Year ended 12/31/2022 (12 months)
Revenues	720,234	596,577
Inventory of finished goods and work in progress	25,128	10,395
Own work capitalized	3,463	2,889
Write-backs of amortization and depreciation, and provisions expenses reallocated	4,843	5,078
Other income	13,699	12,977
Foreign exchange gains on commercial receivables and payables	10,338	10,901
Total operating income	**777,704**	**638,816**
Purchases of raw materials and other supplies	(574,847)	(543,630)
Inventory changes (raw materials and other supplies)	(15,913)	10,169
Other purchases and external expenses	(59,536)	(39,983)
Taxes and similar charges	(2,408)	(1,763)
Wages and salaries	(16,999)	(14,352)
Social charges	(8,692)	(6,845)
Allowances for amortization/depreciation of fixed assets	(20,150)	(16,231)
Allowances for provisions on current assets	(4,069)	(4,050)
Allowances for provisions for contingencies and charges	(6,468)	0
Other charges	(10,296)	(8,883)
Foreign exchange losses on commercial receivables and payables	(6,136)	0
Total operating expenses	**(725,515)**	**(625,569)**
OPERATING PROFIT (LOSS)	**52,188**	**13,246**
Income from other short-term investments and receivables		
Other interest and related income	20,544	3,841
Amounts released from provisions and expenses reallocated	13 719	8,668
Positive exchange differences	6,582	19,734
Net income from disposals of short-term investments	463	249
Total financial income	**41,308**	**32,492**
Financial allowances for amortization/depreciation and provisions	(1,986)	(13,719)
Interest and similar expenses	(35,020)	(7,276)
Negative exchange differences	(4,383)	(25,501)
Net expenses on disposals of short-term investments	(348)	(27)
Total financial expenses	**(41,736)**	**(46,523)**
NET FINANCIAL INCOME (EXPENSE)	**(428)**	**(14,031)**
TOTAL CURRENT PROFIT (LOSS) BEFORE TAX	**51,760**	**(784)**
Extraordinary operating income		0
Extraordinary income on capital operations		4,801
Amounts released from provisions and expenses reallocated		
Total extraordinary income	**0**	**4,801**
Extraordinary operating expenses		
Extraordinary expenses on capital operations		
Extraordinary allowances for amortization/depreciation and provisions		
Total extraordinary expenses	**0**	**0**
EXTRAORDINARY PROFIT (LOSS)	**0**	**4,801**
Income tax	(8,098)	150
NET INCOME	**43,663**	**4,167**

Changes in shareholders' equity

In € '000	Capital	Issue, merger, and acquisition premiums	Legal reserves	Retained earnings and profit (loss)	Total
Equity at 12/31/2021	**31,522**	**128,477**	**2,604**	**(11,072)**	**151,531**
Net profit (loss) for the 2022 financial year				4,167	4,167
Capital Increase	180	(180)			0
Equity at 12/31/2022	**31,701**	**128,297**	**2,604**	**(6,905)**	**155,698**
Net profit (loss) for the 2023 financial year				43,663	43,663
Capital Increase	216	(216)			0
Share subscription warrants		18			18
Equity at 12/31/2023	**31,917**	**128,099**	**2,604**	**36,758**	**199,379**

6.2.2 Notes

I. Introduction

The annual financial statements at December 31, 2023 cover a period of 12 months.

The following information is an integral part of the annual financial statements for the period ended December 31, 2023, approved by the Board of Directors on April 23, 2024.

Only significant information is mentioned in these notes. Unless otherwise indicated, the presented data are in thousands of euros.

II. Accounting rules and methods

The financial statements for the period ended December 31, 2023 were prepared in accordance with the provisions of the French Commercial Code, the chart of accounts *(plan comptable général)* as described in ANC 2018-07 of December 10, 2018, amending ANC regulation no. 2014-03 of June 5, 2014 on the chart of accounts.

General accounting conventions were applied in keeping with the principle of prudence, in accordance with the following basic assumptions:

- continuity;
- consistency of accounting methods between periods;
- independence of accounting periods,

and in accordance with the general rules for preparation and presentation of annual financial statements.

The basic method used to value items booked to the accounts is the historical cost method.

The main methods used are the following:

1) Intangible fixed assets

Research and development costs are recognized as an expense in the period in which they are incurred, except for research and development costs for projects that meet the following criteria:

- the product or process is clearly identified and the costs are reliably identifiable;
- the technical feasibility of the product is demonstrated;
- the product or process will be commercialized or used internally;
- there is a potential market for the product where its internal usefulness is demonstrated;
- the resources to complete the project are available.

These research and development costs amortized on a straight-line basis over a period of 5 to 10 years. Patents and trademarks amortized on a straight-line basis over a period of 10 to 15 years and software over a period of 2 to 5 years. ERP development costs amortized on a straight-line basis over a period of 6 to 10 years.

Specific development costs incurred in connection with the acquisition of new customer contracts are expensed in the year in which they are incurred except for those meeting the following criteria:

- these are incremental costs specific to the acquisition of certain new contracts;
- these costs are essential to meet the needs expressed by the customer.

At the end of each financial year, the costs incurred for contracts not obtained are recognized as expenses. Costs incurred for contracts under negotiation at December 31 are recognized as assets under construction. Costs incurred for contracts obtained are capitalized and amortized on a straight-line basis over a period of five years.

The merger between SES-imagotag and SES ESL on May 16, 2007 resulted in a technical loss. In accordance with ANC regulation no. 2015-06, this technical loss was allocated to the various assets contributed by the transferring company, insofar as the unrealized gains recorded per asset are significant.

In this case, the technical loss corresponds on the one hand to the patents contributed for €8,025 thousand, and on the other hand to the business goodwill for €12,639 thousand.

Impairment tests are carried out at each annual closing date if there is an indication of impairment. In this case, the net book value of the asset is compared with its current value at the same date.

In accordance with ANC regulation no. 2015-06 of November 23, 2015, goodwill is not amortized but is subject to an impairment test once a year. They are allocated to the asset groups at which their performance is monitored. The present value of the asset groups has been determined on the basis of value in use calculations. The present value is reviewed using the discounted cash flow method, based on future earnings prospects. As a result of these tests performed during the year, no impairment is to be recognized at December 31, 2023.

On July 1, 2019, the company signed an exclusivity agreement with the BOE factory in Chongqing for three production lines of this factory in favor of Vusion (SES-imagotag) for an amount of €14,727 thousand amortized over 4.5 years.

2) Property, plant and equipment

Property, plant and equipment is valued at its acquisition cost (purchase price and incidental expenses excluding fixed asset acquisition costs) or production cost.

As of January 1, 2005, the company accounts follow the new texts of the Accounting Regulation Committee on the definition and valuation of assets (CRC 2004-06) and the depreciation and amortization of assets (CRC 2002-10 and 2003-07).

Depreciation is calculated according to the useful life of the assets concerned, using the straight-line method. In the event that tax depreciation is different from economic depreciation, the difference is recorded as special depreciation.

Details of the useful lives used to calculate depreciation:

Type of asset	Duration
Fixtures, fittings and facilities	5-10 years
Industrial machinery	3-5 years
Industrial equipment	2-5 years
Transport equipment	4-5 years
Office equipment and IT	3-10 years
Office furniture	5-10 years
Leased ESL's	5 years

3) Financial assets

They are essentially made up of investments and receivables related to these investments.

The shares are recorded in the balance sheet at acquisition costs. If necessary, a depreciation is made to adjust this cost to the net book value.

At each annual reporting date, management determines the inventory value of the equity investments equal to the value in use corresponding to what the company would accept to pay to obtain this investment if it had to acquire it.

The value in use is based on the cash flow and operating forecasts of the businesses of the entities concerned prepared by their operational management as part of their budgeting process and on the business plans drawn up in connection with the acquisition of equity interests. The receivables associated with these investments are valued on the basis of their recoverable amount.

4) Inventories and work in progress

The valuation of inventory components is determined on the basis of their cost price, valued at the weighted average cost.

Work-in-progress corresponds to the manufacturing process for labels that had begun and not completed at the end of the period. They are valued at the cost price of the equipment.

The valuation of finished products consists of the following items:

- cost price of components valued at weighted average unit cost;
- cost of assembly performed by the subcontractor;
- additional costs consisting mainly of storage costs for components and transit costs for labels.

The net realized value is the estimated selling price in the normal course of business, decreased by estimated costs for completion and the estimated costs required to complete the sale.

When the net realizable value is lower than the value of the inventory, a provision for impairment is recognized according to the following method:

The depreciation of inventories is determined according to the category of the product and the related rotation rules as described below:

For each category, the rule consists of:

1) calculating the rotation of the products concerned. This gives the number of days since an article within a reference was last consumed;
2) only products that have not been rotated for more than six months may be subject to a provision for impairment.

A. New products not refurbished:

- 50% of the gross value for assets that have not been rotated for more than six months;
- 80% of the gross value for assets that have not been rotated for more than 12 months;
- 100% of the gross value for assets that have not been rotated for more than 18 months;
- 100% of the gross value for assets that have never been rotated.
  Among these, the following items are excluded from the calculation of the provision, namely:
- Products for which there is a firm order for the coming 12 months or a minimum 90% chance of a business opportunity that would cover at least 50% of the inventory quantities,
- Products subject to refurbishing or reworking in order to sell the products in question,
- Innovative products for future products ranges.

B. Refurbished or refurbishable goods:

- Depreciation of 50% of the value of these goods in the inventory exceeding 18 months past or future consumption if the product has yet been rotating over the last 12 months,
- Depreciation of 100% of the value of these goods in the inventory exceeding 18 months past or future consumption if the product has not been rotating over the last 12 months,
- Depreciation of 100% of the value of these goods that have never been rotated.

5) Accounts receivables

Receivables are recorded at their nominal amount. A provision is made to account for the risk of irrecoverability at the end of the financial year.

Only receivables that are more than 90 days overdue and for which the customer has a reason for dispute are analyzed on a case-by-case basis, according to the following criteria:

- any reason related to a request for additional documentation is not subject to any provision;
- a 33% allowance is booked for when hardware can be returned;
- a 50% allowance is booked for when legal claim is initiated (50% being the historical success rate),
- a 100% allowance is booked for when no outcome is expected.

6) Provisions for contingencies and charges

In accordance with CRC Regulation 2000-06 on liabilities, a provision is recorded for any obligation of the Company to a third party able to be estimated with sufficient reliability and requiring a likely outflow of resources without consideration.

7) Translation of transactions denominated in foreign currencies

These transactions in foreign currencies are initially recorded in euros at the exchange rate in force as of the date of the transaction. As of the closing date, assets and liabilities denominated in foreign currencies are translated into euros at the exchange rate in force on that date. The difference resulting from the translation of payables and receivables in foreign currencies is recognized on the balance sheet in “translation adjustments.” Unrealized losses are the subject of a provision.

8) Revenue recognition

Revenues are split between hardware revenues and services based revenues.

The revenue-generating event varies depending on the type of sale:

- when Vusion (SES-imagotag) is responsible for installing label systems, revenue is recognized when the system becomes operational. At the closing of the accounts, for installations invoiced but not yet completed, deferred income is recognized, and for installations completed but not yet invoiced, accrued income is recognized;
- when Vusion (SES-imagotag) only delivers the labels, revenue is recognized on the basis of the international commercial terms;
- training is charged to customers and recognized when the training has taken place; independently of the hardware delivery date;
- freight costs are charged to customers together with the hardware delivery and thus, these types of revenues are recognized together with the hardware revenue (the principal);
- annual lump-sum rebates granted to customers are recorded as a reduction of sales;
- maintenance contracts are invoiced in advance for, quarterly, or six-month periods. Deferred income is recognized to cancel the revenue related to the following financial year on a pro rata basis;
- in certain cases, the Group may be required to perform research and development engineering services. The related revenue is recognized when the service is completed and the performance obligation is met.

9) End-of-career benefits

No provision is established for retirement benefits. Where appropriate, the Company pays all or part of the debt for these commitments to the insurance company.

The unpaid balance appears in off-balance sheet commitments.

10) Foreign exchange gains and losses

In accordance with regulation no. 2015-05 of July 2, 2015, applicable to periods beginning on or after January 1, 2017, foreign exchange gains and losses on trade receivables and payables, previously recognized in financial income, are recognized in operating income and expenses respectively. Foreign exchange gains and losses on financial transactions are recognized in financial income and expense respectively.

The allowance for the foreign exchange loss provision follows the same classification on the income statement.

III. Highlights of the year

Acquisition of In The Memory

VusionGroup SA completed an external strategic growth transaction at the beginning of 2023 in Data, with the acquisition of the French company In The Memory (“Memory”), specializing in data analysis and business decision-making tools.

With this new acquisition, the VusionGroup (SES-imagotag) is continuing to build its Data division, which also includes Captana, a company specializing in the real-time analysis of shelves using image analysis and artificial intelligence, as well as several solutions within the VUSION platform.

Acquisition of Belive.ai

Captana GmbH, a wholly-owned subsidiary of the Vusion (SES-imagotag) Group, has entered into an agreement to acquire the majority of the capital of Belive.ai, a French start-up specializing in artificial intelligence and image analysis for in-store retail. With this merger, Captana aims to round out its technological offering in order to offer a wider choice of solutions and better cover all the needs of retailers, both in terms of use cases and in terms of pre-existing digital infrastructure. The synergies between the Captana and Belive.ai solutions will also make it possible to offer the best of both technologies and accelerate innovation for the digitization of stores.

Refinancing

On December 21, 2023, the Group announced the refinancing of its financial debt through:

- the establishment of a large international bank pool for a loan totaling €150 million, comprising (i) an amortizable €90 million term loan, to be used, in particular, to refinance the bridge loan for the acquisition of the companies In the Memory and Belive, and (ii) a €60 million revolving credit facility (RCF) to meet the Group's general financing needs; and
- the issue of a €40 million bond, maturing in 2030, as a Euro Private Placement, to be used to refinance the existing €40 million bond which matured at the end of 2023.

In support of its ambitious sustainable development strategy, this new financing incorporates criteria linked to the Group's ESG performance. Therefore, the Group will benefit from an adjustment of the margin according to the achievement or not of the objectives set for three key performance indicators:

- the reduction of greenhouse gas emissions in Scopes 1 and 2 on the one hand, and the reduction in the intensity of Scope 3 emissions per unit of value added on the other hand;
- the number of ESLs recycled by the Group;
- the proportion of women managers, in accordance with the leadership parity goal set by VusionGroup.

These transactions strengthened the Group's financial structure by providing it with the means to consolidate the financing of its VUSION '27 strategic plan while extending the maturity of its debt.

IV. Post-closing event

None

V. Notes to the balance sheet

Note 1 – Fixed assets

Movements during the period are detailed in the tables below:

Intangible assets

Gross Fixed Assets in € '000	Opening	Increase	Transfers between line items	Decrease	Closing
R&D	45,184	37,346	30,141		112,671
Patents and similar rights	43,428	202	7,043		50,673
Technical loss assigned to patents	8,025				8,025
Goodwill	12,639				12,639
Right of use	14,727				14,727
Intangible assets in progress	38,162	13,789	(37,184)	(63)	14,703
TOTAL	**162,164**	**51,337**	**0**	**(63)**	**213,437**

The increase in intangible assets corresponds mainly to:

- the capitalization of €37,346 thousand of development costs incurred in 2023 under the EdgeSense program. The costs incurred under this project until December 31, 2022 were also capitalized on the same date;
- €4,972 thousand in development costs for other ongoing projects, notably new versions of the CLOUD solution;
- €8,674 thousand of expenses incurred in the implementation of new integrated management software as well as the development of the IT infrastructure;

Transfers between line items relate mainly to the capitalization of development and IT projects recognized in 2022 for €4,989 thousand and €7,043 thousand, respectively.

Amortization in € '000	Opening	Allowance	Transfers between line items	Decrease	Closing
R&D	36,358	5,462			41,820
Patents and similar rights	18,515	6,123			24,638
Technical loss assigned to patents	8,025				8,025
Right of use	11,455	3,273			14,727
TOTAL	**74,352**	**14,858**	**0**	**0**	**89,210**

Property, plant and equipment

Gross Fixed Assets in € '000	Opening	Increase	Transfers between line items	Decrease	Closing
Buildings and improvements	2,990	926			3,916
Machinery, equipment, and tools	8,758	625	2,754		12,137
PPE - Other	14,987	1,128			16,115
PPE in progress	3,775	17,447	(2,754)		18,468
TOTAL	**30,510**	**20,126**	**0**	**0**	**50,636**

The increase in other PPE mainly corresponds to:

- improvements to the premises for €926 thousand;
- renewal of industrial equipment for €625 thousand;
- renewal of office and IT equipment for €1,128 thousand.

Property, plant and equipment in progress mainly corresponds to costs incurred by the company for the acquisition of additional production lines.

Amortization in € '000	Opening	Allowance	Transfers between line items	Reversal	Closing
Buildings and improvements	1,875	466			2,341
Machinery, equipment, and tools	4,411	1,835			6,246
PPE - Other	8,962	2,990			11,952
TOTAL	**15,248**	**5,291**	**0**	**0**	**20,539**

Financial assets

Financial Assets in € '000	Opening	Increase	Decrease	Closing
Participating interests	89,427	83,644		173,071
Receivables due from equity interests	7,150	12,187	(7,018)	12,319
Other long-term investments and loans	1,015	154	(260)	909
TOTAL	**97,592**	**95,985**	**(7,278)**	**186,299**

The change in the amount of equity securities relates to the acquisition of shares in In The Memory for an amount of €83,644 thousand.

The amount of receivables relating to equity investments corresponds to receivables relating to subsidiaries in Germany and Taiwan.

Note 2 – Inventories

Inventories in € '000	**12/31/2023**	12/31/2022
Inventory of raw material	13,761	28,418
Inventory of finished products	80,839	105,967
Inventory of goods purchased for resale	9,185	10,441
Impairment of inventory	(7,483)	(7,888)
TOTAL	**96,302**	**136,939**

Note 3 – Provisions for contingencies and charges

Type of provision in € '000	Opening	Allowance	Release of allowance	Not used	Closing
Provision for foreign exchange losses	13,719	1,986	(13,719)		1,986
Other provisions for risks	293	6,468	(62)		6,699
TOTAL	**14,012**	**8,454**	**(13,781)**	**0**	**8,684**

The other provisions for risks mainly concern quality problems identified during the financial year and related to the launches of new products marketed in recent years. The causes have been addressed and the Group does not anticipate any new quality problems with these products.

Note 4 – Receivables and payables

Receivables

Receivables in € '000	12/31/2023	12/31/2022
Receivables due from equity interests	12,318	7,150
Loans and other long-term investments	909	1,015
Trade receivables	245,476	159,942
Social security receivables	32	32
Tax receivables	1,898	2,843
Current accounts and accrued interest	532,580	247,193
Suppliers - credit notes and other receivables	27,595	1,644
Prepaid expenses	3,367	2,728
TOTAL	**824,175**	**422,546**

Statement of receivables in € '000	Total amount	Less than 1 year	1 year to 5 years	More than 5 years
Receivables due from equity interests	12,318		12,318	
Loans and other long-term investments	909		909	
Trade receivables	245,476	245,476		
Social receivables	32	32		
Tax receivables	1,898	1,898		
Current accounts and accrued interest	532,580	532,580		
Suppliers - Credit notes and other receivables	27,595	27,595		
Prepaid expenses	3,367	3,367		
TOTAL	**824,175**	**810,948**	**13,226**	**0**

- Receivables related to equity investments consist of an €8,769 thousand advance granted by the company to subsidiary Captana as part of the financing of the Belive acquisition and €3,600 thousand of long-term advances granted by the Company to subsidiary Pervasive Displays.
- Current accounts receivables and accrued interest amounted to €512,550 thousand and €20,030 thousand respectively at December 31, 2023, compared to €243,802 and €3,391 thousand the previous year. For 2022 and 2023 respectively, these amounts included a receivable of €235,263 thousand and €501,082 thousand against the Austrian subsidiary. This intra-group receivable corresponds to the balance of cash flows generated under a centralized cash management agreement in euros. There is also a centralized cash management agreement in US dollars in order to hedge the cash flows generated by the Austrian subsidiary in this same currency. As such, the Company recognized current account payables of €309,870 thousand in 2022 and €560,016 thousand in 2023 in relation to the Austrian subsidiary. Receivables and payables have not been offset because the cash management agreements do not provide for offsetting receivables and payables in different currencies. These balances should probably offset each other naturally during the 2024 fiscal year.
- Credit notes receivable and other receivables correspond mainly to the €22,702 thousand prepayment related to the acquisition of new industrial lines and to the credit notes obtained from the company's main suppliers of finished products and components, recognized for an amount of €3,984 thousand compared to €1,597 thousand at December 31, 2022.

Payables

Payables in €'000	12/31/2023	12/31/2022
Bond issues	50,000	50,000
Loans and debts from credit establishments	118,889	24,724
Other financial liabilities and accrued interest	714,885	324,386
Customer down payments	5,078	5,486
Suppliers and related accounts	185,191	186,767
Social & Tax liabilities		
• staff	3,787	3,138
• social security bodies	2,149	1,769
Revenue-based taxes	1,789	7,039
Other taxes, duties and similar	7,784	1,248
Credit note to be established and other debts	5,320	3,513
Deferred income	4,474	1,010
TOTAL	**1,099,345**	**609,080**

Statement of debts in €'000	Total amount	Less than 1 year	1 year to 5 years	More than 5 years
Bond issues	50,000	10,000	40,000	
Loans and debts from credit establishments	118,889	8,889	110,000	
Other financial liabilities and accrued interest	714,885	714,885		
Customer down payments	5,078	5,078		
Suppliers and related accounts	185,191	185,191		
Social & Tax liabilities	0			
• staff	3,787	3,787		
• social security bodies	2,149	2,149		
Revenue-based taxes	1,789	1,789		
Other taxes, duties and similar	7,784	7,784		
Credit note to be established and other debts	5,320	5,320		
Deferred income	4,474	4,474		
TOTAL	**1,099,345**	**949,346**	**150,000**	**0**

At the end of the year, the Group successfully refinanced its maturing lines of credit by:

- the establishment of a large international bank pool for a loan totaling €150 million, comprised of (i) an amortizable €90 million term loan, to be used in particular to refinance the bridge loan for the acquisition of the companies In the Memory and Belive, and (ii) a €60 million revolving credit facility (RCF) to meet the Group's general financing needs of which only €20 million had been drawn at December 31, 2023;
- the issue of a €40 million bond, maturing in 2030, as a Euro Private Placement, to be used to refinance the existing €40 million bond which matured at year-end 2023;
- the amount of other financial liabilities corresponds to inter-company current account debts of €689,365 thousand and mainly with the Austrian subsidiary for €560,016 thousand and the US subsidiary for €120,090 thousand. These amounts are part of a centralized cash management agreement. (see note 4 "Statement of receivables"). The amount of accrued interest on these debts has risen to €25,520 thousand compared to €4,870 thousand the previous year. This increase is consistent with the increase in the amount of intra-group financial debts.

Other taxes and duties mainly correspond to a €5,939 thousand corporate income tax liability.

Note 5 – Accrued income

Accrued income in € '000	12/31/2023	12/31/2022
Customers – accrued income	134,092	64,647
Accrued interest on current accounts and other long-term investments and loans	20,030	3,391
TOTAL	**154,122**	**68,038**

The amount of invoices to be issued corresponds to the various invoices to be issued for the sales of goods, management services fees, and patent royalties within the Group for an amount of €133,390 thousand, compared to €64,253 thousand the previous year. This increase corresponds mainly to the increase in sales of goods in respect of Austrian and American subsidiaries, linked to the growth of their activity in 2023.

Accrued interest receivable corresponds to interest invoiced under the centralized intra-group cash management and current account advance agreements, mentioned in the note "Statement of receivables".

Note 6 – Accrued expenses

Accrued expenses in € '000	12/31/2023	12/31/2022
Credit institution	20	0
Suppliers – accrued expenses	71,284	69,115
Debts – provision for paid leave	1,445	1,146
Staff – other accrued expenses	2,326	1,939
Social security contributions on paid leave	643	504
Other accrued social security contributions	561	983
Central government – other accrued expenses	1,731	1,161
Credit notes	2,146	3,513
Accrued interest to be paid on current accounts	25,520	4,870
TOTAL	**105,676**	**83,229**

Accrued interest payable corresponds to interest invoiced under the centralized intra-group cash and current account agreements, mentioned in the note "Statement of payables".

Note 7 – Adjustments accounts

Prepaid expenses amounted up to €3,367 thousand and deferred income up to €4,474 thousand and do not call for any particular comment.

Unrealized foreign exchange losses up to €1,986 thousand and unrealized foreign exchange gains up to €13,812 thousand.

Note 8 – Cash

Liquidity agreement

At December 31, 2023, the Company held a total of 52,624 treasury shares, of which 1,964 related to the liquidity contract entered into during the 2021 financial year and 50,660 related to the new share buyback program entered into in October 2023.

Note 9 – Shareholders' equity

Share capital

Number of shares variation	Number	Nominal value in €	Share capital in €
Shares at the beginning of the period	15,850,808	2	31,701,616
Securities issued	107,850	2	215,700
Number of shares at the end of the period	**15,958,658**	**2**	**31,917,316**

Other equity items

Stock options and Performance shares

Allocation of stock options

At its meeting of June 29, 2020, the Board of Directors decided to allocate performance shares. The grants will take place on one or more occasions. This concerns existing or future ordinary shares, subject to performance and continued presence conditions. The General Meeting set an overall limit of 3% of the share capital existing on the date of the Board of Directors' decision.

The definitive acquisition of the shares is subject to a condition of presence of the beneficiary and planned as follows:

- in 2022 : Delivery of the Tranche 1 Shares in 2022 if the performance conditions are met (Target 2020);
- in 2023: Delivery of the Tranche 2 shares if the performance conditions are met (Target 2021);
- in 2024: Delivery of Tranche 3 shares if performance conditions are met (Target 2022);
- in 2025: Delivery of Tranche 4 shares if the performance conditions are met (Target 2023).

For performance shares delivered during the years 2022 to 2025 (Target 2020 to Target 2023), the performance shares will not be subject to any retention period from the date of delivery of the shares (given the two-year period between grant and vesting).

Earnings per share	**12/31/2023**	12/31/2022
Profit (Loss) (in €'000)	43,663	4,167
Weighted average number of shares	15,897,494	15,798,896
Subscription warrants	1,761,200	
Performance shares[(1)]	238,748	223,700
Earnings per share (in €)		
• before dilution	2.75	0.26
• after dilution	2.44	0.26

[(1)] Concerns shares granted but not delivered at the reporting date. At December 31, 2023, this corresponded to 112,900 shares under the 2022 plan and 125,848 shares under the 2023 plan.

Issue premium

The issue premium of €128 million results from various capital increases carried out since the creation of the company.

Note 10 – Loans

Loans in €'000	Opening	+	-	Closing
Bond issues	50,000	40,000	(40,000)	50,000
Loans from credit institutions	24,724	238,764	(144,599)	118,889
TOTAL	**74,724**	**278,764**	**(184,599)**	**168,889**

VI. Notes to the income statement

Note 11 – Revenue

Sales for the period break down as follows:

Sales in millions of €	12/31/2023		12/31/2022	
Mainland France	70.6	10%	65.2	11%
Exports	649.6	90%	531.4	89%
TOTAL	**720.2**		**596.7**	

The Group's organization is described in section 5.1.1. VusionGroup SA, the parent company, centralizes ESL purchases from the Group's suppliers on behalf of its subsidiaries, which it then resells to them. ESLs sold to external customers by the subsidiaries and which constitute a large portion of the Group's consolidated revenue, are those that made up the revenue generated by the parent company with its subsidiaries for the sale of ESLs. It is therefore normal that the revenue in the separate financial statements is close to the revenue in the Group's consolidated financial statements.

Note 12 – Other income

The €13,699 thousand of other income mainly consists of €13,301 thousand of management fees invoiced within the Group and €285 thousand for the annual patent license fee.

Note 13 – Reversal of amortizations and provisions, expense transfers

As of December 31, 2023, the Company recorded reversals of operating provisions for an amount of €4,501 thousand, including a reversal of €4,265 thousand for impairment of inventories, a reversal of €174 thousand for impairment of trade receivables and a reversal of €62 thousand for risks and expenses. In addition, the Company recognized transfers of operating expenses for an amount of €342 thousand.

Note 14 – Breakdown of external expenses

External charges in €'000	12/31/2023	12/31/2022
Variable external expenses	10,170	7,508
Travel Expenses and Travel	3,668	2,953
IT and telecom expenses	7,455	4,685
External staff costs and recruitment fees	630	324
Fees	5,661	2,527
Marketing	5,489	3,851
Other external charges	26,463	18,134
TOTAL	**59,536**	**39,985**

Other external charges are mainly made up of general and technical subcontracting charges (R&D, IT or recovery in particular) and real estate rental charges.

Note 15 – Other charges

Other charges in €'000	12/31/2023	12/31/2022
Patent licenses expenses	10,004	8,793
Other charges	292	91
TOTAL	**10,296**	**8,884**

The royalty expense for patents and licenses mainly relates to intra-Group agreements in the amount of €9,897 thousand for 2023 compared to €8,699 thousand for the previous financial year.

Note 16 – Financial income and expenses

Financial income amounted to €41,308 thousand and mainly corresponded to €20,544 thousand in interest and similar income, of which €20,019 thousand in interest on receivables related to investments and current accounts of subsidiaries under centralized cash management and current account advance agreements, €6,582 thousand in positive foreign exchange differences, and €13,719 thousand in reversals of provisions for foreign exchange losses.

Financial expenses amounted to €41,736 thousand and mainly corresponded to €35,020 thousand in interest and similar expenses including €25,520 thousand in interest accrued on the current accounts of subsidiaries under centralized cash management and current account advance agreements, €7,868 thousand in interest on borrowings, €4,383 thousand in foreign exchange losses,

Note 17 – Income tax

Breakdown of income tax

Income tax in €'000	Before tax	Tax	After tax
Operating profit (loss)	47,988	(7,155)	40,833
Net financial income (expense)	3,774	(943)	2,831
Extraordinary profit (loss)	-		-
TOTAL	**51,762**	**(8,098)**	**43,663**

VII. Other information

Note 18 – Headcount

Employee headcount as of December 31, 2023 is 272 and breaks down as follows:

Categories of employees	Employees
Managers	156
Workers	86
Apprentices under contract	30
TOTAL	**272**

Quarterly average headcount is as follows:

Quarter	Employees
Q1 2023	256
Q2 2023	260
Q3 2023	261
Q4 2023	273

Note 19 – Off-balance sheet commitments

Commitments made

- Rental payment guarantee of €376 thousand (CIC).
- Interest-bearing collateral account (CIC).
- Comfort letter to VusionGroup GmbH, a wholly owned subsidiary.
- Comfort letter to VusionGroup BV, a wholly owned subsidiary.
- An "end-of-career benefits" insurance contract was signed with "CIC Assurances" on September 17, 2007. The payments made to this organization are intended to cover this commitment, estimated at €483 thousand at December 31, 2023. No sums were paid in 2023. The amount of commitments related to retirement benefits not covered by the contract is estimated at €409 thousand.

The method used for this estimate is the retrospective projected credit units method.

The assumptions considered in determining this commitment are as follows:

- retirement age: 65 to 67 years (managers) and 60 to 67 years (non-managers);
- employer contribution rate: 46%;
- discount rate: 3.20%;
- mortality table used: INSEE 2022;
- collective bargaining agreement: Metallurgy.

At December 31, 2023, the Group complied with the consolidated leverage ratio (covenant) designating the ratio between net financial debt and EBITDA of less than 3.5 for Europp in the amount of €10 million maturing in July 2025, and less than 2.5 for the €150 million bank loan and the €40 million Europp tranche raised in December 2023 (excluding the effect of IFRS 16).

Minimum leasing payments for non-terminable leases (see below):

Leases (in €'000)	Less than 1 year	1 year to 5 years	More than 5 years
Office/Warehouse	1,781,239	4,570,750	0
Vehicles	239,231	219,078	0
TOTAL	**2,020,470**	**4,789,828**	**0**

Contingent liabilities

NONE

Note 20 – Corporate officer remuneration and retirement plan

The gross compensation paid to the Chairman and Chief Executive Officer for the period amounted to €637 thousand for his 2023 base pay and his 2022 bonus.

A contract under the Company Guarantee for Company Executives (GSC) was signed in 2012 for the benefit of the Chairman and Chief Executive Officer. The annual contribution for the year 2023 amounts to €21 thousand.

This contract includes the basic plan as well as a supplementary plan providing for compensation coverage over a 12-month period (former plan).

Note 21 – Statutory Auditors' fees

The expense recognized for the Statutory Auditors' fees amounted to €895 thousand for the statutory audit assignment (including €816 thousand for the certification of the individual and consolidated financial statement and €79 thousand for services other than the certification of the financial statement).

Note 22 – Degree of exposure to market risks

With regard to receivables and payables subject to exchange rate fluctuations:

As of December 31, 2023, outstanding debts in USD currency represent $76,416 thousand, or €69,155 thousand. Unpaid trade receivables in USD currency represent $52,158 thousand or €47,202 thousand.

These receivables and payables gave rise to the recognition of an active translation adjustment of €1,910 thousand and a passive translation adjustment of €3,891 thousand.

Note 23 – Transactions with related companies

Vusion SA (SES-imagotag S.A). has booked the following transactions with its majority shareholder, BOE Smart Retail (Hong Kong) Co. Ltd, or companies associated with this company for 2023:

- $445.6 million purchases from Chongqing BOE Smart Electronic System Co. Ltd relating to an industrial supply and sub-contracting agreement ("Master Service Agreement");
- $0.2 million in sales of components with Chongqing BOE Smart Electronic System Co Ltd. This amount decreased significantly compared to 2022, when the Group purchased products from E-Ink which were then resold to the Chongqing BOE Smart Electronic System Co Ltd entity to produce labels. In 2023, the Chongqing BOE Smart Electronic System Co Ltd entity obtained its supplies directly from E-Ink, which explains the decrease. These flows of products purchased from third parties such as E-Ink and resold to the Group's suppliers for use in the production of labels then sold to the Group are restated to neutralize the impact in the consolidated financial statements; they do not impact the Group's consolidated revenue or its margin.

1 2 3 4 5 6 7 8 9

Note 24 – Subsidiaries and equity interests[1]

Subsidiaries and equity interests	Share capital	Reserves and retained earnings	% of capital held	Gross value of shares held	Net value of shares held	Loans and advances granted by the company	Revenue [tax excluded] of the prior period	Profit (loss) for the prior period
SES-imagotag Mexico S. de R.L. de C.v.	0	(2,259)	100	0	0	0	3,819	493
SES-imagotag PTE. LTD.	34	(374)	100	29	29	0	0	(75)
VusionGroup s.r.l.	10	2,671	100	10	10	0	47,384	1,799
VusionGroup GmbH	50	11,826	100	17,570	17,570	520,126	414,624	8,785
Solutions Digitales SES-imagotag Ltée	0	(109)	100	0	0	0	28,793	566
VusionGroup. Inc.	9	1,970	100	7	7	0	126,997	2,585
Captana GmbH	67	4,705	100	20,020	20,020	20,674	5,740	(1,817)
Pervasive Displays Inc	4,433	1,342	100	29,921	29,921	5,442	9,893	529
VusionGroup ApS	7	140	100	7	7	75	300	4
VusionGroup B.V.	1	(10)	100	1	1	494	865	25
SES-imagotag Iberia S.L	3	88	100	3	3	675	1,207	33
VusionGroup Ltd.	872	(1,836)	100	2,800	2,800	686	3,777	(885)
PDi Digital GmbH	35	1,217	70	350	350	0	6,926	(698)
VusionGroup Pty Ltd.	0	7	100	0	0	0	390	1
VusionGroup K.K.	32	(12)	100	39	39	0	751	36
VusionGroup RDC d.o.o.	3	41	100	3	3	130	958	88
In The Memory SAS	6	6,184	100	83,644	83,644	0	15,152	5,235
Belive SAS	18	(1,919)	67	6,764	6,764	0	1,839	(1,103)
BOE-YiYun	75,502	0	8.9	18,669	18,669	0		

- A €72 thousand dividend payment was approved by the Board of Pervasive Displays Inc on June 27, 2023.
- Off-balance sheet commitments are described in Note 19.
- Company name changes are underway for certain subsidiaries.

Note 25 – Credit, liquidity, and cash flow risks

The company does not hold any risky investments.

[1] Data presented in thousands of euros, converted at the average exchange rate for the financial year ended December 31, 2023.

6.3 Statutory Auditors' reports

Statutory Auditors' Report on the Consolidated Financial Statements

Year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the VusionGroup Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of VusionGroup for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(code de commerce)* and the French Code of Ethics *(code de déontologie)* for statutory auditors for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill

Notes II.1.1.2, II.1.2 and II.4- Note 1 to the consolidated financial statements

Risk identified

Goodwill from prior external growth transactions correspond to the difference between the fair value of the consideration transferred and the fair value of identifiable assets acquired and liabilities assumed, and are allocated to a single cash generating unit (CGU). They are presented under assets in the consolidated financial statement in the amount of €122.8 million at December 31, 2023.

At the end of each financial year, or more frequently if there is an indicator of impairment, management ensures that the carrying amount of goodwill is not higher than its recoverable amount, and that it does not present any risk of impairment.

Details of the impairment tests performed and assumptions used are presented in Note II.1.2 to the consolidated financial statements.

Determining the recoverable amount of goodwill requires a high degree of judgment by management regarding growth assumptions, cash flow forecasts based on business forecasts, and discount rates used. We therefore considered the measurement of goodwill to be a key audit matter.

Our response

We examined the way that impairment tests were performed by management and assessed the compliance of the methodology applied with accounting standards in force.

We also critically analyzed the implementation of this methodology, assessing in particular:

- the relevance of determining a single cash-generating unit, as used by management, and its net carrying amount,
- the relevance of projections prepared in previous years compared with 2023 actual figures to assess their reliability,
- the consistency of cash flow projections for the years 2024 to 2028 with the Group's 2024 budget approved by the Board of Directors on 13 December 2023 and with the Group's business plan used by management for subsequent years,
- the reasonableness of key assumptions used (particularly the discount rate and long-term growth rate), given our knowledge of the Group's economic environment and market analyses for comparable companies,
- the consistency of revenue projections used with the order book and sales forecasts, assessed by interviewing management responsible for preparing them and by reconciling these items with information collected and documentation obtained,
- the sensitivity of the recoverable amount determined by management to a change in the main assumptions adopted.

Finally, we verified the appropriateness of the disclosures in the notes to the consolidated financial statements.

Recognition of the general contract with Walmart

Notes II.1.18 "Revenue from contracts with customers (IFRS 15)" and II.2 "Major events of the year" to the consolidated financial statements.

Identified risks

As stated in Note II.1.18 "Revenue from contracts with customers (IFRS 15)" and Note II.2 "Major events of the year" to the consolidated financial statements, in April 2023 the Group signed a deployment contract with Walmart to equip its US stores with the new solution EdgeSence and its related services. This contract, comprising several successive implementation orders, provides for:

- Price rebates on the volumes sold, analyzed as material rights granted to the customer,
- The prefinancing by Walmart of one or more new production lines to ensure significant production volumes, analyzed as an advance payment for an amount of €75 million and accounted for in Other current liabilities,
- The partial repayment of this prefinancing should the VusionGroup use these lines for other customers, analyzed as a consideration payable to the customer and accounted for as a contract liability,
- The grant of VusionGroup share subscription warrants to Walmart, exercisable over a maximum period of 7 years subject to a minimum spending by Walmart of USD 700 million with VusionGroup, analyzed as a payment in kind to the customer and a rebate paid in advance to be assessed at fair value (€163 million as of June 2, 2023) and accounted for in Other current debtors.

We considered the recognition of this general contract to be a key audit matter given the judgment needed to interpret its terms and conditions and determine the appropriate accounting treatment.

Our response

Our work mainly consisted in:

- obtaining an understanding of the terms and conditions of the general contract with Walmart;
- obtaining an understanding of the accounting analysis prepared by the group with the help of IFRS specialists hired by the Group;
- analyzing the contractual terms with the help of our IFRS specialists;
- assessing the consistency of the accounting policy implemented by the Group in terms of accounting treatment and presentation based on publications and interpretations available for the recognition of similar contracts;
- verifying the calculations performed by the Group to take into account the price rebates on volumes sold;
- assessing the reasonableness of the main assumptions used by the Group to assess (i) the fair value of the subscription warrants comprising a rebate paid in advance to the customer, and (ii) the amount of future fees to be paid to the customer in connection with the prefinancing of the production lines.

We also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with Article L.823-10 of this code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of VusionGroup by the Shareholders' Meeting held on June 23, 2017 for Deloitte & Associés and KPMG S.A.. As at December 31, 2023, Deloitte & Associés and KPMG S.A. were in the 7th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris la Défense, May 3, 2024

KPMG S.A.	**Deloitte & Associés**

French original signed by

Mathilde Fimayer	Hélène De Bie

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Statutory Auditors' Report on the Financial Statements

Year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the VusionGroup Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of VusionGroup for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on specific items of the financial statements.

Measurement of equity securities and receivables from equity interests

Risk identified

Equity securities and receivables from equity interests are significant items on the balance sheet as at December 31, 2023, amounting to €173,070 thousand and €12,318 thousand, respectively. They are initially recognized at acquisition cost and impaired, as needed, based on their value in use, in the case of equity securities, or their recoverable amount, in the case of receivables from equity interests.

As stated in Note II to the financial statements, "Accounting rules and methods – 3) Financial assets" to the financial statements, the value in use is estimated by management based on future business and profitability outlooks.

The estimated value in use of these securities requires management judgment since it involves forecasts.

Given the uncertainties inherent to the way forecasts will play out, we considered the correct measurement of equity securities and receivables from equity interests to be a key audit matter.

Our response
To assess the reasonableness of the estimated values in use for equity securities and the recoverable amount of receivables from equity interests, based on the information made available to us, our work mainly consisted in verifying that the estimate of these amounts determined by management is founded on a suitably justified assessment method and quantitative information, as well as:

- comparing the net carrying amount of equity securities to their value in use estimated by management based on future business and profitability outlooks;
- assessing the consistency of the cash flow forecasts used by management in the impairment test with the business plans prepared by the financial and general management teams of the relevant entities as part of their budgetary process, which we compared with the 2024 Group budget approved by the Board of Directors on December 13, 2023 and the Group business plan used by management for years after 2023;
- verifying, through interviews with general and financial management, that the estimate of these cash flows is founded on suitably justified key assumptions, given recent performance, firm orders and sales opportunities;
- in the event of an independent third party assessment, examining methodologies applied and key assumptions used;
- assessing the recoverability of receivables from equity interests in light of analyses of the equity securities.

Lastly, we also assessed the appropriateness of the disclosures in the notes to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no comments to make on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on Corporate Governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code *(code monétaire et financier),* prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of VusionGroup by the Shareholders' Meeting held on June 23, 2017 for Deloitte & Associés and KPMG S.A.. As at December 31, 2023, Deloitte & Associés and KPMG S.A. were in the 7th year of total uninterrupted engagement.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

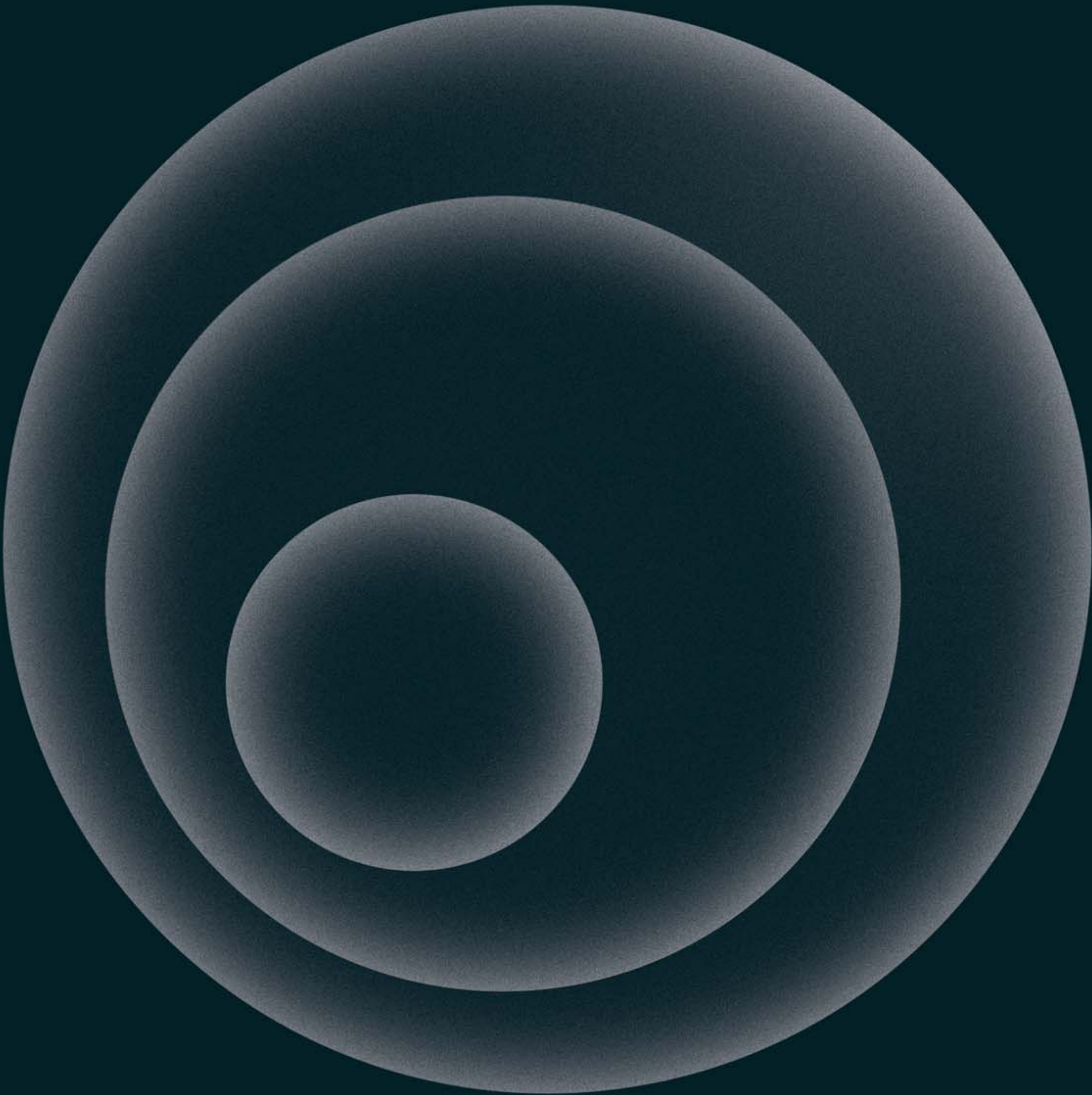
Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris la Défense, May 3, 2024

KPMG S.A.	**Deloitte & Associés**
French original signed by	
Mathilde Fimayer	Hélène De Bie



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The Company, its capital and shareholders

7.1 Shareholders

7.1.1 Breakdown of the share capital and voting rights

Structure of the share capital

The share capital of VusionGroup at December 31, 2023, amounting to €31,917,316, is divided into 15,958,658 fully paid-up shares, each of the same class and with a nominal value of €2 each.

The table below shows the main shareholders identified as of December 31, 2021, 2022 and 2023 fiscal years.

	December 31, 2023			December 31, 2022			December 31, 2021		
Shareholders >5%	**Number of shares**	**% capital**	**% voting rights***	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
BOE Smart Retail (Hong Kong) Co.*	5,131,349	32.15%	32.26%	5,131,349	32.37%	32.37%	9,489,186	60.21%	60.21%
SESIM	1,926,408	12.07%	12.11%	1,897,837	11.97%	11.97%			
BPI France	991,605	6.21%	6.23%						
Yuanhan Materials Inc (E-Ink Group)	966,666	6.06%	6.08%	866,666	5.47%	5.47%	866,666	5.50%	5.50%

* The full corporate name of the Company is “BOE Smart Retail (Hong Kong) Co. Ltd.” It will be referred to as “BOE Smart Retail” in the remainder of the document to ensure greater clarity.
'*Treasury shares at December 31, 2023: 52,624 shares

The table below is a projection of the diluted share capital at December 31, 2023:

Diluted capital	**2023**	%
Shares issued	15,958,658	85.4%
Performance shares plans 2021-2025 remaining awards	238,748	1.3%
Performance shares 2023-2027 plans	718,140	3.8%
Shares subscription warrants Walmart	1,761,200	9.4%
TOTAL DILUTED	**18,676,746**	**100%**

NB: Maximum authorized volume for the 2023-2027 performance share plan = 4.5% of the share capital on the date of the Board meeting of 12/13/2023, i.e. 15,958,658 * 4.5% or a maximum of 718,140 performance shares

Shareholding

The Company essentially has two primary shareholders:

- BOE Smart Retail, the main shareholder, held by BOE Technology Group. Until 2021, BOE Smart Retail was the majority shareholder with 60.21% of the shares. The Company is no longer controlled by a majority shareholder of BOE Smart Retail;
- SESIM, the second shareholder, held by the management team of the Company and several of its directors (Mr. Brabeck-Letmathe, Mr. Moison, Ms. Johnson and Ms. Ploix).

History of the shareholders agreement

2017: BOE Technology Group and SESIM became joint shareholders of BOE Smart Retail in Hong Kong, which subsequently took control of the Company with 60.2% of the capital. The two shareholders entered into a shareholders' agreement. The agreement constituted an action in concert with the Company.

May 3, 2022: this shareholder agreement provided for a "liquidity option" for SESIM, which would allow it to become a direct shareholder of the Company during the second quarter of 2022. The option was exercised on May 3, 2022.

July 26, 2022: BOE Smart Retail delivered 240,000 shares of the Company to SESIM in connection with the sale of 1.2 million of the Company's shares in a private placement by accelerated book building ("ABB"). BOE Smart Retail also delivered 1,657,837 Company shares to SESIM in exchange for the cancellation of the BOE Smart Retail Co, Ltd shares held by SESIM, as part of the corresponding capital reduction.

November 18, 2022: SESIM notified the exercise of this option by crossing upwards the statutory thresholds of 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10% and 11% of the capital and voting rights of the Company.

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7.1.2 Declarations for crossing legal thresholds and declarations of intent

In accordance with the provisions of Article L. 233-13 of the French Commercial Code, the company has been informed that the following thresholds were crossed during 2023 and until February 28, 2024:

- **by SESIM:**
  - on March 10, 2023: upward threshold crossed for the number of securities held, with 1,926,408 shares i.e. 12.07% of the capital and 12.11% of the voting rights;
- **by BPI France Investissement:**
  - the successive thresholds crossed on November 28, 2023 and November 30, 2023 for 5.76% and 6.21% of the share capital respectively, i.e. 991,605 securities held at December 31, 2023 (6.23% of the voting rights);
  - an additional threshold crossing on January 12, 2024 for 7.06% of the share capital and 7.08% of the voting rights, i.e. a number of securities equal to 1,126,859 securities held at January 31, 2024; then February 28, 2024 for 1,310,299 shares, i.e. 8.21% of the share capital and 8.24% of the voting rights;
- **by YuanHan Materials Inc:**
  - the successive thresholds crossed June 27 and 28, 2023 for 6.06% of the share capital and 6.08% of the voting rights for a number of 966,666 securities held as of December 31, 2023;
- **by Global Alpha Capital Management Ltd:**
  - on January 25, 2024: upward threshold crossed for the number of securities held, with 163,734 shares i.e. 1.03% of the capital and voting rights;
- **by BlackRock Inc.:**
  - successive threshold crossings on July 26 and 27, 2023, then on December 19, 20 and 22, 2023, respectively for 1.08%; 0.98%; 1.04%; 0.98% and finally 1.03% of the share capital and voting rights, for 163,968 shares held at December 31, 2023;
- **by Invesco Ltd:**
  - the successive thresholds on July 7 and October 4, 2023, for 0.05% and then 1.02% of the share capital and voting rights, for a number of 162,556 shares held at December 31, 2023;
- **by Caisse des dépôts:**
- a downward crossing on December 22, 2023, for 0.99% of the share capital and voting rights for a number of 158,924 securities held at December 31, 2023.

7.1.3 Performance Share Plans

For several years, the Company has been developing a dynamic policy of involving its employees in its financial performance. In this respect, the Group implements performance share plans.

In this context, the Group has implemented two successive plans: the "Vusion" Plan in 2020 and the "Vusion 2027" Plan in 2023 (see the detailed description of these plans in section [7.7.2] of this Universal Registration Document). These plans, intended for corporate officers and employees of the Group, are implemented in accordance with the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code. As of the date of this Universal Registration Document, 956,888 performance shares allocated under these plans remain to be delivered subject to compliance with their performance and presence conditions.

In the USA, the Company has set up similar systems within its American subsidiary VusionGroup Inc. (restricted stock units) intended to replicate the aforementioned plans implemented in France. These plans are subject to performance conditions linked to the revenue and EBITDA of the US subsidiary. Once the restricted stock units have been vested, they may be settled in VusionGroup shares or in shares of its US subsidiary or in cash, according to a formula for calculating the value of the share of the US subsidiary provided for by the plan in question.

7.1.4 Share subscription warrants

Granting of Share subscription warrants during the year ended December 31, 2023

The General Shareholders' Meeting of VusionGroup (formerly SES-Imagotag), on June 2, 2023, approved the issue of 1,761,200 share subscription warrants reserved for Walmart Inc. This issue is part of the commercial agreement announced on April 27, 2023 between the Company and Walmart Inc.

The General Shareholders' Meeting of VusionGroup SA (the "Company"), which met on June 2, 2023, approved by 98.84% the issue of 1,761,200 equity warrants with cancellation of shareholders' preferential subscription rights, in favor of Walmart Inc. ("Walmart"). The share subscription warrants authorize Walmart to subscribe for shares up to a limit of 10% of the Company's share capital, provided that certain conditions are met:

- the warrants may only be exercised by Walmart from the date on which payments made to the Company by Walmart or its affiliates in accordance with the commercial agreement or other contracts or purchase orders (the "Payments") amount to US $700 million (the "Initial Acquisition Condition").
- as from the achievement of the Initial Acquisition Condition, the share subscription warrants will automatically vest in a proportion corresponding to the ratio of the total amount of the cumulative Payments and US $3 billion, it being understood that

(i) this amount will be assessed on a quarterly basis as long as the commercial agreement is in force and

(ii) the warrants will vest on a straight-line basis until full vesting when the total Payments amount to US $3 billion.

(iii) the share subscription warrants acquired may be exercised for a period not exceeding seven years.

One share subscription warrant will give the right to one Vusion (SES-Imagotag) share at the price of €112.19 per new share issued

7.2 Employee profit sharing

Employee profit-sharing agreement and company

In 2005, the Board of Directors of SES-ESL decided to implement a profit-sharing agreement for the benefit of employees.

The agreement signed is intended to define the methods for calculating the special profit-sharing reserve and to determine:

- the distribution of this reserve among the beneficiaries;
- the methods for managing employee rights;
- the procedure by which any disputes between the parties are settled;
- as well as the procedures for informing employees individually and collectively.

In 2012, an amendment to this profit-sharing agreement included a company savings plan[1].

In 2016, the agreement was amended following the change in the account's holder.

Allocation and exercise of options during the year ended December 31, 2023

No new stock options were granted during fiscal year 2023. At December 31, 2023, no stock option subscription plans were in progress.

Allocation of performance shares during the year ended December 31, 2023

This procedure is described in more detail in Section 7.7.

Percentage of share capital held by employees

As of December 31, 2022, the threshold of 3% ownership of the share capital pursuant to Article L.225-102 of the French Commercial Code has not been reached as it stands at 1.09%.

Resolution 16 of the General Meeting of June 23, 2023 involved the proposed delegation of authority to the Board of Directors to increase the share capital. The operation would consist in the elimination of preferential subscription rights through the issue of Company shares reserved for members of a Company savings plan. The delegation would be granted for a period of twenty-six (26) months as from the date of the General Meeting. This resolution was adopted.

The General Meeting of June 19, 2024 will once again vote on an identical proposal.

7.3 Stock market data

The stock's liquidity remained strong in 2023. The company joined the SBF 120 index this year.

	2023	2022
Highest (in €)	172.4	137
Lowest (in €)	69.6	63
Closing (last trading session of the year)	135.8	122
Annual volume processed[1]	9,354,675	4,678,223
Number of shares comprising the capital	15,958,658	15,850,808
Floating	7,574,683	7,466,833
Percentage of the capital (in number of shares) traded during the year	59%	30%
Percentage of the free float (in number of shares) traded during the year	123%	63%
Market valuation at Dec. 31 (in €m) (a)	2,167.2	1,933.8
Cash/ net financial debt (excl. effect of IFRS 16) (b)	27.3	(40.5)
Enterprise value (EV) at Dec. 31 (in €m) (a) - (b)	2,139.9	1,974.3
EV/revenue	2.67x	3.18x

Source: Bloomberg data.
[1] Bloomberg data (trading on Euronext and other platforms, in OTC and on dark pools).

The graph of share price on the stock market in 2023 is provided in section 1 of this report.

[1] In accordance with Articles L.3332-1 *et seq.* of the French Labor Code

7.4 Relationship with the financial community

The relationship that the Group has with its shareholders is based on regular contact, in the form of conference calls and investor meetings, when its provisional and annual financial statements are published after market close.

At the same time, the Group's Administration and Financial Management would take part in investor road shows/ forums to promote the Group's strategy and answer questions from potential or current investors.

In 2023, it took part in more than 200 investor meetings through investor conferences and roadshows with various partners (Oddo, Portzamparc, Stifel, Berenberg, Exane, Euroland, Société Générale, Bank of America, etc.).

Financial communication tools are also available in the "investors" section of the website www.vusion.com: all financial documentation (publications, activity reports and investor presentations) and all regulated information.

Finally, there is a continuous stream of publications reporting on commercial successes, innovation awards, etc.

Financial Calendar 2023

Event	Date
FY 2022 revenues	January 26, 2023
FY 2022 audited results	March 9, 2023
2023 Q1 revenues	April 27, 2023
General Meeting	June 26, 2023
2023 H1 revenues	July 27, 2023
2023 H1 audited results	September 11, 2023
2023 Q3 revenues	October 26, 2023

7.5 Dividends

In 2012, the Company paid a dividend of €5,491,011.50 for the 2011 fiscal year.
The Company has not distributed dividends since 2012.
The Company intends to return to a distribution policy for the 2023 fiscal year (see resolution on the allocation of the profit (loss) proposed to the General Meeting in section 8).

7.6 Share buyback program – number of shares and share of the capital held by the Company at December 31, 2023

Buyback program history

2016: The Combined General Meeting[(1)] authorized the adjustment of the share buyback program as it resulted from the Meeting of June 23, 2016 (Resolution 7) by increasing the maximum overall amount of the program to €10 (ten) million, instead of the previous €5 (five) million.

2021: The Combined General Meeting[(2)] authorized the renewal of the share buyback program. This time, the Chairman and Chief Executive Officer appointed ODDO BHF as manager of this contract. The annual fees of ODDO BH amount to forty thousand euros (€40,000).

Description of the share buyback program authorized by the Combined General Meeting of June 23, 2023 - Resolution 14

The General Meeting authorized the Board of Directors to carry out transactions on the stock market or other ways with the Company's shares. The authorization is for a single or multiple purchase(s). The buyback can be made by any means, for a number of shares totaling up to 5% of the number of shares in the Company's share capital at any time.

The provisions of Article L.225-209 paragraph 2 of the French Commercial Code may apply. These provisions cover cases when shares are bought back to improve liquidity, under the conditions defined by the General Regulation of the French Financial Markets Authority. In this case, the number of shares taken into account to calculate the 5% limit corresponds to the number of shares purchased less the number of shares sold during the authorization period.

(1) EGM of November 30, 2016 (Resolution 1)
(2) EGM of June 16, 2021

Purpose of the buybacks

The buybacks carried out by the Board of Directors can be used to:

- **stimulate the secondary market or the liquidity of the share** *via* an investment service provider acting independently within the framework of a liquidity contract[3];
- **use shares acquired to allocate them** to employees or corporate officers of the Company and other Group entities, and in particular in the context of:

(i) profit-sharing;

(ii) any stock option plan of the Company in accordance with the provisions of Articles L.225-177 *et seq.* of the French Commercial Code; or

(iii) any savings plan in accordance with the provisions of Articles L.3331-1 *et seq.* of the French Labor Code; or

(iv) any free allocation of shares under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code, and to carry out all hedging transactions for these operations, under the conditions stipulated by the market authorities and at the times that the Board of Directors or the person acting as delegated by the Board of Directors deems appropriate; or

- **provide shares for the exercise of rights attached to shares** giving rights *via* conversion, exercise, redemption or exchange, or any other means, to the allocation of Company shares, in accordance with the regulations in effect, and to carry out all hedging transactions related to these operations, under the conditions provided for the market authorities, at the times the Board of Directors, or the person acting on delegation of the Board of Directors deems appropriate;
- **cancel the shares purchased by reducing the capital** under the conditions provided for in the French Commercial Code, subject to the approval of Resolution 15 by this General Meeting;
- **keep shares acquired for later exchange or in payment as part of potential future growth by acquisition;**
- **implement any market practices that would be authorized** by the French Financial Markets Authority or the regulation in effect.

Buyback means

The acquisition, disposal, transfer or exchange of shares can be completed and paid for by any means. These means include the framework of a liquidity contract entered into by the Company with an investment service provider, including over the counter and by blocks of shares, *via* the use of derivative financial instruments and the implementation of options strategies [4] and at the times the Board of Directors deems appropriate.

Acquisition limits

Unless previously authorized by the General Meeting, the Board of Directors cannot use this authorization after a third party has submitted a public offer for Company shares and until the offer period has expired.

The General Meeting decides that:

- the maximum unit purchase price, excluding costs, is limited to two hundred fifty euros **(€250)** per share.
- the acquisitions made by the Company may under no circumstances lead the Company to hold more than 5% of the shares comprising its share capital at any time.

The number of shares and the price shown above will be adjusted in the event of:

- a change in the nominal value of the share;
- a capital increase *via* the incorporation of reserves, profits or premiums;
- the allocation of performance shares;
- the splitting or grouping of shares;
- amortization or a reduction in capital;
- the distribution of reserves or other assets; and
- all other transactions impacting equity to take into account the incidence of these transactions on the share price.

This authorization is provided for a period of 18 months as of the date of this General Meeting. In order to ensure execution of this resolution, all powers are granted to the Board of Directors with the option to subdelegate under the conditions provided for by law, for the purposes of:

- deciding to implement this authorization;
- placing all stock market orders;
- making all declarations and formalities with the French Financial Markets Authority relating to the buyback program referred to above;
- completing any other formalities or to enter into any other agreements for this purpose and, more generally, to do whatever is necessary for the purposes of implementing the aforementioned buyback program.

This authorization supersedes the authorization granted by the Combined General Meeting of June 16, 2021 [5], which became null and void for the remainder of the period.

Buybacks carried out in 2023:

Under the liquidity contract entrusted by Vusion (SES-imagotag) to the brokerage firm ODDO BHF, as of December 31, 2023, the following resources were included in the liquidity account

- Number of VusionGroup (SES-imagotag) shares: 1,964 shares
- Cash balance of the liquidity account: €2,392,192.75

(3) In accordance with market practice authorized by the French Financial Markets Authority on July 2, 2018
(4) Acquisition and sale of share purchase and sale options and all combinations thereof in line with the applicable regulations
(5) Resolution 14

In respect of a share buyback program published prior to its implementation, in accordance with General Article 241-2 I of the AMF, the Company has mandated Natixis to purchase:

a. a maximum quantity representing a maximum total of €5 million;

b. at a maximum price of €125 per share;

c. target markets: Euronext, Turquoise Europe, CBOE Europe, Aquis Europea.

for a period that may run until January 31, 2024. The purpose of treasury share buybacks is specifically to deliver shares to the beneficiaries of the Company's performance share allocation plan,

A total of 50,660 shares were repurchased between October and November 2023: these shares are included in treasury shares when the monthly voting rights are published.

An authorization for the Board of Directors to trade in the Company's shares submitted to the Combined General Meeting of June 19, 2024

The project consists in the General Meeting authorizing the Board of Directors, with the option of subdelegation under the conditions provided for by law, to carry out transactions on the stock market or other ways with the Company's shares.

By virtue of this authorization to acquire, the Board of Directors is authorized by the General Meeting to carry out transactions on Company shares in the stock market, or otherwise. The authorization is for a single or multiple purchase(s). The buyback can be made by any means, for a number of shares totaling up to 5% of the number of shares in the Company's share capital at any time.

The provisions of Article L.225-209 paragraph 2 of the French Commercial Code may apply. These provisions cover cases when shares are bought back to improve liquidity, under the conditions defined by the General Regulation of the French Financial Markets Authority. In this case, the number of shares taken into account to calculate the 5% limit corresponds to the number of shares purchased less the number of shares sold during the authorization period.

Purpose of the buybacks

The buybacks carried out by the Board of Directors can be used to:

- **stimulate the secondary market** or the liquidity of the share *via* an investment service provider acting independently within the framework of a liquidity contract in accordance with the market practices allowed by the French Financial Markets Authority on July 2, 2018;
- **use shares acquired** to allocate them to employees or corporate officers of the Company and other Group entities, and in particular in the context of:

(i) profit-sharing;

(ii) any stock option plan of the Company in accordance with the provisions of Articles L.225-177 *et seq.* of the French Commercial Code; or

(iii) any savings plan in accordance with the provisions of Articles L.3331-1 *et seq.* of the French Labor Code; or

(iv) any free allocation of shares under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code, and to carry out all hedging transactions for these operations, under the conditions stipulated by the market authorities and at the times that the Board Directors or the person acting as delegated by the Board of Directors deems appropriate;

- **provide shares for the exercise of rights attached to shares** giving rights *via* conversion, exercise, redemption or exchange, or any other means, to the allocation of Company shares, in accordance with the regulations in effect, and to carry out all hedging transactions related to these operations, under the conditions provided for the market authorities, at the times the Board of Directors, or the person acting on delegation of the Board of Directors deems appropriate;
- **cancel the shares purchased by reducing the capital,** under the conditions provided for in the French Commercial Code, subject to the approval of Resolution 15 by this General Meeting;
- **to keep all or some of the shares acquired for later exchange or in payment as part of potential future growth by acquisition;**
- **implement any market practices that would be authorized** by the French Financial Markets Authority or the regulation in effect.

Buyback means

The acquisition, disposal, transfer or exchange of the shares can be completed and paid for by any means. These means include the framework of a liquidity contract entered into by the Company with an investment service provider, including over the counter and by blocks of shares, *via* the use of derivative financial instruments and the implementation of options strategies[6] and at the times the Board of Directors deems appropriate.

[6] Acquisition and sale of share purchase and sale options and all combinations thereof in line with the applicable regulations

Acquisition limits

Unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offering for Company shares until the end of the offer period.

The General Meeting decides that:

- the maximum unit purchase price, excluding costs is limited to **two hundred and fifty euros (€250)** per share;
- the acquisitions made by the Company may under no circumstances lead the Company to hold more than 5% of the shares comprising its share capital at any time.

The number of shares and the price shown above will be adjusted in the event of:

- a change in the nominal value of the share;
- a capital increase *via* the incorporation of reserves, profits or premiums;
- the allocation of performance shares;
- the splitting or grouping of shares;
- amortization or a reduction in capital;
- the distribution of reserves or other assets and all other transactions impacting equity to take into account the incidence of these transactions on the share price.

This authorization is provided for a period of 18 months as of the date of this General Meeting. In order to ensure execution of this resolution, all powers are granted to the Board of Directors with the option to subdelegate under the conditions provided for by law, for the purposes of:

- deciding to implement this authorization;
- placing all stock market orders;
- making all declarations and formalities with the French Financial Markets Authority relating to the buyback program referred to above;
- completing any other formality or to enter into any other agreement for this purpose and, more generally, to do whatever is necessary for the purposes of implementing the aforementioned buyback program.

This authorization would supersede the authorization granted by the Combined General Meeting of June 23, 2023 in its Resolution 14.

1 2 3 4 5 6 7 8 9

7.7 Special report on stock options and special report on performance shares granted

7.7.1 Special report of the Board of Directors on transactions carried out pursuant to the provisions of Articles L.225-177 to L.225-186 of the French Commercial Code

Year ended December 31, 2023.

Share subscription and purchase options

During fiscal year 2023, no transactions were carried out under the provisions of Articles L.225-177 to L.225-186 of said Code relating to share purchase and subscription options[(1)].

No stock option allocation plans were outstanding during the 2023 fiscal year. All existing stock option allocation plans expired in fiscal year 2021 at the latest.

No new stock option allocations were granted during fiscal year 2023.

(1) In accordance with the provisions of Article L.225-184 of the French Commercial Code

7.7.2 Special report of the Board of Directors on transactions carried out pursuant to the provisions of Article L.225-197-4 of the French Commercial Code

Year ended December 31, 2023.

Granting of performance shares

Pursuant to the delegation of the General Meeting of June 29, 2020 (Resolution 24), it was established[(1)] that shares were granted during the fiscal year[(2)], under the "VUSION" plan;

Pursuant to the delegation of the General Meeting of June 23, 2023 (Resolution 17), the Board of Directors granted performance shares to beneficiaries who may be employees or corporate officers, over a period from 2023 to 2026 and within the limit of 4.5% of the number of shares comprising the Company's share capital, on the date of the decision to allocate them by the Board of Directors. This new plan is called "VUSION 2027."

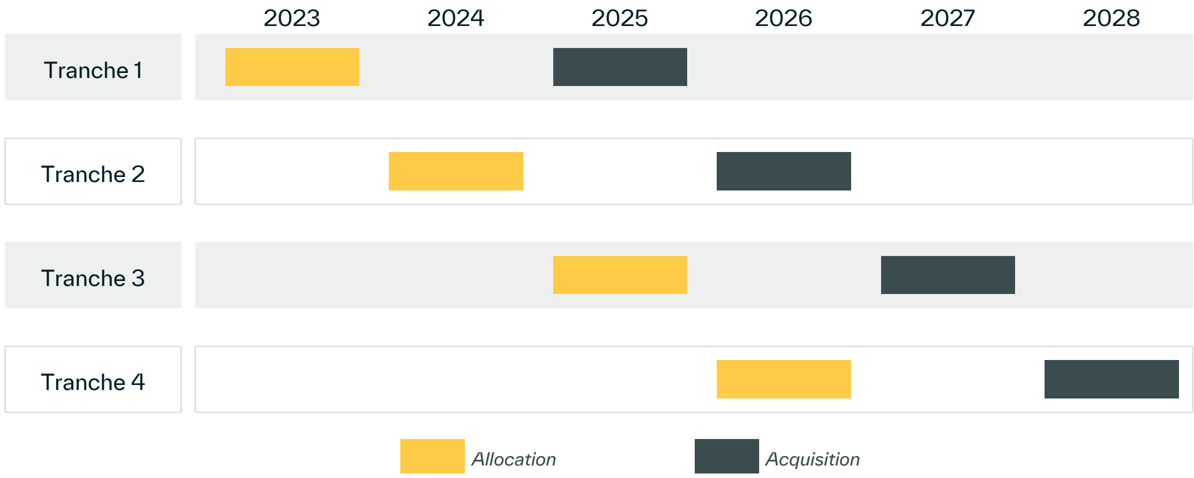
7.7.2.1 New Vusion 2027 allocation plan:

The General Meeting of June 23, 2023, authorized the Board of Directors to allocate performance shares to beneficiaries who may be employees or corporate officers, over a period from 2023 to 2026 and up to a limit of 4.5% of the number of shares comprising the share capital of the Company, on the date of their allocation decision by the Board of Directors.

This plan follows the previous performance shares plan, which was authorized by the General Meeting of June 29, 2020 for the 2020-2023 period. From 2012 to 2023, there were three share allocation plans.

Like the previous plans, this plan aims to make value sharing the primary driver of the Company's performance: involving employees in the Company's capital promotes a sense of belonging and long-term commitment.

Duration of the Vusion 2027 Plan



The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, will subject the grant to demanding quantitative presence and performance conditions, which will be assessed each year over the plan period: the mechanism consists of establishing a long-term plan whose final deadline is in 2028, which focuses the teams on intermediate performance milestones, measured each year, in order to achieve, step by step, the Group's growth milestones.

(1) By virtue of the provisions of Articles L.225-197-3-1 to L.225-197-3 of said code
(2) In accordance with the provisions of Article L.225-197-4

Authorization date by the EGM		EGM on June 23, 2023 (38 months, which is until August 23, 2026) Maximum authorized volume: 4.5% of the share capital at the date of the Board meeting of December 13, 2023, i.e. maximum of 718,140 performance shares[1]
Grant date[2]		12/13/2023
Amount distributed		32,400
Beneficiaries	To Mr. Thierry GADOU in his capacity as CEO	0
	To employees who are not corporate officers	32,400
Performance criteria approved on		
Vesting/delivery date [3]		

(1) Number of shares at June 13, 2023: 15,958,658.
(2) Grant date by the Board of Directors.
(3) Acquisition/delivery date: subject to performance and presence conditions.

The performance indicators are indicated in the table below whose targets will be based on the budget for the coming year:

- Eligibility and grant rate: the Group intends to extend this new plan, for the first time, to all employees with more than six months of service and a satisfactory assessment of their individual performance;
- The allocation of said shares to their beneficiary would become definitive at the end of a vesting period of at least one year; the cumulative duration of the vesting and holding periods may not be less than two years from the definitive allocation of shares.

On December 13, 2023, the Board of Directors approved the allocation of 32,400 performance shares under the first tranche of this plan.

Selected indicators:

Indicators *	Weight	Number of shares granted if target is met
Revenue growth	25%	8,100
EBITDA margin growth	30%	9,720
VAS (Value Added Solutions) ratio growth	20%	6,480
Net debt/EBITDA ratio	15%	4,860
Carbon Intensity Reduction	10%	3,240
TOTAL	**100%**	**32,400**

7.7.2.2 "Vusion" Strategic Plan

The Extraordinary General Meeting of June 29, 2020[3] authorized the Board of Directors[4]:

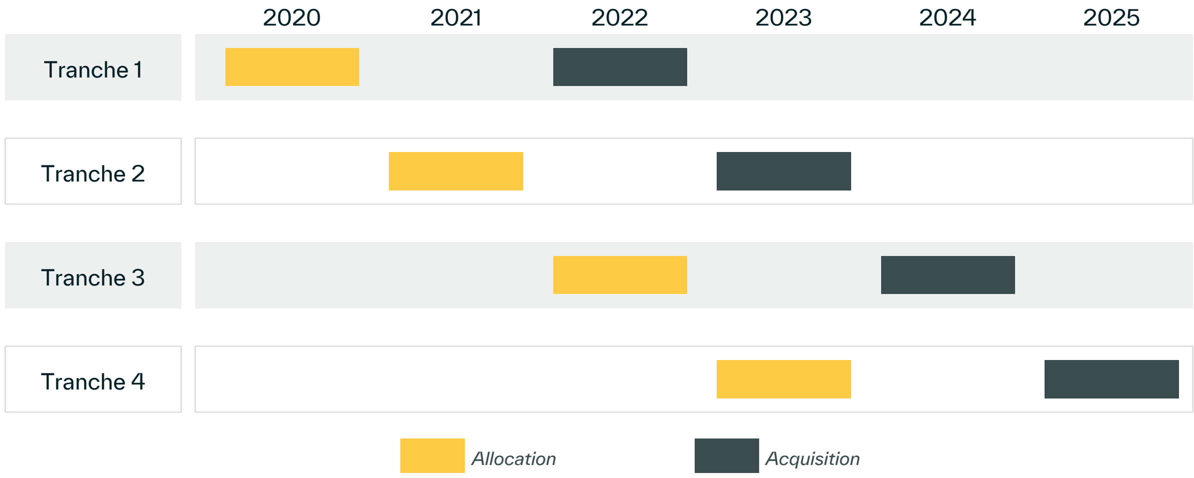
- **to grant existing performance shares.** The grants will take place on one or more occasions. This concerns existing or future ordinary shares of the Company. The Meeting set an overall limit of 3% of the share capital existing on the date of the Board of Directors' decision and allowed them to be granted to eligible employees and corporate officers of the Company and its related companies within the meaning of Article L.225-197-1-II, paragraph 1 of the French Commercial Code (i.e. 472,743 shares);
- **to decide on the terms and conditions of the performance shares plan.** The authorization covers, in particular, the duration of the vesting and holding periods for the shares. In accordance with the decision of the General Meeting, it is necessary to comply with a minimum vesting period of one year and a cumulative vesting and holding period of at least two years, in accordance with the Pacte law. However, for shares granted with a vesting period of at least two years, the holding period may be reduced or canceled so that the shares are freely transferable from the date on which they are definitively granted;
- **to set the conditions and criteria for the granting of performance shares and to determine the category of beneficiaries.** For this purpose, the General Meeting specifies that the beneficiaries will be the employees, or certain categories of them, and the corporate officers, or certain categories of them, of the Company and/or related companies within the meaning of Article L.225-197-2 of the French Commercial Code.

The proposed new plan is a four-year bonus share plan (four tranches).

(3) Resolution 24
(4) In accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code

The definitive vesting of the shares is subject to the presence of the beneficiary and provided for as follows:

Duration of the Vusion Plan



The objective of the plan is to grant 472,743 shares to be issued subject to performance conditions and continued presence conditions.

The shares will not be subject to any lock-up period from their date of delivery[5].

The performance shares plan is a retention tool for the Group's key employees. Indeed, the retention rate of performance shares beneficiaries is 94% vs 72% for all employees.

However, as long as the Company's shares are admitted to trading on a regulated market, the performance shares granted may not be sold during the legal blackout periods.

Should control of the Company change hands[6], the continuous presence condition and the performance conditions will become inapplicable: performance shares will be granted to beneficiaries with no conditions on the delivery date.

Detail of Performance Shares granted

Authorization date by the EGM		EGM dated June 29, 2020 (38 months until August 30, 2023) Maximum authorized volume: 3% of the share capital at the date of the Board meeting of June 29, 2020 i.e. maximum of 472,743 performance shares[1]			
Grant date[2]		03/29/2023	06/15/2022	06/16/2021	06/29/2020
Envelope distributed		148,693	116,050	112,400	95,600
Beneficiaries	To Mr. Thierry Gadou in his capacity as CEO	8,000	4,000	4,000	0
	To employees who are not corporate officers	140,693	112,050	108,400	95,600
Performance criteria approved on		03/25/2024	03/29/2023	03/28/2022	03/29/2021
Acquisition/delivery date (3)		03/29/2025	06/15/2024	06/16/2023	06/29/2022
Volume delivered (estimation for 06/16/2024)		125,848	112,900	107,850	89,800
Opening rate on the delivery date				172.2	80.6
Valuation of envelopes delivered				18,571,770	7,237,880

[1] Number of shares at June 29, 2020: 15,758,108.
[2] Grant date by the Board of Directors.
[3] Vesting/delivery date: subject to performance and presence conditions.

[5] Given the two-year period between granting and vesting, in accordance with the Pacte Law.
[6] As meant by Article L.233-3 of the French Commercial Code

Performance conditions achieved for 2023 are described below, along with their respective weightings:

Performance indicators	Weight	Target objective	Actual achievement in %	Corresponding bonus shares volume
Revenue	20%	29,739	89.8 %	26,715
EBITDA	30%	44,608	78 %	34,630
VAS (Value Added Solutions) %	15%	22,304	70 %	0
Net debt/EBITDA	20%	29,739	150 %	44,608
Share price	15%	22,304	89.2 %	19,895
TOTAL		148,693	**84.64 %**	**125,848**

Each performance criterion is graded from 0 to 150%:

- 100% being the expected performance in the budget for the year in question, approved by the Board of Directors, for the criteria of revenue, percentage of VAS revenue/ total revenue, EBITDA, net income/loss and debt/ EBITDA ratio, and
- 0% corresponding to a minimum performance determined by the Board of Directors as the minimum threshold required for this criterion and below which the criterion is considered not met.

In addition, a key criterion is subject to a veto condition by the Board of Directors: the debt ratio (veto if the ratio is greater than 3.5). In this case, no performance shares will be distributed, regardless of the performance achieved on the other criteria.

The weighted average achievement is 84.64%.

7.8 Change in the amount of share capital over the last five years

On December 31, 2023, the Company's capital amounted to €31,917,316, split into 15,958,658 shares of €2 nominal value.

Calendar year	Change in capital	Date of recognition	New shares	Number of shares comprising the capital	Successive amount (in €)	Fiscal year
2023	Delivery of performance shares	**07/27/2023**	107,850	15,958,658	31,917,316	**12/31/2023**
2022	Delivery of performance shares	**07/22/2022**	89,800	15,850,808	31,701,616	**12/31/2022**
2021	Options exercised	**01/26/2022**	2,900	15,761,008	31,522,016	**12/31/2021**
2020				15,758,108	31,516,216	**12/31/2020**
2019	Options exercised	**02/20/2020**	2,000	15,758,108	31,516,216	**12/31/2019**
	Options exercised	**12/17/2019**	1,100	15,756,108	31,516,216	**12/31/2019**
	Capital Increase	**12/04/2019**	1,228,071	15,755,008	31,510,016	**12/31/2019**
	Options exercised	**09/18/2020**	23,600	14,526,937	29,053,874	**12/31/2019**

7.9 Legal information

7.9.1 Company name

As of the date of this Universal Registration Document, the name of the Company is "VusionGroup".

7.9.2 Place of registration and registration number

The Company is registered with the Nanterre Trade and Companies Register under number 479 345 464.

7.9.3 Date of incorporation and term of the Company

The Company was incorporated for a period of 99 years from its registration on November 2, 2004, except in the event of early dissolution or extension by collective decision of the shareholders in accordance with the law and the Articles of Association.

The Company's fiscal year begins on January 1 and ends on December 31 of each year.

7.9.4 Registered office, legal form and applicable legislation

The Company's registered office is located at 55, place Nelson Mandela, Nanterre (92000). The telephone number of the registered office is +33 1 34 34 61 61.

As of the date of this Universal Registration Document, the Company is a French public limited company *(société anonyme).*

The Company's website address is: www.vusion.com. The information on the Company's website is not part of this Universal Registration Document.

The Company's LEI (Legal Entity Identifier) code is 969500U51BYOMEW9M549.

7.9.5 Corporate purpose

The purpose of the Company, in France and abroad, is:

- the design, study, development, industrialization and marketing, in all its forms, of all labeling, signaling, information and communication systems, electronic or otherwise, and their uses;
- the creation, acquisition, rental, leasing, installation, and operation of all establishments, businesses, factories, and workshops related to these activities, directly or indirectly, and in particular by granting licenses or franchises;
- the acquisition, sale, procurement, leasing, exploitation or transfer of all processes, patents, know-how, certificates, signs or trademarks concerning these activities;
- the acquisition of interests or holdings by the Company, directly or indirectly, in any commercial or industrial operation, companies or businesses, whether industrial, commercial or financial, service, securities or real estate, by means of the creation of companies, contributions, limited partnerships, subscriptions or purchases of securities or corporate rights, mergers, alliances or joint ventures, or otherwise, and the management by means of the purchase, exchange, sale or arbitration of these interests or holdings; and
- more generally, any commercial, financial, industrial, movable and artistic operation that may be directly or indirectly related to the corporate purpose or likely to facilitate its realization, extension or development.

7.9.6 Subsidiaries and equity interests

As of December 31, 2023, the Company held 18 consolidated subsidiaries and a minority stake[(1)].

Subsidiaries are all entities over which the Group exercises direct or indirect control. Control is characterized by the power to govern financial and operating policies.

The joint venture entity is subject to the same governance and internal control procedures as the other Group entities, including detailed monthly reporting and control of the cash position.

(1) Being 8.9% in Yiyun Technology Ltd of the BOE group.

Transaction	City (country)	Subsidiary name at transaction time	Current subsidiary name	Company holding
Subsidiary created in 2011	Singapore	STORE ELECTRONIC SYSTEMS ASIA PACIFIC PTE. LTD	SES-imagotag PTE, Ltd	100%
Subsidiary created in 2011	Mexico City (Mexico)	STORE ELECTRONIC SYSTEMS LATINO AMERICA S de RL de CV	SES-imagotag S. de R.L. de C.V.	99%
Subsidiary created in 2013	State of Delaware (United States)	STORE ELECTRONIC SYSTEMS, INCORPORATED	VusionGroup inc.	100%
Subsidiary created in 2013	Milan (Italy)	STORE ELECTRONIC SYSTEMS ITALIA SL	VusionGroup s.r.l.	100%
Subsidiary created in 2014	Montreal (Canada)	SYSTÈMES ÉLECTRONIQUES POUR MAGASINS LTÉE	Solutions Digitales SES-imagotag Ltée.	100%
Acquisition: 2014: 69.3% of shares 2016: balance of shares	Austria	Imagotag GmbH	VusionGroup GmbH	100%
Acquisition: 2016: 67% of shares 2017: balance of shares	Germany	FINDBOX GmbH	Captana GmbH	100%
Acquisition: 2016: 27.95% of shares - 2017: 32.05% of shares	United Kingdom	MARKET HUB	VusionGroup Ltd	100%
Acquisition of 100%	Taiwan	PERVASIVE DISPLAYS Inc.	Pervasive Displays Inc.	100%
Subsidiary created in 2017	Netherlands	SES-imagotag Netherlands B.V.	VusionGroup B.V.	100%
Subsidiary created in 2017	Denmark	SES-imagotag Danmark A.P.S.	VusionGroup A.P.S.	100%
Subsidiary created in 2017(2)	Hong Kong	SES-imagotag HongKong Ltc	SES-imagotag HongKong Ltc	100%
Subsidiary created in 2017	Madrid	SES-imagotag Iberia S.L.	SES-imagotag Iberia S.L.	100%
Joint venture in 2019 Company:(3)	China	BOE Digital Technology Co., Ltd.	BOE-YiYun	9%
Joint venture in 2019 Company: 70% Groupe Bossard AG: 30%	Austria	PDi Digital GmbH.	PDi Digital GmbH.	70%
Subsidiary created in 2021	Australia	SES-imagotag Pty Ltd	VusionGroup Pty Ltd	100%
Subsidiary created in 2022	Croatia	SES-imagotag RDC d.o.o.	VusionGroup RDC d.o.o.	100%
Subsidiary created in 2022	Japan	SES-imagotag Japan K.K	VusionGroup K.K	100%
Acquisition in 2023	France	Belive.ai SAS	Belive.ai SAS	67%
Acquisition in 2023	France	In The Memory SAS	In The Memory SAS	100%

(2) Company delisted in 2021
(3) In addition, in 2022, SES-imagotag withdrew capital from BOE Digital Technology Co. Ltd (China): on July 22, 2022, the Board of Directors of the Company approved the proposed transfer plan regarding the 51% held by the Group in its joint venture in China in exchange for 9.5% in the Chinese technology company BOE-YiYun (8.9% at the date of this report).

See also Note 24 to the separate financial statements and Section II.6 of the notes to the consolidated financial statements for further information on the scope of consolidation.

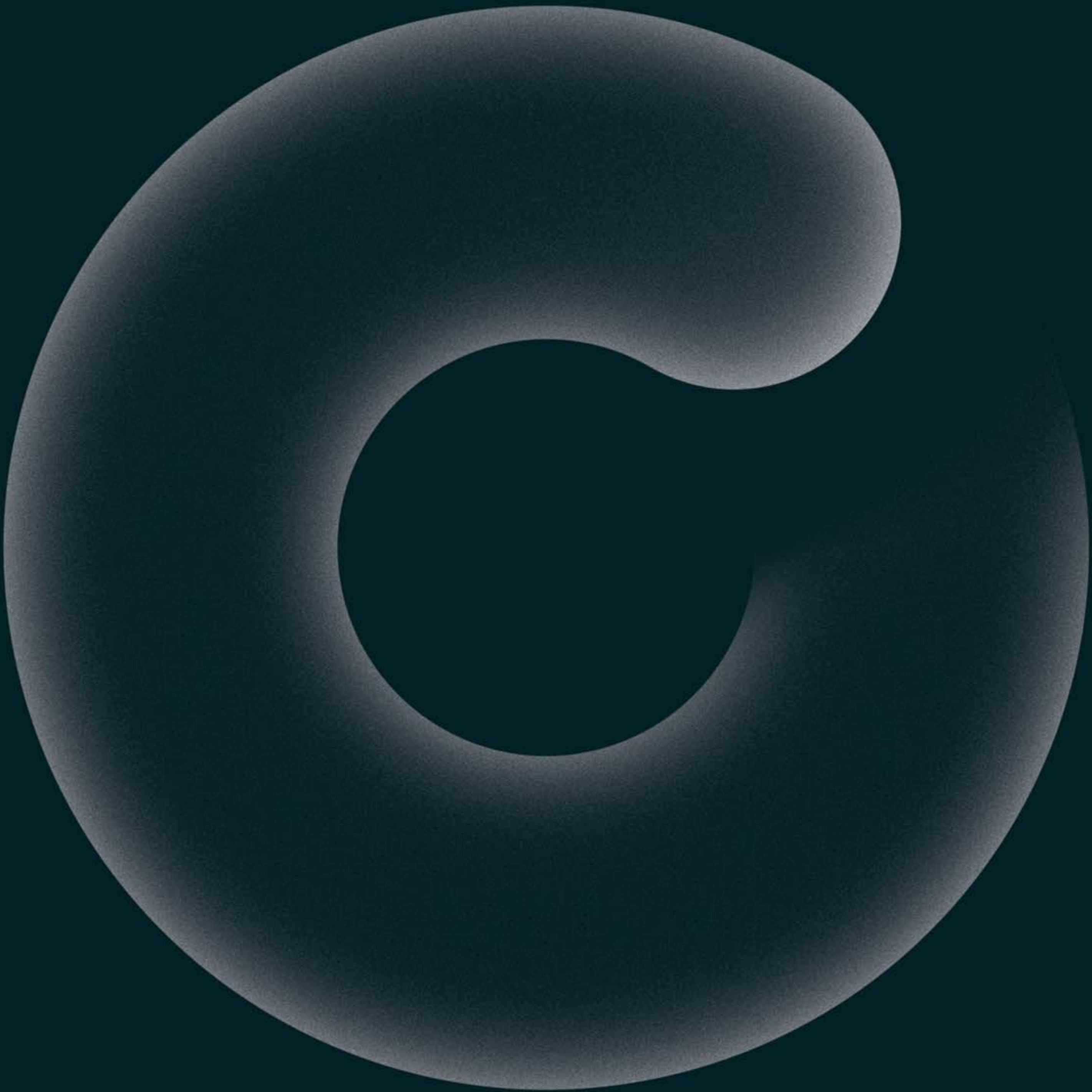
7.10 Documents available to the public

The documents available to shareholders are:

- the Articles of Association;
- the minutes of General Meetings and other corporate documents of the Company;
- the historical financial information;
- any valuation or statement prepared by an expert at the Company's request.

The documents can be consulted at the Company's registered office located at 55, place Nelson Mandela, 92000 Nanterre, France.

Regulated information within the meaning of the provisions of the AMF General Regulation is also available on the Company's website (Company: www.vusion.com).



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General Meeting

8.1 Agenda of the Combined General Meeting of June 19, 2024

The Chairman reminded the meeting that the meeting was called to deliberate on the following agenda:

Ordinary resolutions

1) Approval of the separate financial statements for the fiscal year ended December 31, 2023
2) Approval of the consolidated financial statements for the fiscal year ended December 31, 2023
3) Allocation of the Profit (Loss) - Group share for the 2023 fiscal year and setting of the dividend
4) Approval of agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code
5) Nomination of Deloitte & Associés as Co-Statutory Auditor in charge of certifying sustainability information
6) Nomination of KPMG Audit SA as Co-Statutory Auditor in charge of certifying sustainability information
7) Renewal of the term of office of Mr. Xiangjun YAO as a director
8) Renewal of the term of office of Ms. Fangqi YE as a director
9) Approval of the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers for the 2023 fiscal year, in application of Article L.22-10-34 I of the French Commercial Code
10) Approval of the fixed, variable and exceptional elements of the total compensation and benefits of any kind paid during the 2023 fiscal year or allocated for the same fiscal year to Mr. Thierry Gadou, Chairman and CEO, in application of Article L.22-10-34 II of the French Commercial Code
11) Setting of the overall annual compensation package for directors
12) Approval of the policy on directors' fees for the 2024 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code
13) Approval of the policy on the remuneration for the Chairman and CEO for the 2024 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code
14) Authorization to the Board of Directors to carry out transactions on the Company's shares

Extraordinary resolutions

15) Authorization to be given to the Board of Directors to reduce the share capital by cancellation of treasury shares
16) Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums or any other amount that can be legally capitalized
17) Delegation of authority to the Board of Directors to increase the share capital by issuing, with preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued
18) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued with mandatory priority period, in the context of public offers other than those referred to in Article L.411-2-1 of the French Monetary and Financial Code
19) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued with optional priority period, in the context of public offers other than those referred to in Article L.411-2-1 of the French Monetary and Financial Code
20) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued, in the context of public offers referred to in Article L.411-2-1 of the French Monetary and Financial Code
21) Authorization to the Board of Directors in the event of an issue without preferential subscription rights, through public offers, in order to set the issue price according to the terms set by the General Meeting, within the limit of 10% of the share capital per year
22) Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or transferable securities giving access to equity securities to be issued as compensation for contributions in kind
23) Delegation of authority to the Board of Directors to increase the share capital without preferential subscription rights *via* the issue of Company shares reserved for the members of a company savings plan

Ordinary resolutions

24) Nomination of Emmanuel BLOT as an Independent Director
25) Nomination of XX as an Independent Director
26) Powers

Within the remit of the Ordinary General Meeting

First resolution

Approval of the separate financial statements for the fiscal year ended December 31, 2023

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditor for the fiscal year ended December 31, 2023, approves as they were presented, the annual financial statements closed on that date, as well as the transactions reflected or summarized in these financial statements and reports and which show a net profit / (loss) for the period of €43,663,335.

In accordance with the provisions of Article 223 quater of the French General Tax Code, the General Meeting acknowledges that the Company has incurred the expenses and charges referred to in 4 of Articles 39 and 54 quater of said Code amounting to €233,419.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended December 31, 2023

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the reports of the Board of Directors and the Statutory Auditor on the consolidated financial statements, approves the consolidated financial statements for the fiscal year ended December 31, 2023 as they were presented to it, as well as the transactions reflected in these financial statements and summarized in these reports.

Third resolution

Allocation of the profit (loss) for the 2023 fiscal year and setting of the dividend

On the proposal of the Board of Directors, the General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, after having considered the reports of the Board of Directors and the Statutory Auditor for the fiscal year ended December 31, 2023, resolves to allocate the Profit (Loss) Group share for 2023 in the amount of €43,663,335 as follows:

Net income for the year	€ 43,663,335
Statutory reserve	€ 587,980
Distribution of dividends	€ 4,787,597
Retained earnings	€ 38,287,757
Which, added to prior retained earnings, now stands at	€ 31,383,624

* It is specified that the dividend distribution amount is calculated on the basis of the number of shares comprising the share capital as of 12/31/2023, without taking into account treasury shares.

Considering the proposed allocation of income for the fiscal year, added to the previous legal reserve amounting to 2,603,751, the legal reserve will be funded with an amount of €3,191,732 and 10% of the share capital at December 31, 2023.

The General Meeting has therefore decided to pay a dividend of €0.30 per share.

The dividend to be distributed will be detached from the share on June 25, 2024 and will be paid on June 27, 2024.

For individuals domiciled in France who have not expressly, irrevocably, annually and globally opted for taxation according to the progressive income tax scale, the dividend falls in principle within the scope of the flat-rate withholding tax (PFU) of 12.8% (Article 200 A of the French General Tax Code) and social contributions at the rate of 17.2%. For individuals domiciled in France who have made such an option, this dividend is subject to income tax according to the progressive income tax scale and entitles the holder to the 40% allowance (Article 200 A, 2. and 158, 3.2° of the French General Tax Code). Taxpayers whose reference taxable income exceeds certain thresholds are subject to the exceptional contribution on high incomes at the rate, depending on the case, of 3% or 4% in accordance with Article 223 sexies of the French General Tax Code. Shareholders, regardless of their situation, are invited to consult their usual tax advisor.

Lastly, if, at the time of payment of this balance, the Company holds part of its own shares under the authorizations granted, the amount corresponding to the dividends not paid as a result of this holding would be allocated to retained earnings.

In accordance with Article 243 bis of the French General Tax Code, the General Meeting acknowledges that no dividends or other income have been distributed during the previous three fiscal years.

Fourth resolution

Approval of the agreements covered in Articles L.225-38 et seq. *of the French Commercial Code*

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, having reviewed the reports of the Board of Directors and the special report of the Statutory Auditors on the regulated agreements and commitments referred to in Article L.225-38 of the French Commercial Code, and ruling on the report, approves, under the conditions set out in the last paragraph of Article L.225-40 of the French Commercial Code, each of the agreements listed in said special report.

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Fifth resolution

Nomination of Deloitte & Associés as Co-Statutory Auditor in charge of certifying sustainability information

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves, in accordance with Article L.821-40 of the French Commercial Code, to nominate Deloitte & Associés, whose registered office is Tour Majunga, 6 place de la Pyramide, 92908 Paris-La Défense Cedex, as Statutory Auditor in charge of certifying the Company's sustainability information for the remainder of the mandate for the certification of the financial statements, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2028.

Sixth resolution

Nomination of KPMG S.A. as Co-Statutory Auditor in charge of certifying sustainability information

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves, in accordance with Article L.821-40 of the French Commercial Code, to appoint KPMG SA, whose registered office is at Tour Eqho, 2 Avenue Gambetta, CS 60055, 92066 Paris La Défense Cedex, as statutory auditor in charge of certifying the Company's sustainability information for the remainder of the mandate for the certification of the financial statements, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2028.

Seventh resolution

Renewal of the term of office of Mr. Xiangjun YAO as Director

The General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to renew the term of office of Mr. Xiangjun YAO as director, which expires at the end of this Meeting, for a period of three years, i.e., until the Ordinary General Meeting called to approve the financial statements for the fiscal year ending December 31, 2026 and to be held in 2027.

Eighth resolution

Renewal of the term of office of Ms. Fangqi YE as Director

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, decided to renew the term of office of Mrs. Fangqi YE, which expired at this Meeting, for a term of three years, i.e. until the Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2026 and due to be held in 2027.

Ninth resolution

Approval of the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation of corporate officers for the 2023 fiscal year, in application of Article L.22-10-34 I of the French Commercial Code

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having read the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in accordance with Article L.22-10-34 I of the French Commercial Code, the information referred to in Article L.22-10-9 I of the French Commercial Code relating to the compensation for 2023 of the corporate officers for their term of office, as they appear in the report on corporate governance (section 3.3.2).

Tenth resolution

Approval of the fixed, variable and exceptional elements of the total compensation and benefits of all kinds paid during the 2023 fiscal year or allocated for the same fiscal year to Mr. Thierry Gadou, Chairman and CEO, in application of Article L.22-10-34 II of the French Commercial Code

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves, in application of Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or awarded during the 2023 fiscal year in respect of the same fiscal year to Mr. Thierry Gadou, by virtue of his office as Chairman and CEO of the Company, as they appear in the corporate governance report (section 3.3.2).

Eleventh resolution

Setting of the overall annual compensation package for directors

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Board of Directors' report, resolves to set the maximum amount of the fixed annual sum provided for in Article L.225- 45 of the French Commercial Code to be allocated to the directors as compensation for their activities for the 2024 fiscal year in the sum of €400,000, the distribution of which among the directors will be determined by the Board of Directors under the conditions provided for in Article L.22-10-8 I of the French Commercial Code.

Twelfth resolution

Approval of the policy on directors' fees for the 2024 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having read the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves the policy on directors' fees, as presented in the report on corporate governance (section 3.3.3), in application of Article L.22-10-8 II of the French Commercial Code.

Thirteenth resolution

Approval of the policy on the remuneration of the Chairman and CEO for the 2024 fiscal year, in application of Article L.22-10-8 II of the French Commercial Code

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, having read the report of the Board of Directors on corporate governance referred to in Article L.225-37 of the French Commercial Code, approves the policy on the remuneration of the Chairman and CEO, as presented in the report on corporate governance (section 3.3.3), in application of Article L.22-10-8 II of the French Commercial Code.

Fourteenth resolution

Authorization to the Board of Directors to carry out transactions on the Company's shares

The General Meeting, deliberating under the quorum and majority conditions required for Ordinary General Meetings, and in accordance with the applicable laws and regulations, in particular those of Articles L.22-10-62 *et seq.* and L.225-210 of the French Commercial Code, having taken note of the Board of Directors' report, authorizes the Board of Directors, with the option of subdelegation under the conditions provided for by law, to trade in the Company's shares on the stock market or otherwise under the conditions and according to the terms presented below.

The Board of Directors is authorized under this authorization to acquire, on one or more occasions and by all means, a number of shares representing up to 5% of the number of shares comprising the Company's share capital at any time.

In accordance with the provisions of Article L.22-10-62 paragraph 2 of the French Commercial Code, when the shares are repurchased to promote liquidity, under the conditions defined by the General Regulation of the French Financial Markets Authority *(AMF - Autorité des Marchés Financiers),* the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the number of shares sold during the term of the authorization.

The transactions carried out by the Board of Directors under this authorization may be carried out in order to:

1. stimulate the secondary market or the liquidity of the share *via* an investment service provider acting independently within the framework of a liquidity contract in accordance with the market practices allowed by the French Financial Markets Authority *(AMF - Autorité des Marchés Financiers);*
2. use all or part of the shares acquired to allocate them to employees and/or corporate officers of the Company and other Group entities, and in particular in the context of (i) profit-sharing, (ii) any Company stock option plan, within the framework of the provisions of Articles L.225-177 *et seq.* and L.22-10-56 *et seq.* of the French Commercial Code, or (iii) any savings plan in accordance with the provisions of Articles L.3332-1 *et seq.* of the French Labor Code or (iv) any allocation of performance shares within the framework of the provisions of Articles L.225-197-1 *et seq.* and L.22-10-59 *et seq.* of the French Commercial Code, as well as to carry out any hedging transactions relating to these transactions, under the conditions provided for by the market authorities and at the times that the Board of Directors or the person acting under the delegation of Board of Directors deems appropriate;
3. provide shares for the exercise of rights attached to shares giving rights *via* conversion, exercise, redemption or exchange, or any other means, to the allocation of Company shares, with the framework of the regulations in effect, and to carry out all hedging transactions related to these operations, under the conditions provided for by the market authorities, at the times the Board of Directors or the person acting on delegation of the Board of Directors deems appropriate;
4. cancel the shares purchased by reducing the capital under the conditions provided for in the French Commercial Code, subject to the approval of the fifteenth resolution by this General Meeting;
5. use all or some of the shares acquired for later exchange or in payment as part of potential future growth by acquisition;
6. implement any market practices that would be authorized by the French Financial Markets Authority *(AMF - Autorité des Marchés Financiers)* and, generally, to carry out all transactions in compliance with the regulations in effect.

Unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period.

The acquisition, sale, transfer or exchange of these shares may be carried out and paid for by all means, and in particular under a liquidity contract entered into by the Company with an investment service provider, subject to the regulations in force, including over-the-counter and by blocks of shares, through the use of derivatives and the implementation of options strategies (purchase and sale of call and put options and any combination thereof, in compliance with applicable regulations) and at such times as the Board of Directors deems appropriate.

The General Meeting resolves that the maximum unit purchase price, excluding costs, may not exceed **€250** per share.

The acquisitions made by the Company may under no circumstances result in the Company holding at any time whatsoever more than **5%** of the shares comprising its share capital.

The number of shares and the price indicated above will be adjusted in the event of a change in the nominal value of the share, a capital increase by incorporation of reserves, profits and premiums, allocation of performance shares, division or consolidation of shares or amortization or a reduction in capital, distribution of reserves or other assets and any other transactions affecting shareholders' equity, to take into account the impact of these transactions on the value of the share.

This authorization is provided for a period of eighteen (18) months as of the date of this General Meeting. In order to ensure execution of this resolution, all powers are granted to the Board of Directors with the option of subdelegation under the conditions provided for by law, for the purposes of:

1. deciding to implement this authorization;
2. placing all stock market orders;
3. making all declarations and formalities with the French Financial Markets Authority relating to the buyback program referred to above;
4. completing any other formalities or entering into any other agreements for this purpose and, more generally, doing whatever is necessary for the purposes of implementing the aforementioned buyback program.

This authorization cancels and replaces the authorization granted by the fourteenth resolution of the Combined General Meeting of June 23, 2023.

Within the remit of the Extraordinary General Meeting

Fifteenth resolution

Authorization to be given to the Board of Directors to reduce the share capital by cancellation of treasury shares

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings and in accordance with the provisions of Article L.22.10-62 of the French Commercial Code, having reviewed the Board of Directors' report and the special report of the Statutory Auditor, resolves to authorize the Board of Directors, with the option of subdelegation under the conditions provided for by law, to reduce the share capital, on one or more occasions and at the times it deems appropriate, by canceling shares that the Company may purchase as part of a share buyback program decided by the Company.

In accordance with the law, the capital reduction may not involve more than **10%** of the share capital existing at the date of cancellation (i.e. adjusted according to the transactions carried out on the share capital since the adoption of this resolution), per 24-month period.

The General Meeting grants full powers to the Board of Directors, with the option of subdelegation under the conditions provided for by law, to determine the terms of the capital reductions and cancellations of shares, to allocate the difference between the carrying amount of the shares canceled and their nominal value on any reserve or premium accounts and to amend the Articles of Association as a result of this authorization and to carry out all necessary formalities.

This authorization is granted for a period of twenty-six (26) months as of the date of this General Meeting.

This authorization cancels and replaces the authorization granted by the 15th resolution of the Combined General Meeting of June 23, 2023.

Sixteenth resolution

Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums or any other amount that can be legally capitalized

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and in accordance with the provisions of the French Commercial Code and in particular Articles L.225-129, L.225-129-2, L.225-130 and L.22-10-50:

1. delegates to the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, its authority to increase, on one or more occasions, in the proportions and at the times it shall determine, the share capital of the Company through the incorporation of reserves, profits or premiums, merger or contribution premiums, or any other sum that may be capitalized by law and the Articles of Association, to be achieved through the issue of new shares or by increasing the amount of the nominal value of existing shares or a combination of these two methods, according to the terms and conditions that it will determine;
2. resolves that the maximum nominal amount of capital increases that may be decided by the Board of Directors and carried out, immediately and/or in the future, under this delegation may not exceed a maximum amount of **three million one hundred and ninety thousand euros (€3,190,000)**, this ceiling being independent of that provided for in paragraph **2** of the resolution **17** below. This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, where applicable, the applicable contractual stipulations, the rights of the holders of transferable securities or other rights giving access to the Company's share capital;
3. specifies that in the event of a capital increase giving rise to allocation of new performance shares, the Board of Directors may decide that the fractional rights shall not be negotiable and that the corresponding shares will be sold, in accordance with the provisions of the Articles L.225-130 and L.22-10-50 of the French Commercial Code, the sums from the sale being allocated to the holders of the rights within the time limits provided for by the regulations;
4. resolves that the Board of Directors shall have full powers, with the option of subdelegation under legislative and regulatory conditions, to implement this delegation, and in particular:
   i. determine the terms and conditions of the authorized transactions and in particular set the amount and nature of reserves, profits, premiums or other sums to be incorporated into the share capital, set the number of new shares to be issued and/or the amount including the nominal value of existing shares making up the share capital will be increased, set the date, even retroactive, from which the new shares will bear dividend rights or the date on which the increase in the nominal value will take effect and make any deductions from the issue premium(s) and particularly that of the costs incurred in carrying out the issues,
   ii. take all measures to protect the rights of holders of transferable securities or other rights giving access to the share capital existing on the date of the capital increase,
   iii. record the completion of the capital increase, take all necessary measures and enter into any agreements to ensure the successful completion of the proposed transaction(s) and, generally, do whatever is necessary, carry out all acts and formalities as required with the effect of making definitive the capital increase(s) that may be carried out under this delegation as well as making the corresponding amendment to the Company's Articles of Association;
   iv. take all measures and carry out all formalities required for the admission of the shares created to trading on the regulated market of Euronext Paris;

5. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;
6. resolves that this delegation, which cancels and replaces the delegation granted by the 16th resolution of the Combined General Meeting of June 15, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Seventeenth resolution

Delegation of authority to the Board of Directors to increase the share capital by issuing, with preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditor's special report and in accordance with the provisions of the French Commercial Code and in particular of Articles L.225-129 *et seq.*, L.225-132, L.225-133, L.225-134, L.22-10-49 and L.228-91 *et seq.*:

1. delegates to the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, the power to decide to proceed, on one or more occasions, in the proportions and at the times it deems appropriate, both in France and abroad, in euros or foreign currencies, on the issue, with preferential subscription rights, of Company shares and/or securities giving access to equity securities to be issued, for which the subscription may be made either in cash, or by offsetting against certain liquid and payable receivables, or, in whole or in part, by capitalization of reserves, profits or premiums;
2. resolves that the maximum total nominal amount of capital increases that may be carried out immediately and/or in the future under this delegation may not exceed a maximum amount of **fifteen million nine hundred and fifty thousand euros (€15,950,000)**, or the equivalent in foreign currencies, it being specified that the nominal amount of the capital increases carried out pursuant to this resolution as well as the **18 to 23 resolutions** submitted to this General Meeting shall be allocated to this ceiling. This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, where applicable, the applicable contractual stipulations, the rights of the holders of securities or other rights giving access to the Company's share capital;
3. resolves that the securities giving access to equity securities to be issued by the Company thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof, as intermediate securities. The maximum total nominal amount of debt securities that may be issued on the basis of this delegation may not exceed **two hundred and fifty million euros (€250,000,000)** or its equivalent value in foreign currencies, it being specified that the nominal amount of the debt securities issued pursuant to this resolution as well as the **18 to 22 resolutions** submitted to this General Meeting shall be allocated to this ceiling;
4. acknowledges that this delegation entails the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which the securities that may be issued on the basis of this delegation may give entitlement immediately or in the future;
5. resolves that shareholders may exercise, under the conditions provided for by law, their preferential subscription rights on an irreducible basis to equity securities and/or securities whose issuance is decided by the Board of Directors pursuant to this delegation of authority. The Board of Directors will have the option of granting shareholders the right to subscribe on a reducible basis to a greater number of securities than they could subscribe to on an irreducible basis, in proportion to the subscription rights they have and, in any case, within the limits of their requests. If the subscriptions on an irreducible basis, and, where applicable, on a reducible basis, have not absorbed all the equity securities and/or transferable securities issued, the Board of Directors shall have the option, in the order that it will determine either to limit, in accordance with the law, the issue in question to the amount of subscriptions received, provided that this amounts to at least three-quarters of the issue initially decided, or to freely distribute all or part of the securities not subscribed for by persons of its choice, or to offer them in the same way to the public, the Board of Directors being able to use all the options set out above or only some of them;
6. further specifies that the Board of Directors may, with the option of subdelegation under legislative and regulatory conditions, in particular:
   i. decide and set the characteristics of the issues of shares and transferable securities to be issued and, in particular, their issue price (with or without issue premium), the terms of their subscription, their payment and their dividend date,
   ii. in the event of the issue of share subscription warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on the terms and conditions it determines, that the warrants may be redeemed or repurchased, or that they will be allocated free of charge to shareholders in proportion to their rights in the share capital,
   iii. more generally, determine the characteristics of all transferable securities and, in particular, the terms and conditions for the allocation of shares, the term of the loans that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions for repayment of the principal, with or without premium, the terms and conditions of amortization and, where applicable, purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; the compensation may include a variable portion calculated by reference to items relating to the Company's business and results and a deferred payment in the absence of distributable profits,

iv. decide to use the shares acquired under a share buyback program authorized by the shareholders to allocate them as a result of the issue of the transferable securities issued on the basis of this delegation,

v. take all measures to preserve the rights of the holders of the transferable securities issued or other rights giving access to the Company's share capital required by the laws and regulations and applicable contractual stipulations,

vi. suspend the exercise of the rights attached to these transferable securities for a fixed period in accordance with the laws and regulations and applicable contractual stipulations,

vii. record the completion of all capital increases and issues of transferable securities, amend the Articles of Association accordingly, allocate the issue costs to the premiums and, if it deems it appropriate, deduct the sums from the amount of the capital increases necessary to increase the legal reserve to one-tenth of the new share capital,

viii. take all measures and carry out all formalities required for the admission to trading on a regulated market of the securities created;

7. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;
8. resolves that this delegation, which cancels and replaces the delegation granted by the 17th resolution of the Combined General Meeting of June 15, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Eighteenth resolution

Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued with mandatory priority period, in the context of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditor's special report, in accordance with the provisions of the French Commercial Code and in particular of Articles L.225-129 *et seq.*, L.225-135, L.225-136, L.22-10-51, L.20-10-52, L.22-10-54 and L.228-91 *et seq.*:

1. delegates to the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, the power to decide to proceed by way of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times that it will see fit, both in France and abroad, in euros or foreign currencies, on the issue, with cancellation of preferential subscription rights, of shares of the Company and/or transferable securities giving access to equity securities to be issued, the subscription of which may be made either in cash or by offsetting against certain, liquid and payable receivables;
2. resolves that the maximum total nominal amount of capital increases that may be carried out immediately and/or in the future under this delegation may not exceed a maximum amount of **six million three hundred thousand euros (€6,300,000)** or the equivalent in foreign currencies, it being specified that the nominal amount of any capital increase carried out pursuant to this delegation will be allocated to the overall nominal ceiling of **fifteen million nine hundred and fifty thousand euros (€15,950,000)** planned for capital increases in **paragraph 2 of the resolution 17 of this General Meeting;**

   This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, where applicable, the applicable contractual stipulations, the rights of the holders of transferable securities or other rights giving access to shares of the Company's share capital;
3. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;
4. resolves to cancel shareholders' preferential subscription rights to the shares and other transferable securities to be issued under this resolution;
5. resolves to grant shareholders a mandatory priority subscription period, not giving rise to the creation of negotiable rights, exercisable in proportion to the number of shares held by each shareholder and, where applicable, on a reducible basis, and therefore delegates to the Board of Directors, with the option of subdelegation, the power to set the terms and conditions thereof in accordance with laws and regulations;
6. resolves that the securities giving access to the Company's share capital thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof, as intermediate securities. The maximum aggregate nominal amount of debt securities issues that may be carried out immediately or in the future on the basis of this delegation may not exceed **two hundred and fifty million euros (€250,000,000)** or its equivalent value in foreign currencies, it being specified that this amount will be allocated to the overall nominal ceiling for debt securities issues provided for in **paragraph 3 of the 17th resolution;**
7. acknowledges that this delegation entails the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which the transferable securities that may be issued on the basis of this delegation may give entitlement;

8. resolves that if subscriptions have not absorbed all of the equity securities and/or transferable securities issued, the Board of Directors shall have the option, in the order it determines, either to limit the issue to the amount of subscriptions received, provided that it reaches at least three-quarters of the issue decided, or to freely distribute all or part of the unsubscribed securities among the persons of its choice, or to offer them in the same way to the public, the Board of Directors being able to use all the options set out above or only some of them;
9. further specifies that the Board of Directors may, with the option of subdelegation under legislative and regulatory conditions, in particular:
10. decide and set the characteristics of the issues of shares and transferable securities to be issued and, in particular, their issue price (with or without issue premium), the terms of their subscription and payment and their dividend date;
11. in the event of the issue of share subscription warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on the terms and conditions it determines, that the warrants may be redeemed or repurchased, or that they will be allocated free of charge to shareholders in proportion to their rights in the share capital;
12. more generally, determine the characteristics of all transferable securities and, in particular, the terms and conditions for the allocation of shares, the terms of the loans that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premium, the terms and conditions of amortization and, where applicable, purchase, exchange or early redemption, the interest rate, fixed or variable, and the payment date; compensation may include a variable portion calculated by reference to items relating to the Company's business and results and a deferred payment in the absence of distributable profits;
    1. set the issue price of the shares or transferable securities that may be created under the previous paragraphs so that the Company receives, for each share created or allocated, regardless of the form, interest, issue premium or redemption in particular, an amount at least equal to the minimum price provided for by the laws or regulations applicable on the date of the issue (i.e., to date, the weighted average price of the Company's share over the last three trading sessions on the regulated market of Euronext Paris prior to the start of the public offering within the meaning of Regulation [EU] No. 2017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%), thereafter, where applicable, correction of this average in the event of a difference with the dividend rights,
    2. in the event of the issue of securities for the purpose of remunerating securities contributed as part of a public exchange offer (or a mixed public offer or an alternative purchase or exchange offer or any other offer comprising a public exchange component), set the exchange parity and, where applicable, the amount of the cash balance to be paid without the pricing methods in paragraph iv above being applied, record the number of securities tendered to the exchange, and determine the terms of issue,
    3. decide to use the shares acquired under a share buyback program authorized by the shareholders to allocate them as a result of the issue of the securities issued on the basis of this delegation,
    4. take all measures to preserve the rights of holders of transferable securities issued or other rights giving access to the Company's share capital required by laws and regulations and applicable contractual stipulations,
    5. suspend the exercise of the rights attached to these transferable securities for a fixed period in accordance with the applicable laws, regulations and contractual stipulations,
    6. record the completion of all capital increases and issues of transferable securities, amend the Articles of Association accordingly, allocate the issue costs to the premiums and, if it deems it appropriate, deduct the sums from the amount of the capital increases necessary to increase the legal reserve to one-tenth of the new share capital,
    7. take all measures and carry out all formalities required for the admission to trading on a regulated market of the securities created;
13. resolves that this delegation is granted for a period of twenty-six (26) months from the date of this General Meeting and replaces any previous delegation with the same purpose.

Nineteenth resolution

Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued, in the context of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditor's special report, in accordance with the provisions of the French Commercial Code and in particular of Articles L.225-129 *et seq.*, L.225-135, L.225-136, L.22-10-51, L.22-10-52, L.22-10-54 and L.228-91 *et seq.*:

1. delegates to the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, the power to decide to proceed by way of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code, on one or more occasions, in the proportions and at the times that it deems appropriate, both in France and abroad, in euros or foreign currencies, on the issue, with cancellation of preferential subscription rights, of the Company's shares and/or transferable securities giving access to equity securities to be issued, the subscription of which may be made either in cash or by offsetting against certain, liquid and payable receivables. These transferable securities may in particular be issued in order to remunerate securities that would be contributed to the Company as part of a public exchange offer carried out in France or abroad according to local rules (for example in the context of a

reverse merger) on securities meeting the conditions set out in Article L.22-10-54 of the French Commercial Code;

2. resolves that the maximum total nominal amount of capital increases that may be carried out immediately and/or in the future under this delegation may not exceed a maximum amount of **three million one hundred and ninety thousand euros (€3,190,000)** or the equivalent in foreign currencies, it being specified that (i) the nominal amount of the capital increases carried out pursuant to this resolution as well as the **20th, 21st and 22nd** resolutions **submitted to this General Meeting** will be allocated to this ceiling and (ii) that the nominal amount of any capital increase carried out pursuant to this delegation shall be allocated to the overall nominal ceiling provided for capital increases in **paragraph 2 of the 17th resolution** of this General Meeting;

   These ceilings will be increased, where applicable, by the nominal value of the shares to be issued to preserve, in accordance with laws and regulations and, where applicable, the applicable contractual stipulations, the rights of holders of transferable securities or other rights giving access to the shares of the Company's share capital;

3. resolves to cancel shareholders' preferential subscription rights to the shares and other transferable securities to be issued under this resolution;

4. resolves that, for the issues carried out under this delegation, the Board of Directors may establish a priority subscription period in favor of shareholders, on an irreducible and possibly reducible basis, not giving entitlement to the creation of negotiable rights, and therefore delegates to the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, the right to set this period and its terms, in accordance with the provisions of Article L.22-10-51 paragraph 1 of the French Commercial Code;

5. resolves that the securities giving access to equity securities to be issued by the Company thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof, as intermediate securities. The maximum aggregate nominal amount of debt securities issues that may be carried out immediately or in the future on the basis of this delegation may not exceed **two hundred and fifty million euros (€250,000,000)** or its equivalent value in foreign currencies, it being specified that this amount will be allocated to the overall nominal ceiling for debt securities issues provided for in **paragraph 3 of the 17th resolution;**

6. acknowledges that this delegation entails the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which the transferable securities that may be issued on the basis of this delegation may give entitlement;

7. resolves that if subscriptions have not absorbed all of the equity securities and/or transferable securities issued, the Board of Directors shall have the option, in the order it determines, either to limit the issue to the amount of subscriptions received, provided that it reaches at least three-quarters of the issue decided, or to freely distribute all or part of the unsubscribed securities among the persons of its choice, or to offer them in the same way to the public, the Board of Directors being able to use all the options set out above or only some of them;

8. further specifies that the Board of Directors may, with the option of subdelegation under legislative and regulatory conditions, in particular:

9. decide and set the characteristics of the issues of shares and transferable securities to be issued and, in particular, their issue price (with or without issue premium), the terms of their subscription, their payment and their dividend date,

   i. in the event of the issue of share subscription warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on the terms and conditions it determines, that the warrants may be redeemed or repurchased, or that they will be allocated free of charge to shareholders in proportion to their rights in the share capital,

   ii. more generally, determine the characteristics of all transferable securities and, in particular, the terms and conditions for the allocation of shares, the terms of the loans that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions for repayment of the principal, with or without premium, the terms and conditions of amortization and, where applicable, purchase, exchange or early redemption, the interest rate, fixed or variable, and the payment date; the compensation may include a variable portion calculated by reference to items relating to the Company's business and results and a deferred payment in the absence of distributable profits,

   iii. set the issue price of the shares or transferable securities that may be created under the previous paragraphs so that the Company receives, for each share created or allocated, regardless of the form, interest, issue premium or redemption in particular, an amount at least equal to the minimum price provided for by the laws or regulations applicable on the date of the issue (i.e., to date, the weighted average price of the Company's share over the last three trading sessions on the regulated market of Euronext Paris prior to the start of the public offering within the meaning of Regulation [EU] No. 017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%),

   iv. take all measures to preserve the rights of holders of transferable securities issued or other rights giving access to the Company's share capital required by laws and regulations and applicable contractual stipulations,

   v. suspend the exercise of the rights attached to these securities for a fixed period in accordance with the laws, regulations and applicable contractual stipulations,

vi. record the completion of all capital increases and issues of transferable securities, amend the Articles of Association accordingly, allocate the issue costs to the premiums and, if it deems it appropriate, deduct the sums from the amount of the capital increases necessary to increase the legal reserve to one-tenth of the new share capital,

vii. take all measures and carry out all formalities required for the admission to trading on a regulated market of the securities created;

10. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;
11. resolves that this delegation, which cancels and replaces the delegation granted by the 18th resolution of the Combined General Meeting of June 15, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twentieth resolution

Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued, in the context of public offers referred to in 1 of Article L.411-2 of the French Monetary and Financial Code

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditor's special report, in accordance with the provisions of the French Commercial Code and in particular of Articles L.225-129 *et seq.*, L.225-135, L.225-136, L.22-10-51, L.22-10-49, L.22-10-52 and L.228-91 *et seq.:*

1. delegates to the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, the power to decide to make the public offers referred to in Article L.411-2 of the French Monetary and Financial Code, under the maximum conditions and limits provided for by the laws and regulations, on one or more occasions, in the proportions and at the times that it deems appropriate, both in France and abroad, in euros or foreign currencies, on issue, with cancellation of preferential subscription rights, Company shares and/or transferable securities giving access to equity securities to be issued, the subscription of which may be made either in cash or by offsetting against certain, liquid and payable receivables;
2. resolves that the total nominal amount of capital increases that may be carried out immediately and/or in the future under this delegation may not exceed a maximum amount of **three million one hundred and ninety thousand euros (€3,190,000 i.e. approximately 10% of the share capital)** or the equivalent in foreign currencies, it being specified that this amount will be allocated to (i) the nominal ceiling of **three million one hundred and ninety thousand euros (€3,190,000)** planned for capital increases without preferential subscription rights through public offers in **paragraph 2 of the resolution 19** of this General Meeting as well as (ii) the overall nominal ceiling provided for capital increases in **paragraph 2 of the resolution 17** of this General Meeting.

   These ceilings will be increased, where applicable, by the nominal value of the shares to be issued to preserve, in accordance with the laws and regulations and, where applicable, the applicable contractual stipulations, the rights of holders of transferable securities or other rights giving access to the Company's share capital;
3. resolves to cancel shareholders' preferential subscription rights to the shares and other transferable securities to be issued under this resolution;
4. resolves that the transferable securities giving access to equity securities to be issued by the Company thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof, as intermediate securities. The maximum aggregate nominal amount of debt securities issues that may be carried out immediately or in the future on the basis of this delegation may not exceed **two hundred and fifty million euros (€250,000,000)** or its equivalent value in foreign currencies, it being specified that this amount will be allocated to the overall nominal ceiling for debt securities issues provided for in **paragraph 3 of the resolution 17**;
5. acknowledges that this delegation entails the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which the transferable securities that may be issued on the basis of this delegation may give entitlement;
6. resolves that if the subscriptions have not absorbed all the equity securities and/or transferable securities issued, the Board of Directors shall have the option, in the order it determines, either to limit, in accordance with the law, the issue in the amount of the subscriptions received, provided that this amounts to at least three-quarters of the issue decided upon, i.e. to freely distribute all or part of the unsubscribed securities among the persons of its choice, either to offer them to the public in the same way, the Board of Directors being able to use all the options set out above or only some of them;
7. further specifies that the Board of Directors may, with the option of subdelegation under legislative or regulatory conditions, in particular:

   i. decide and set the characteristics of the issues of shares and transferable securities to be issued and, in particular, their issue price (with or without issue premium), the terms of their subscription and their dividend date,

ii. in the event of the issue of share subscription warrants, determine the number and characteristics thereof and decide, if it deems it appropriate, on the terms and conditions it determines, that the warrants may be redeemed or repurchased,

iii. more generally, determine the characteristics of all transferable securities and, in particular, the terms and conditions for the allocation of shares, the terms of the loans that may be issued in bond form, their subordinated or unsubordinated nature, the currency of issue, the terms and conditions of repayment of the principal, with or without premium, the terms and conditions of amortization and, where applicable, purchase, exchange or early redemption, the interest rates, fixed or variable, and the payment date; the compensation may include a variable portion calculated by reference to items relating to the Company's business and results and a deferred payment in the absence of distributable profits,

iv. set the issue price of the shares or transferable securities that may be created under the previous paragraphs so that the Company receives, for each share created or allocated, regardless of the form, interest, issue premium or redemption in particular, an amount at least equal to the minimum price provided for by the laws or regulations applicable on the date of the issue (i.e., to date, the weighted average price of the Company's share over the last three trading sessions on the regulated market of Euronext Paris prior to the start of the public offering within the meaning of Regulation [EU] No. 2017/1129 of June 14, 2017, possibly reduced by a maximum discount of 10%),

v. decide to use the shares acquired under a share buyback program authorized by the shareholders to allocate them as a result of the issue of the transferable securities issued on the basis of this delegation,

vi. take all measures to preserve the rights of holders of transferable securities issued as required by applicable laws and regulations and contractual stipulations,

vii. suspend the exercise of the rights attached to these transferable securities for a fixed period in accordance with the legal, regulatory and contractual stipulations,

viii. record the completion of all capital increases and issues of transferable securities, amend the Articles of Association accordingly, allocate the issue costs to the premiums and, if it deems it appropriate, deduct the sums from the amount of the capital increases necessary to increase the legal reserve to one-tenth of the new share capital,

ix. take all measures and carry out all formalities required for the admission to trading on a regulated market of the securities created;

8. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;

9. resolves that this delegation, which cancels and replaces the delegation granted by the 19th resolution of the Combined General Meeting of June 15, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twenty-first resolution

Authorization to the Board of Directors in the event of an issue with cancellation of preferential subscription rights, through public offers, in order to set the issue price according to the terms set by the General Meeting, within the limit of 10% of the share capital per year

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditor's special report, in accordance with the provisions of the French Commercial Code and in particular of Article L.22-10-52:

1. authorizes the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, in the event of the issue of shares and/or any other securities giving access immediately and/or in the future to the Company's share capital, without preferential subscription rights, through public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code or through public offers referred to in Article L.411-2 of the French Monetary and Financial Code, in the conditions, in particular as to the amount, provided for by the **resolutions 18, 19 and 20,** to waive the pricing conditions provided for in the aforementioned resolutions and to determine the issue price in accordance with the following conditions:

i. the issue price of the shares will be at least equal, at the discretion of the Board of Directors, (i) to the weighted average price of the Company's share on the regulated market of Euronext Paris on the day before the issue price is set, possibly reduced by a maximum discount of 10%, or (ii) the average share price on the regulated market of Euronext Paris, weighted by the volumes determined during the trading session at the time the issue price is set, possibly reduced by a maximum discount of 10%,

ii. the issue price of the securities giving access to the share capital must be such that the amount received immediately by the Company plus, where applicable, the amount likely to be received subsequently by the Company, i.e., for each share of the Company issued as a result of the issue of these transferable securities, at least equal to the amount referred to above;

2. resolves that the total nominal amount of capital increases that may be carried out under this resolution may not exceed 10% of the share capital per period of 12 months (said capital being assessed on the day of the decision to set the issue price), it being specified that this amount will be allocated to (i) the nominal ceiling of **three million one hundred and ninety thousand euros (€3,190,000)** planned for capital increases without preferential subscription rights through public offers in **paragraph 2 of the resolution 19** of this General Meeting as well as (ii) the overall nominal ceiling provided for capital increases in **paragraph 2 of the resolution 17** of this General Meeting.

These ceilings will be increased, where applicable, by the nominal value of the shares to be issued to preserve, in accordance with the laws and regulations and, where applicable, the applicable contractual stipulations, the rights of holders of securities or other rights giving access to the Company's share capital;

3. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;
4. resolves that this authorization, which cancels and replaces the authorization granted by the 20th resolution of the Combined General Meeting of June 15, 2022, is granted to the Board of Directors for a period of twenty-six (26) months from this General Meeting.

Twenty-second resolution

Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or transferable securities giving access to equity securities to be issued as compensation for contributions in kind

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Board of Directors' report and the Statutory Auditor's special report and in accordance with the provisions of the French Commercial Code and in particular of Articles L.225-129 *et seq.*, L.225-147, L.22-10-53 and L.228-91 *et seq.*:

1. delegates to the Board of Directors, with the option of subdelegation under legislative and regulatory conditions, the power to decide, on the report of the statutory auditor(s), to make the contributions, on one or more occasions, in the proportions and at the times that it deems appropriate, both in France and abroad, in euros or foreign currencies, for the issue of Company shares and/or transferable securities giving access to equity securities to be issued, to compensate contributions in kind granted to the Company and consisting of equity securities or transferable securities giving access to the share capital, when the provisions of Article L.22-10-54 of the French Commercial Code are not applicable;
2. resolves that the maximum total nominal amount of capital increases that may be carried out under this delegation may not exceed 10% of the share capital (assessed on the day of the Board of Directors' meeting deciding on the issue), it being specified that this amount will be allocated to (i) the nominal cap of **three million one hundred and ninety thousand euros (€3,190,000)** provided for capital increases with cancellation of preferential subscription rights in **paragraph 2 of the 19th resolution** of this General Meeting as well as (ii) on the overall nominal ceiling provided for capital increases in **paragraph 2 of the resolution 17** of this General Meeting.

   These ceilings will be increased, where applicable, by the nominal value of the shares to be issued to preserve, in accordance with laws and regulations and, where applicable, the applicable contractual stipulations, the rights of holders of transferable securities or other rights giving access to the Company's share capital;
3. resolves that the transferable securities giving access to equity securities to be issued by the Company thus issued may consist of debt securities or be associated with the issue of such securities, or allow the issue thereof, as intermediate securities. The maximum aggregate nominal amount of debt securities issues that may be carried out immediately or in the future on the basis of this delegation may not exceed **two hundred and fifty million euros (€250,000,000)** or its equivalent value in foreign currencies, it being specified that this amount will be allocated to the overall nominal ceiling for debt securities issues provided for in **paragraph 3 of the resolution 17;**
4. resolves to cancel, in favor of the holders of the securities or transferable securities that are the subject of contributions in kind, the preferential subscription rights of shareholders to the shares and other transferable securities to be issued under this resolution;
5. acknowledges that this delegation entails the waiver by the shareholders of their preferential subscription rights to the Company's equity securities to which the transferable securities that may be issued on the basis of this delegation may give entitlement;
6. further specifies that the Board of Directors may, with the option of subdelegation under legislative or regulatory conditions, in particular:

i. approve, based on the report of the contribution auditor(s), on the valuation of the contributions and the granting of any special benefits,

ii. set the characteristics of the issues of shares and transferable securities to be issued and, in particular, their issue price (with or without issue premium), the exchange parity and, where applicable, the balance, and the terms and conditions of their subscription and their dividend date,

iii. at its sole initiative, charge the costs of the share capital increase(s) to the premiums relating to these contributions and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase,

iv. take all measures to preserve the rights of holders of transferable securities issued or other rights giving access to the Company's share capital required by laws and regulations and applicable contractual stipulations,

v. record the completion of all issues of shares and transferable securities, amend the Articles of Association made necessary by the completion of any capital increase, charge the issue costs to the premium if it so wishes and also carry the reserve to one-tenth of the new share capital as well as carry out all formalities and declarations and request all authorizations that may prove necessary for the completion of these contributions,

vi. take all measures and carry out all formalities required for the admission to trading on a regulated market of the securities created;

7. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;

8. resolves that this delegation, which cancels and replaces the delegation granted by the 22nd resolution of the Combined General Meeting of June 15, 2022, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Twenty-third resolution

Delegation of authority to the Board of Directors to increase the share capital without preferential subscription rights via *the issue of Company shares reserved for the members of a company savings plan*

The General Meeting, deliberating under the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the report of the Board of Directors and the special report of the Statutory Auditor and in accordance with the provisions of Articles L.225-129-2, L.225-129-6, L.225-138 and L.225-138-1 of the French Commercial Code and those of Articles L.3332-18 *et seq.* of the French Labor Code:

1. delegates, with the option of subdelegation under legislative and regulatory conditions, its authority to proceed on one or more occasions, solely on its decisions, in the proportions and at the times that it deems appropriate, both in France and abroad, the issue of new shares, the issue being reserved for employees, former employees and eligible corporate officers, of the Company and/or companies related to the Company within the meaning of the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, members of a company savings plan;
2. cancels, in favor of said beneficiaries, the preferential subscription rights of shareholders to the shares that may be issued under this authorization and waives all rights to the shares that may be allocated free of charge on the basis of this resolution in respect of the discount and/or the top-up;
3. resolves that the nominal amount of the capital increase likely to be carried out pursuant to this delegation of authority may not exceed **nine hundred and sixty thousand euros (€960,000)** or the equivalent in foreign currencies, it being specified that the nominal amount of any capital increase carried out pursuant to this delegation will be allocated to the overall nominal ceiling provided for capital increases in **paragraph 2 of the resolution 17** of this General Meeting. This ceiling will be increased, where applicable, by the nominal value of the shares to be issued in order to preserve, in accordance with the laws and regulations and, where applicable, the applicable contractual stipulations, the rights of the holders of transferable securities or other rights giving access to the Company's share capital;
4. resolves that the subscription price of the shares issued pursuant to this delegation will be determined under the conditions provided for by the provisions of Article L.3332-19 of the French Labor Code, it being specified that the maximum discount compared to an average of the listed share price during the 20 trading sessions preceding the decision setting the opening date of the subscription may not exceed 30%;

   However, when implementing this delegation, the Board of Directors may reduce the amount of the discount on a case-by-case basis, in particular due to tax, social or accounting constraints applicable in the countries where the Group entities participating in capital increases are located. The Board of Directors can also decide to allocate performance shares to subscribers to new shares, instead of the discount and/or as a top-up;
5. resolves that the Board of Directors shall have full powers, with the option of subdelegation under legislative and regulatory conditions, to implement this delegation, within the limits and under the conditions specified above, in particular to:
   i. decide to issue new Company shares;
   ii. draw up the list of companies whose eligible employees, former employees and corporate officers, will be able to benefit from the issue, set the conditions that the beneficiaries must meet in order to be able to subscribe to, directly or through a mutual fund, the shares that will be issued under this delegation of authority;
   iii. set the amounts of these issues and determine the subscription price of the shares and the subscription dates, terms of each issue and conditions for subscription, payment and delivery of the shares issued under this delegation of authority, as well as the date, even retroactive, from which the new shares will bear dividend rights;
   iv. decide, pursuant to Article L.3332-21 of the French Labor Code, on the allocation, free of charge, of shares to be issued or already issued, in respect of the top-up and/or, where applicable, the discount, provided that taking into account their monetary equivalent, measured at the subscription price, does not exceed the limits provided for in Article L.3332-11 of the French Labor Code; in the event of the issue of new shares in respect of the discount and/or the contribution, to incorporate into the share capital the reserves, profits or issue premiums necessary for the payment of said shares;
   v. set the period granted to subscribers for the payment of their securities;
   vi. record or cause to be recorded the completion of the capital increase up to the amount of the shares that will be actually subscribed and amend the Articles of Association;
   vii. at its sole initiative, charge the costs of the share capital increase(s) to the premiums relating to these increases and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each increase;

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viii. in general, take all measures and carry out all formalities necessary for the issue and listing of the shares issued and subsequent to the capital increases and the modification of the corresponding amendments to the Articles of Association pursuant to this delegation;

6. resolves that, unless prior authorization is given by the General Meeting, the Board of Directors cannot use this authorization as of the filing by a third party of a public offer for Company shares until the end of the offer period;
7. resolves that this delegation, which cancels and replaces the delegation granted by the 16th resolution of the General Meeting of June 23, 2023, is granted for a period of twenty-six (26) months from the date of this General Meeting.

Within the remit of the Ordinary General Meeting

Twenty-fourth resolution

Nomination of Emmanuel BLOT as an Independent Director

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, decided, on the recommendation of the Nomination and Remuneration Committee and proposal of the Board of Directors, to appoint Mr. Emmanuel BLOT as a new Independent Director for a term of three years, i.e. until the Ordinary General Meeting called to approve the financial statements for the 2026 fiscal year and to be held in 2027.

Twenty-fifth resolution

Nomination of XX as an Independent Director

The General Meeting, ruling under the conditions of quorum and majority required for Ordinary General Meetings, decided, on the recommendation of the Nomination and Remuneration Committee and proposal of the Board of Directors, to appoint XX as a new Independent Director for a term of three years, i.e. until the Ordinary General Meeting called to approve the financial statements for the 2026 fiscal year and to be held in 2027.

Twenty-sixth resolution

Powers

The General Meeting grants full powers to the bearer of an original, a copy or an extract of these minutes to carry out all filing, publication and other formalities required by law.

8.2 Report of the Board of Directors to the Combined General Meeting of June 19, 2024

Dear Shareholders,

We have convened a Combined General Meeting to discuss the following resolutions on the agenda:

Ordinary resolutions

1) Approval of the **separate financial statements** for the fiscal year ended December 31, **2023**
2) Approval of the **consolidated financial statements** for the fiscal year ended December 31, **2023**
3) Allocation of the **Profit (Loss)** - Group Share for the 2023 fiscal year and setting **the dividend**
4) Approval of the **regulated agreements**
(covered in Articles L.225-38 *et seq.* of the French Commercial Code)
5) Nomination of Deloitte & Associés as Co-Statutory Auditor in charge of certifying sustainability information
6) Nomination of KPMG Audit SA as Co-Statutory Auditor in charge of certifying sustainability information
7) **Renewal of the term of office of Mr. Xiangjun YAO** as a director
8) **Renewal of the term of office of Ms. Fangqi YE** as a director
9) Approval of the information relating to the compensation of corporate officers for the 2023 fiscal year
10) (covered in Article L.22-10-9 I of the French Commercial Code, pursuant to Article L.22-10-34 I of the French Commercial Code)
11) Approval of the fixed, variable and exceptional elements of the **total compensation** and benefits of any kind paid during the 2023 fiscal year or allocated for the same fiscal year to **Mr. Thierry GADOU** Chairman and CEO (in application of Article L.22-10-34 II of the French Commercial Code)
12) Setting of the **overall annual compensation package** for directors
13) Approval of the **policy on directors' fees** for the 2024 fiscal year
(in application of Article L.22-10-8 II of the French Commercial Code)
14) Approval of the **compensation policy for the Chairman and CEO** for the 2024 fiscal year
(in application of Article L.22-10-8 II of the French Commercial Code)
15) **Authorization to the Board of Directors** to carry out transactions on the Company's shares

Extraordinary resolutions

15) Authorization to be given to the Board of Directors to reduce the share capital by cancellation of treasury shares
16) Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums or any other amount that can be legally capitalized
17) Delegation of authority to the Board of Directors to increase the share capital by issuing, with preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued
18) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued with mandatory priority period, in the context of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code
19) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities to be issued with optional priority period, in the context of public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code
20) Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or transferable securities giving access to equity securities issued, in the context of public offers referred to in Article L.411-2-1 of the French Monetary and Financial Code
21) Authorization to the Board of Directors in the event of an issue with cancellation of preferential subscription rights, through public offers, in order to set the issue price according to the terms set by the General Meeting, within the limit of 10% of the share capital per year
22) Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or transferable securities giving access to equity securities to be issued as compensation for contributions in kind
23) Delegation of authority to the Board of Directors to increase the share capital without preferential subscription rights *via* the issue of Company shares reserved for the members of a company savings plan

Ordinary resolutions

24) **Nomination of Emmanuel BLOT** as an Independent Director
25) **Nomination of XX** as an Independent Director
26) Powers

*This report **provides the reasons for the resolutions submitted for your approval** at the Combined General Meeting of June 19, 2024*

Ordinary resolutions

1/ Resolutions 1 to 4

- **Approval of the annual and consolidated financial statements for the fiscal year ended December 31, 2023**
- **Allocation of the Company's Profit (Loss) - Group share**
- **Approval of the regulated agreements**

(covered in Articles L.225-38 *et seq.* of the French Commercial Code)

Resolutions 1 and 2: approval of the annual individual and consolidated financial statements of the Company

- We propose that you approve the **annual individual and consolidated financial statements** which report a net Profit (Loss) - Group share of: €43,663,335
- The annual financial statements provided to you include notes, notably on the Company's website (www.vusion.com).

Resolution 3: Allocation of the Profit (Loss) - Group share for the 2023 fiscal year

- We propose **deciding on the allocation of profit (loss) for 2023 as follows:**

Profit (loss) for the period	€43,663,335
Statutory reserve	€587,980
Dividend distribution	€4,787,597
Retained earnings	€38,287,757
Which, when added to the amount previously carried forward, is now	€31,383,624

Considering the proposed allocation of income for the fiscal year, added to the previous legal reserve amounting to 2,603,751, the legal reserve will be funded with an amount of €3,191,732 and 10% of the share capital at December 31, 2023.

In accordance with the provisions of Article 243 of the French General Tax Code, the General Meeting also specifies that no dividend has been distributed since 2012. In 2012, the Company distributed €5,491,011.50 in dividends.

The General Meeting will therefore, be asked to decide to pay a dividend of €0.30 per share.

The dividend to be distributed will be detached from the share on June 25, 2024 and will be paid on June 27, 2024.

Resolution 4: Approval of the regulated agreements (Article L.225-38 of the French Commercial Code)

- We ask that you rule on the Statutory Auditor's **special report** on regulated agreements.
The report also includes the agreements approved during prior fiscal years and whose execution continued in 2023.
- We also propose that you **approve:**
  - the **agreements covered** in the Statutory Auditors' special report.

2/ Resolutions 5 and 6

- **Nomination of KPMG Audit SA and Deloitte & Associés as Co-Statutory Auditors in charge of verifying sustainability information**

- As part of the European Green Deal and the sustainable finance program, aimed at strengthening companies' transparency obligations, Directive No. 2022/2464/EU, known as the "CSRD" (Corporate Sustainability Reporting Directive), aims to replace the current Non-Financial Performance Report and requires the publication of information in terms of "sustainability" which will have to be audited.
- We therefore ask you to **approve, within the context of two separate resolutions, the nomination** of Deloitte & Associés (Resolution 5) and KPMG Audit SA (Resolution 6) as Co-Statutory Auditors to certify the information in terms of sustainability for the duration of the terms of office remaining to run in respect of the certification of the financial statements, i.e. until the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending **December 31, 2028.**

3/ Resolutions 7 and 8

- **Renewal of the terms of office that have expired at the next General Meeting called to approve the financial statements for the fiscal year ended December 31, 2023**

- The terms of office of Mr. Xiangjun YAO and Ms. Fangqi YE expire at the next General Meeting called to approve the financial statements for the fiscal year ended December 31, 2023.
- We ask you to approve the renewal of the directorship of Mr. Xiangjun YAO (7th Resolution) and Ms. Fangqi YE (8th Resolution) **for a period of three years,** until the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending **December 31, 2026.**

4/ Resolutions 24 and 25

- **Nomination of two new independent directors**

We ask you to approve the nomination of Emmanuel BLOT (Resolution 24) and XX (Resolution 25) as independent directors **for a period of three years,** i.e. until the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ending **December 31, 2026.**

5/ Resolutions 9 to 13

- **Remuneration of the corporate officers of the Company**

Resolution 9: Approval of the information (referred to in Article L.22-10-9 I of the French Commercial Code) relating to the compensation of corporate officers for the 2023 fiscal year, in application of Article L.22-10-34 I of the French Commercial Code

The General Meeting must deliberate on the draft resolution on the information regarding ***fiscal year 2023 compensation for the corporate officers based on their mandate.***

(Article L.22-10-9 I of the French Commercial Code; PACTE Law of May 22, 2019; Article L.22-10-34 I of the French Commercial Code)

- We propose that you **approve section 3.3.2 of the report on corporate governance on the remuneration of corporate officers for the 2023 fiscal year** .
- The report includes the information contained in Article L.22-10-9 I of the French Commercial Code.

Resolution 10: Approval of the fixed, variable and exceptional elements of the total compensation and benefits of any kind paid during the 2023 fiscal year or allocated for the same fiscal year to Mr. Thierry GADOU, Chairman and CEO (in application of Article L.22-10-34 II of the French Commercial Code)

- We propose that you **approve:**
  - the **fixed, variable and exceptional items** making up the total compensation; and
  - the **benefits of any kind** paid during **fiscal year 2023 or granted for fiscal year 2023 to Mr. Thierry GADOU,** by virtue of his office as Chairman and CEO of the Company.
- All of this information appears in the report on corporate governance (section 3.3.2).

Resolution 11: Setting of the annual fixed amount allocated to directors for their contribution

- We propose to set the annual maximum amount of directors' fees at **four hundred thousand euros (€400,000)** for the current fiscal year.
- This is the **overall** amount.
  The Board of Directors will decide on its **allocation**.
  (Article L.225-45 of the French Commercial Code).

Resolutions 12 & 13: Approval of the compensation policy for corporate officers for the 2024 fiscal year (Article L.22-10-8 II of the French Commercial Code)

The compensation policy for corporate officers is the subject of a resolution submitted for the approval of the General Meeting

(PACTE Law of May 22, 2019; Article L.22-10-8 II of the French Commercial Code).

We propose that you **approve**:

- the **compensation policy for directors** presented in the corporate governance report,
- the **compensation policy for the Chairman and CEO**

as described in section **3.3.3 of the corporate governance report.**

6/ Resolution 14

- **Authorization given to the Board of Directors to carry out transactions on the Company's shares**

Purpose

The purpose of the 14th resolution is to **renew the authorization of the Board of Directors to carry out transactions in the Company's shares.**

Financial parameters of the authorization

We propose that you **authorize the Board of Directors to acquire:**

- **on one or more occasions,**
- **by all means,**
- **at any time,**
- a number of shares representing up to **5% of the number of shares in the share capital of the Company.**

The maximum purchase price **per cannot exceed €250,** per share, excluding costs.

Reasons authorized

The transactions carried out by the Board of Directors could be used to:

- stimulate the secondary market or the liquidity of the share *via* an investment service provider.

  The service provider will act independently within the framework of a liquidity contract.
- **use all or part of the shares acquired to allocate them:**
  - to **employees** and/or
  - corporate **officers** of the Company and other Group entities,

particularly in the context of:

(i) profit-sharing,

(ii) any Company stock option plan
(Articles L.225-177 *et seq.* of the French Commercial Code),

(iii) any savings plan
(Articles L.3331-1 *et seq.* of the French Labor Code),

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(iv) any allocation of performance shares (Articles L.225-197 1 *et seq.* of the French Commercial Code),

(v) and to carry out all hedging transactions for these operations,

and under the conditions stipulated by the market authorities and at the times that the Board of Directors or the person delegated by the Board of Directors decides:

- **to provide shares *via* conversion, exercise, redemption or exchange, or any other means** and to carry out all hedging transactions related to these transactions.

  The transactions will be carried out:

  - within the framework of the regulations in effect,
  - under the conditions provided for the market authorities,
  - at the times the Board of Directors, or the person acting on delegation of the Board of Directors decides.
- **cancel the shares purchased by reducing the capital** under the conditions provided for in the French Commercial Code, subject to the approval of the 15th resolution by this General Meeting;
- **to keep all or some of the shares acquired**
  - for later exchange; or
  - in payment as part of potential future growth by acquisition;
- **to implement any market practices** that would be authorized by the French Financial Markets Authority and, generally, to carry out all transactions in compliance with the regulations in effect.

Prohibition of use of this authorization within the context of filing a public offer

If a third party files a public offer for Company's shares, the Board of Directors cannot use this authorization (unless it has received the prior authorization of the General Meeting).

The ban will run **as of the filing of the public offer** to the **end** of the offer period.

The acquisition, disposal, transfer or exchange of the shares can be completed and **paid for by any means** and, notably:

- within the framework of a liquidity contract entered into by the Company with an investment service provider; and

including over-the-counter and blocks of shares, through the use of derivatives and the implementation of options strategies

- at **the times** decided by the Board of Directors.

Adjustments

In order to track **the impact of these transactions on the share price,** the number of shares and the price shown above would be **adjusted** in the event of:

- modification of the nominal value of the share;
- a capital increase *via* the incorporation of reserves, profits or premiums;
- the allocation of performance shares;
- the splitting or grouping of shares;
- amortization or a reduction in capital;
- the distribution of reserves or other assets;
- all other transactions impacting equity.

Powers – Subdelegation - Duration

In order to ensure execution of this authorization, we propose that all powers be granted to the Board of Directors, notably for the purpose of:

- deciding to implement this authorization;
- placing all stock market orders;
- making all declarations and formalities with the French Financial Markets Authority relating to the buyback program;
- completing any other formalities to implement the aforementioned share buyback program.

This authorization would be granted to the Board of Directors with the **power to subdelegate** under the conditions set by law.

It **would replace** the authorization granted by the Combined General Meeting of June 23, 2023 for its remaining period. The authorization granted by the Combined General Meeting of June 23, 2023 would then become **null and void.**

Extraordinary resolutions

7/ Resolution 15

- **Reduction in the share capital via the cancellation of Company treasury shares**

We propose that you:

- authorize the Board of Directors to **reduce the share capital:**
  - via **the cancellation** of treasury shares;
  - up to **10% of the existing share capital** on the date of cancellation;
  - per **twenty-four (24) month** period; and

- **to allocate the difference** to the premiums or available reserves, at its discretion.

  This authorization would be provided for **twenty-six (26)** months as of the date of your General Meeting.

It would **cancel and replace** the one given by the General Meeting of June 23, 2023 (resolution 15).

8/ Resolution 16 to 23

- **Delegations of authority to the Board of Directors to carry out transactions on the Company's capital**

Resolutions 16 to 23

- We propose that **you renew the usual financial authorizations** for a listed company granted by the General Meeting in 2022 and 2023.
- Your Company would, therefore, be able to quickly and flexibly bring together the financial resources required to implement the **Group's growth strategy.**
- We propose that you grant the Board of Directors a number **of delegations of authority to carry out capital increases and/or issues of transferable securities** giving access to the capital.
- Unless it has received the prior authorization of the General Meeting, the Board of Directors cannot use these authorizations as of **the filing by a third party of a public offer** on the Company's shares.
  The ban will last until the end of the offer period.

This table provides a summary of the financial delegations submitted for your **approval:**

Resolution	Financial authorization	Limits and caps	Duration
16	Delegation of authority to the Board of Directors **to increase the share capital by incorporating reserves,** profits or premiums or any other amount that can be legally capitalized	€3,190,000 (i.e. around 10% of the share capital)	**26 months**
17	Delegation of authority to the Board of Directors **to increase the share capital through the issue, with preferential subscription rights,** of shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued	• **Capital increases:** €15,950,000 (i.e. about 50% of the share capital) • **Issue of debt securities:** €250,000,000	**26 months**
18	Delegation of authority to the Board of Directors **to increase the share capital by issuing, without preferential subscription rights,** shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in the context of public offers other than those referred to in Article L.411-2-II of the French Monetary and Financial Code - **with mandatory priority period**	• **Capital increases:** €6,300,000 (i.e. about 20% of the share capital) (1) • **Issue of debt securities:** €250,000,000(3)	**26 months**
19	Delegation of authority to the Board of Directors **to increase the share capital by issuing, without preferential subscription rights,** shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in the context of public offers other than those referred to in Article L.411-2-II of the French Monetary and Financial Code - **with optional priority period**	• **Capital increases:** €3,190,000 (i.e. about 10% of the share capital)(1)(2) • **Issue of debt securities:** €250,000,000(3)	**26 months**
20	Delegation of authority to the Board of Directors **to increase the share capital by issuing, without preferential subscription rights,** shares and/or equity securities giving access to other equity securities and/or giving rise to debt securities and/or transferable securities giving access to equity securities to be issued through private placements referred to in Article L.411-2 II of the French Monetary and Financial Code	• **Capital increases:** €3,190,000 (i.e. about 10% of the share capital)(1)(2) • **Issue of debt securities:** €250,000,000(3)	**26 months**

Resolution	Financial authorization	Limits and caps	Duration
21	Authorization granted to the Board of Directors **in the event of an issue without preferential subscription rights, *via* public offers or by private placements** referred to in Article L.411-2 II of the French Monetary and Financial Code, to set the issue price according to the terms and conditions set by the General Meeting, up to a limit of 10% of the share capital per year	• **Capital increases:** 10% of the share capital per period of 12 months (1)(2)	**26 months**
22	Delegation of authority to the Board of Directors **to increase the share capital through the issue of shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued in consideration for contributions in kind**	• **Capital increases:** 10% of the share capital(1)(2) • **Issue of debt securities:** €250,000,000(3)	**26 months**
23	Delegation of authority to the Board of Directors **to increase the share capital without preferential subscription rights *via* the issue of Company shares reserved for the members of a company savings plan**	€960,000 (i.e. around 3% of the share capital)(1)(2)	**26 months**

(1) Delegation allocated to the overall ceiling for capital increases set by the resolution 17 at €15,950,000 (i.e. approximately 50% of the current share capital).
(2) Delegation allocated to a common ceiling set at €3,190,000 (i.e. approximately 10% of the current share capital).
(3) Delegation allocated to the overall ceiling for the issuance of debt securities set by the resolution 17 at €250,000,000.

The draft delegations are **explained** below:

9/ Resolution 16

- **Share capital increase by incorporating reserves, profits and premiums or any other amount whose capitalization is permitted**

We propose that you grant a delegation of authority to the Board of Directors to **increase the capital:**

- via the **incorporation:**
  - of reserves, profits and premiums; or
  - any other sum that can be legally capitalized;
- up to the maximum nominal amount of **three million one hundred and ninety thousand euros (€3,190,000).**

This ceiling would be autonomous and separate from the ceiling of the other resolutions submitted to a vote of your General Meeting.

The capital increases which may result from this resolution could be implemented:

- at the **discretion** of the Board of Directors:
  - either by the **allocation of new performance shares;**
  - or by an increase in the value of existing shares or based on a combination of the two methods;
- according to the **method** it decides on.

This authorization would cancel and replace the authorization granted by the sixteenth resolution of the General Meeting of June 15, 2022 and would be granted for **twenty-six (26) months** from your General Meeting.

10/ Resolution 17

- **Issue of shares and/or equity securities giving access to other equity securities and/or giving access to the allocation of debt securities**

and/or

- **securities giving access to equity securities to be issued with preferential shareholder subscription rights**

We propose that you grant a delegation of authority to the Board of Directors to **issue shares and/or equity securities:**

- giving access to other equity securities and/or
- giving access to the allocation of debt securities and/or securities giving access to equity securities to be issued.

The delegation would be granted:

- **with preferential subscription rights**;
- up to the limit of the maximum nominal amount **of fifteen million nine hundred fifty thousand euros (€15,950,000).**

The nominal amount of capital increases carried out in application of the 18th to the 23rd resolution **shall be allocated to this ceiling.**

To protect the rights of the security holders, or other rights providing access to the capital of the Company, **the ceiling will be increased, if required, by the nominal value of the shares to be issued.**

The shares issued by virtue of this delegation could:

- be debt securities or be associated with the issuing of such securities or
- allow their issuance as intermediate securities.

The maximum nominal amount of the debt securities that could be issued is **two hundred fifty million euros (€250,000,000) on the date the issue is decided.**

Shareholders could **exercise their irrevocable and their revocable preferential subscription right** on subscription of the shares or securities issued. The Board of Directors will, however, have to specifically provide for this possibility.

This authorization would cancel and replace the authorization granted by the 17th resolution of the General Meeting of June 15, 2022 and would be granted for **twenty-six (26) months** from your General Meeting.

11/ Resolutions 18 to 20

Issue of:

- **shares and/or equity securities giving access to other equity securities and/or giving access to the allocation of debt securities**

and/or

- **of transferable securities giving access to equity securities to be issued.**

The issues would be made without preferential subscription rights of shareholders.

Three separate resolutions

We propose that you grant a delegation of authority to the Board of Directors to issue:

- shares and/or equity securities giving access to other equity securities; and/or
- transferable securities giving access to equity securities to be issued.

These issues would be carried out with **cancellation of shareholders' preferential subscription rights and** carried out as part of **public offers other than those referred to in Article L.411-2 of the French Monetary and Financial Code.**

The issues are the subject of **two separate resolutions:**

- 18th resolution: with mandatory priority period;
- 19th resolution with optional priority period.

Third resolution:

- 20th resolution: issue of securities through offer of securities to the public exclusively to a **small circle of investors acting on their own behalf** or **to qualified investors.**
(1 of Article L.411-2 of the Monetary and Financial Code)

Ceiling of resolutions 18, 19, and 20

Your Board of Directors wants to have the option of issuing without preferential subscription rights for shareholders, in order to be able to **seize the opportunities offered by the market** according to:

- market conditions;
- the type of investor involved;
- the type of securities issued.

However, your board wants to set **lower ceilings** than for capital increases with preferential subscription rights.

The total maximum nominal amount of the capital increases which may be carried out by virtue of the 18th resolution will be **six million three hundred thousand euros (€6,300,000)**, i.e. approximately 20% of current capital, or the equivalent in another currency.

The total maximum nominal amount of the capital increases which may be carried out by virtue of the 19th resolution will be **three million one hundred and ninety thousand euros (€3,190,000)**, i.e. approximately 10% of current capital, or the equivalent in another currency.

Note that:

i. the nominal amount of the capital increases carried out pursuant to the 19th, 21st and 22nd resolutions **shall be allocated to this ceiling of three million one hundred and ninety thousand euros (€3,190,000); and**

ii. the total nominal amount of all capital increases carried out under the 18th to the 23rd resolution will be allocated to the overall nominal ceiling provided for capital increases in paragraph 2 of the 17th resolution.

The nominal amount of the debt securities that could be issued by virtue of the **18th, 19th and 20th resolutions** would be allocated to the ceiling of two hundred fifty million euros (€250,000,000) set in the **17th resolution.**

As part of the **18th resolution**, the Board of Directors may establish, for the benefit of the shareholders, **a priority subscription period** on an irreducible and/or reducible basis.

As part of the **19th resolution**, the Board of Directors may establish, for the benefit of the shareholders, **a priority subscription period** on an irreducible and/or reducible basis.

The issue price of the shares would be set under the legislative and regulatory conditions in effect at the time of issue.

The conditions currently provide:

- for a price at least equal to the **weighted average of the price of the Company's share equal to the last three trading sessions** on the regulated Euronext Paris market preceding the start of the public offer;
- potentially decreased by a **maximum discount of 10%.**

These authorizations would cancel and replace any previous delegation having the same purpose and those granted by the 18th and 19th resolutions of the General Meeting of June 15, 2022 and would be granted for a period of **twenty-six (26) months** from your General Meeting.

12/ Resolution 21

Authorization for the Board of Directors to set the issue price

We propose that you authorize the Board of Directors to **set the issue price** up to a limit of **10% of the share capital** per **12-month** period.

At the **discretion** of the Board of Directors, the issue price will be at least equal:

- to the **weighted average price of the Company's share** on the regulated market of Euronext Paris on the day before the issue price is set, less a maximum **discount of 10%**; or
- to the **average share price** on the regulated market of Euronext Paris, weighted by the volumes determined during the trading session at the time the issue price is set, possibly reduced by a maximum **discount of 10%**.

Given the **significant volatility of the markets**, this option granted to the Board of Directors will enable it to issue securities when such an issue would not be possible under the pricing conditions provided for in the 18th, 19th and 20th resolutions.

This delegation would cancel and replace the delegation granted by the 20th resolution of the General Meeting of June 15, 2022 and would be granted for **twenty-six (26) months** from your General Meeting.

13/ Resolution 22

Issue of:

- **shares and/or equity securities giving access to other equity securities and/or giving access to the allocation of debt securities;** and/or
- **transferable securities giving access to equity securities to be issued, in consideration for contributions in kind.**

The issue would be up to 10% of the share capital.

We propose that you grant a delegation of authority to the Board of Directors to **issue:**

- shares and/or equity securities giving access to other equity securities; and/or
- transferable securities giving access to equity securities to be issued,

as **compensation for contributions in kind granted to the Company** and consisting of equity securities or securities giving access to the capital.

The delegation would be granted **up to 10% of the capital** of the Company.

It will be allocated to:

- overall nominal ceiling of **fifteen million nine hundred and fifty thousand euros (€15,950,000)** provided for in the 17th resolution; and
- the nominal ceiling of **three million one hundred and ninety thousand euros (€3,190,000)** provided for in the 19th resolution .

The maximum aggregate nominal amount of debt securities issues that could be carried out immediately or in the future on the basis of the 17th resolution would be **two hundred and fifty million euros (€250,000,000)**.

This amount would be deducted from the overall nominal ceiling of **two hundred and fifty million euros (€250,000,000)** provided for by the 17th resolution.

This authorization would cancel and replace the authorization granted by the 22nd resolution of the General Meeting of June 15, 2022, and would be granted for **twenty-six (26) months** from your General Meeting.

14/ Resolution 23

- **Capital increases reserved for employees**

The Board of Directors recommends that this resolution not be approved.

This resolution proposes to delegate to the Board of Directors the authority to increase the share capital ***via* the issue of Company shares reserved for the members of a Company savings plan.**

The capital increase will be up to the maximum nominal amount of **nine hundred and sixty thousand euros (€960,000).**

The nominal amount of any capital increase would be allocated to the overall nominal ceiling of **fifteen million nine hundred fifty thousand euros (€15,950,000)** provided for by **the 17th resolution** of your General Meeting.

This delegation would be granted with **the option for subdelegation.**

The delegation would include **elimination of the preferential subscription right** for the benefit of the employees, former employees and corporate officers and shares or securities eligible for the shares issued.

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The subscription price of the shares issued will be determined under the conditions provided for in Article L.3332-19 of the French Labor Code.

The maximum discount applied to the average of share prices listed for the last 20 trading sessions preceding the decision setting the opening date of the subscription may not exceed 30%.

The Board of Directors can reduce the amount of the discount on a **case-by-case** basis, notably due to tax, social or accounting constraints applicable in the countries in which the Group's entities are located and which are taking part in the capital increase.

The Board of Directors can also decide **to allocate performance shares** to subscribers to new shares, **instead of the discount and/or as a top-up.**

This authorization would cancel and replace the authorization granted by the 22nd resolution of the General Meeting of June 23, 2023, and would be granted for **twenty-six (26) months** from your General Meeting.

15/ Resolution 26

- **Powers**

We propose that you grant the powers needed to **carry out the required formalities** following your General Meeting.

8.3 Table of delegations of authority already granted to the Board of Directors

Table of delegations to the Board of Directors
(Article L.225-37-4, 3° of the French Commercial Code)

Nature of authorization	Date of Shareholders meeting	Duration / Expiration date	Maximum amount authorized	Use by the Board of Directors
Authorization to reduce the share capital	Extraordinary General Meeting June 23, 2023 Resolution 15	26 months until August 23, 2025	Up to 10% of the share capital per period of 24 months	None
	Extraordinary General Meeting June 15, 2022 Resolution 15	26 months until August 15, 2024	Up to 10% of the share capital per period of 24 months	None
Authorization to implement a share buyback program	Extraordinary General Meeting June 23, 2023 Resolution 14	18 months until December 23, 2024	Maximum unit price: €250 per share, excluding expenses	On June 23, 2023, the Board authorized the Chairman and CEO to enter into a new liquidity contract.
	Extraordinary General Meeting June 15, 2022 Resolution 14	18 months until December 15, 2023	Maximum unit price: €150 per share, excluding expenses	On June 15, 2022, the Board has authorized the Chairman and CEO to renew any liquidity contract.
Delegation of authority to the Board of Directors to increase the share capital by incorporating reserves, profits or premiums, or any other sum that can be capitalized	Extraordinary General Meeting June 16, 2021 Resolution 16	26 months until August 16, 2023	€3,100,000	None
	Extraordinary General Meeting June 15, 2022 Resolution 16	26 months until August 15, 2024	€3,100,000	None
Delegation of authority to the Board of Directors to increase the share capital by issuing, with preferential subscription rights, shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued	Extraordinary General Meeting June 16, 2021 Resolution 17	26 months until August 16, 2023	Capital increases: €15,750,000 Issue of debt securities: €250,000,000	None
	Extraordinary General Meeting June 15, 2022 Resolution 17	26 months until August 15, 2024	Capital increases: €15,750,000 Issue of debt securities: €250,000,000	None
Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued, in connection with public offers	Extraordinary General Meeting June 16, 2021 Resolution 18	26 months until August 16, 2023	Capital increases: €15,750,000 Issue of debt securities: €250,000,000	None
	Extraordinary General Meeting June 15, 2022 Resolution 18	26 months until August 15, 2024	Capital increases: €6,300,000 Issue of debt securities: €250,000,000	None
Delegation of authority to the Board of Directors to increase the share capital by issuing, without preferential subscription rights, shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued through private placements referred to in Article L.411-2 II of the French Monetary and Financial Code	Extraordinary General Meeting June 16, 2021 Resolution 19	26 months until August 16, 2023	Capital increases: €6,300,000 Issue of debt securities: €250,000,000	None
	Extraordinary General Meeting June 15, 2022 Resolution 19	26 months until August 15, 2024	Capital increases: €6,300,000 Issue of debt securities: €250,000,000	None

Nature of authorization	Date of Shareholders meeting	Duration / Expiration date	Maximum amount authorized	Use by the Board of Directors
Authorization given to the Board of Directors in the event of issue without preferential subscription rights, through public offers or private placements (Article L.411-2 II of the French Monetary and Financial Code) to set the issue price according to the terms established by the Shareholders' Meeting, within the limit of 10% of the capital per year	Extraordinary General Meeting June 16, 2021 Resolution 20	26 months until August 16, 2023	Capital increases: 10% of the share capital per period of 12 months.	None
	Extraordinary General Meeting June 15, 2022 Resolution 20	26 months until August 15, 2024	Capital increases: 10% of the share capital per period of 12 months.	None
Authorization given to the Board of Directors to increase the amount of issues with or without preferential subscription rights	Extraordinary General Meeting June 16, 2021 Resolution 21	26 months until August 16, 2023	Capital increases: €15,750,000 Issue of debt securities: €250,000,000	None
	Extraordinary General Meeting June 15, 2022 Resolution 21	26 months until August 15, 2024	Capital increases: €15,750,000 Issue of debt securities: €100,000,000	None
Delegation of authority to the Board of Directors to increase the share capital through the issue of shares and/or equity securities giving access to other equity securities and/or giving right to the allocation of debt securities and/or transferable securities giving access to equity securities to be issued in consideration for contributions in kind	Extraordinary General Meeting June 16, 2021 Resolution 22	26 months until August 16, 2023	Capital increases: 10% of the share capital Issue of debt securities: €250,000,000	None
	Extraordinary General Meeting June 15, 2022 Resolution 22	26 months until August 15, 2024	Capital increases: 10% of the share capital Issue of debt securities: €250,000,000	None
Authorization to the Board of Directors to allocate performance shares free on existing shares or shares to be issued, without preferential right of subscription, in favor of certain employees and corporate officers of the Company and affiliates.	Extraordinary General Meeting June 29, 2020 Resolution 24	38 months until August 29, 2023	€945,000	The Board granted performance shares to employees who are not corporate officers as well as to the Chairman and CEO. (For further information concerning the performance criteria, please refer to section 7.7.)
	Extraordinary General Meeting June 23, 2023 Resolution 17	38 months until August 23, 2026	4.5% of the number of shares comprising the share capital on the day of the Board's decision to proceed with this allocation, i.e. 718,140 shares and €1,436,279	The Board granted performance shares to employees who are not corporate officers as well as to the Chairman and CEO. (For further information concerning the performance criteria, please refer to section 7.7.)
Delegation of authority to the Board of Directors to increase the share capital without preferential subscription rights *via* the issue of Company shares reserved for the members of a company savings plan	Extraordinary General Meeting June 23, 2023 Resolution 16	26 months until August 23, 2025	€950,000	None

Delegations are all allocated to the €15,750,000 total nominal ceiling provided for capital increases.

8.4 General Meetings and specific methods by which shareholders participate

Pursuant to Article L.22-10-10 5° of the French Commercial Code, this report specifies the terms and conditions relating to the participation of shareholders in General Meetings (GM) set out in Articles 16 to 25 of the Company's Articles of Association.

GMs are convened in the manner and within the time limits set by the legal and regulatory provisions in force.

Article 22 of the Company's Articles of Association provides that, at Ordinary and EGMs, the quorum shall be calculated on all shares comprising the share capital and, at Special Meetings, on all shares of the concerned category, net of shares deprived of voting rights under legal provisions.

Shareholders can attend meetings by videoconference or other means of telecommunication enabling them to be identified (their criteria are determined by decree). The Board of Directors can deem them present for the purposes of calculating the quorum and majority.

Article 23 of the Company's Articles of Association states that the OGM may validly deliberate:

- On first notice, the shareholders present or represented must hold at least one-fifth of the shares with voting rights.
- For the second notice, no quorum is required. It rules by a majority of the votes held by the shareholders present or represented or voting remotely.

The OGM rules by a majority of the votes held by the shareholders present or represented or voting remotely.

Article 24 of the Company's Articles of Association provides that the EGM may validly deliberate if the shareholders present or represented hold at least:

- On the first notice of meeting, one-quarter of the shares with voting rights and, on the second notice, one-fifth of the shares with voting rights.
- In the absence of the latter quorum, the second meeting may be extended to a date no later than one month after the date the meeting was initially convened. It rules by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders having voted remotely.

By way of legal derogation from the foregoing provisions, the GM that decides on a capital increase by way of incorporation of reserves, profits or issue premiums may vote under the quorum and majority conditions of an OGM.

The EGM rules by a two-thirds majority of the votes of the shareholders present or represented, including the shareholders having voted remotely.

By way of legal derogation from the foregoing provisions, the GM that decides on a capital increase by way of incorporation of reserves, profits or issue premiums may vote under the quorum and majority conditions of an OGM.

Shareholders have the right to information, communication and consultation under the terms and conditions provided for by the legal and regulatory provisions. They can view the Company's Articles of Association as well as its general information on its website: www.vusion.com.

Mr. Thierry GADOU, Chairman of the Board of Directors, chairs the GM. He proposes to set up a committee consisting of a Chairman and two presiding members. The Chairman proposes to the shareholders with the largest number of votes to take on the duties of the presiding members.

The General Meeting is a forum for decision-making in the areas determined by the law. The Company is committed to ensuring that it is also a privileged moment of communication with its shareholders.

In accordance with the last paragraph of Article L.225-123 of the French Commercial Code introduced by the law of March 29, 2014 known as the "Florange Law", and on the Board of Directors' initiative, the EGM of May 21, 2014 decided that no share of the Company may be granted double voting rights. Article 9.3 of the Company's Articles of Association has been amended accordingly.

In accordance with Article L.225-271 of the French Commercial Code introduced by the law of June 14, 2013 on job security, with Article L.225-23 of the French Commercial Code, and on the Board of Directors' initiative, the EGM of June 23, 2016 amended the Articles of Association to i) determine the procedures for appointing directors representing employees, and ii) to include provisions relating to employee shareholder representatives (Article 11 of the Company's Articles of Association). In view of the legislative changes, the GM of June 15, 2022 amended Article 11.1 of the Company's Articles of Association to bring them into compliance with the new provisions of Article L.225-23 of the French Commercial Code relating to directors representing employee shareholders.

In addition, it was proposed to the General Meeting of June 23, 2023 to introduce, in Article 11.1 of the Company's Articles of Association, provisions relating to the age limit for directors so that a maximum rate of 40% (rounded up to the next whole number if applicable) of directors over 70 years of age may enter into the composition of the Board.

In accordance with Article R.225-85 of the Code resulting from Decree no. 2014-1466 of December 8, 2014 and on the Board of Directors' initiative, the EGM of June 23, 2016 decided to harmonize Article 20 of the Company's Articles of Association with the French record date regime.

In accordance with Article L.823-1 of the French Commercial Code resulting from Law no. 2016-1691 of December 9, 2016, and on the Board of Directors' initiative, the EGM of June 23, 2017 amended Article 26 of the Company's Articles of Association to harmonize it with the new rules for the appointment of Statutory Auditors (in particular, the removal of the obligation to appoint one or more alternate Statutory Auditors when the Statutory Auditor is not a natural person or a sole proprietorship).

Lastly, in accordance with the law no. 2019-744 of July 19, 2019 (so-called "Soilihi" law), the GM of June 15, 2022 amended Article 22 of the Company's Articles of Association to bring them into compliance and harmonize them with the new rules for recording abstentions at GMs.

8.5 Statutory Auditor's special report

8.5.1 Statutory auditors' special report on regulated agreements

Approval by the General Meeting of the financial statements for the fiscal year ended December 31, 2023

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2023

This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the VusionGroup Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company ("the Company"), we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code *(code de commerce),* to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors *(Compagnie Nationale des Commissaires aux Comptes)* relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted for the approval of the General Meeting

Agreements authorized and entered into during the year

Pursuant to Article L.225-40 of the French Commercial Code, we were advised of the following agreements entered into during the year and previously authorized by the Board of Directors.

Agreement with Chongqing BOE Smart Electronics System Co. Ltd

New amendments to the Master Service Agreement and its riders

Persons involved:

- BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of your Company's voting rights and a 15% indirect interest in the Chinese joint venture BOE Digital Technology Co, Ltd. (through its subsidiary BOE Intelligent IoT Technology Co, Ltd.).
- Ms. Cenhui He, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.
- Mr. Rengui Chen, director of the Company and BOE Smart Retail (Hong Kong) Co. until May 5, 2023 then Mr. Xiang Jun Yao, director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd.
- Ms. Fangqi Ye, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.

Nature, purpose and terms:

A Master Service Agreement or "MSA" was signed with Chongqing BOE Smart Electronics System Co, Ltd on August 18, 2019, following the Board of Directors' authorization of October 23, 2018, for the production, assembly, testing and packaging of finished goods (electronic labels).

Rider 1 to this agreement was signed in 2020, modifying the incoterms and length of the agreement for a period of three years as from January 26, 2020, following the Board of Directors' authorization of May 12, 2020.

Under the agreement signed on December 15, 2022 and authorized by the Board of Directors on December 14, 2022, Pdi Digital GmbH was included in the scope of this MSA, authorized to purchase products from Chongqing BOE Smart Electronics System Co. Ltd. under the same terms and conditions as those set out in the original MSA.

In FY 2023, two new amendments to this MSA were previously authorized by the Board of Directors on July 5, 2023 and signed on July 20 and November 30, 2023, in order to:

- tighten the requirements to provide information on the quality and technical characteristics of the components provided by the tier-2 suppliers at the Chongqing plant (notification procedure) under the rider of July 20, 2023;
- insert specific clauses regarding a new range of finished goods for the North American market (warranty, exclusivity, epidemic failure and insurance clauses) under the rider of November 30, 2023.

Under this agreement and its riders, the Company recognized a total amount of USD 445.6 million in component purchases and USD 226 thousand in component sales in FY 2023.

Reasons justifying the agreement is in the Company's interest
Your Board of Directors considered that these riders were signed to improve upstream quality control in the production chain (rider of July 20, 2023) and secure the production of new generation labels for the North American market (rider of November 30, 2023).

Agreement with Fuzhou BOE Optoelectronics Co. Ltd.

Letter of exclusivity for the Company for the development of products relating to 2.06 labels

Persons involved:
- BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of your Company's voting rights and an indirect interest in Fuzhou BOE Optoelectronics Co. Ltd.
- Ms. Cenhui He, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.
- Mr. Rengui Chen, director of the Company and BOE Smart Retail (Hong Kong) Co. until May 5, 2023 then Mr. Xiang Jun Yao, director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd.
- Ms. Fangqi Ye, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.

Nature, purpose and terms:
Under this letter of exclusivity, Fuzhou BOE Optoelectronics Co. Ltd has undertaken to develop products relating to 2.06 labels exclusively for the Company, for a period of 3 years that may be extended by the Company. Fuzhou BOE Optoelectronics Co, Ltd will remain the exclusive owner of the intellectual property of these developments.

No income or expense was recognized by the Company in FY 2023.

Your Board of Directors previously authorized this agreement on July 5, 2023. The agreement was signed on July 5, 2023, with retroactive effect to May 31, 2023**.**

Reasons justifying the agreement is in the Company's interest
Your Board of Directors considered that this agreement enabled the Group to rely on the research teams of Fuzhou BOE Optoelectronics Co. Ltd to develop a category of products exclusively for the Company.

Agreements with Beijing BOE Optoelectronics Technology Co. Ltd

Product development agreements combined with an exclusivity clause for the Company

Persons involved:
- BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of your Company's voting rights and an indirect interest in Beijing BOE Optoelectronics Technology Co. Ltd.–
- Ms. Cenhui He, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.
- Mr. Rengui Chen, director of the Company and BOE Smart Retail (Hong Kong) Co. until May 5, 2023 then Mr. Xiang Jun Yao, director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd.
- Ms. Fangqi Ye, Director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.

Nature, purpose and terms:
On September 21 and 23, 2023, your Company signed three development agreements to rely on the research teams of Beijing BOE Optoelectronics Technology Co, Ltd to develop, on behalf of the Company, products with a screen size of 3.43" TFT and 1.52" TFT, respectively.

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These development agreements include a 3-year exclusivity clause that may be extended at the Company's request. They are effective retroactively to July 10, 2023.

Your Board of Directors previously authorized these agreements on September 19, 2023.

Terms:
the Company recognized an expense of USD 160 thousand for this agreement in FY 2023.

Reasons justifying the agreement is in the Company's interest
Your Board of Directors considered that these agreements enabled the Company to rely on the research teams of Beijing BOE Optoelectronics Technology Co. Ltd to complete several product developments while ensuring a minimum exclusivity of 3 years.

Agreements already approved by the Shareholders' Meeting

Previously approved agreements that remained in force during the year

Pursuant to Article R.225-30 of the French Commercial Code, we have been advised that the following agreements, already authorized in previous years by Shareholders' Meetings, remained in force during the year.

Agreement with Chongqing BOE Smart Electronics System Co. Ltd.

Persons involved:
- BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of your Company's voting rights and an indirect interest in Chongqing BOE Smart Electronics System Co. Ltd.
- Ms. Cenhui He, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.
- Mr. Rengui Chen, director of the Company and BOE Smart Retail (Hong Kong) Co. until May 5, 2023 then Mr. Xiang Jun Yao, director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd.
- Ms. Fangqi Ye, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.

Nature, purpose and terms:
This exclusivity agreement concerns the production capacity of the Chongqing plant and was signed on July 1, 2019 for a term of 4 and a half years. This agreement was previously authorized by the Board of Directors on May 24, 2019.

The exclusivity right recognized in 2019 totaled €14.7 million. The total contractual amount was paid in FY 2020. No expenses were recognized under this contract in FY 2023.

Agreements with BOE Digital Technology Co, Ltd

Persons involved:
- BOE Smart Retail (Hong Kong) Co. Ltd, a shareholder with more than 10% of your Company's voting rights and a 15% indirect interest in BOE Digital Technology Co, Ltd. (through its subsidiary BOE Intelligent IoT Technology Co, Ltd).
- Ms. Cenhui He, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.
- Mr. Rengui Chen, director of the Company and BOE Smart Retail (Hong Kong) Co. until May 5, 2023 then Mr. Xiang Jun Yao, director of the Company since May 5, 2023 and Chairman of the Board of Directors of BOE Smart Retail (Hong Kong) Co. Ltd.
- Ms. Fangqi Ye, director of the Company and BOE Smart Retail (Hong Kong) Co. Ltd.

1) Electronic label and component supply agreement with Chinese joint venture BOE Digital Technology Co. Ltd. ("Framework delivery and quality assurance agreement")

Nature, purpose and terms:
A sub-contracting agreement for component supply and industrial sub-contracting was signed with BOE Digital Technology Co. Ltd, effective December 22, 2021 for an undefined term. The agreement deals with the selection of component suppliers and of sub-contractors that assemble finished products (electronic labels). It defines delivery terms, incoterms, quality levels required and the price of every product that is sold.

Your Company made purchases of USD 5.6 million in 2023 under this agreement.

2) Cross-license agreement between VusionGroup SA and BOE Digital Technology Co Ltd

Nature, purpose and terms:
A cross-license agreement was signed on February 22, 2022 with the Chinese joint venture BOE Digital Technology Co Ltd. VusionGroup SA grants BOE Digital Technology a license on its historical intellectual property to enable it to make improvements and possible developments. Consequently, BOE Digital Technology benefits from the right to use this intellectual property to improve and manufacture, or have manufactured, electronic labels or more high-performing components and semi-finished products (such as batteries and cables). In return, BOE Digital Technology grants VusionGroup SA the right to use the improvements and manufacture and distribute the improved products. This agreement does not entitle either party to compensation.

The Company did not recognize any income or expense for this agreement in FY 2023.

Executive unemployment insurance for the Chairman and Chief Executive Officer

Persons involved:
Mr. Thierry Gadou, Chairman and Chief Executive Officer of the Company

Nature, purpose and terms:
At its meeting on January 13, 2012, your Board of Directors authorized your Company to take out an executive unemployment insurance policy for Mr. Thierry Gadou, starting on January 18, 2012.

For the financial year ended December 31, 2023, the insurance premiums paid by your Company amounted to €21,000.

Statutory Auditor

Paris la Défense, May 3, 2024

KPMG S.A.	**Deloitte & Associés**

French original signed by

Mathilde Fimayer	Hélène De Bie

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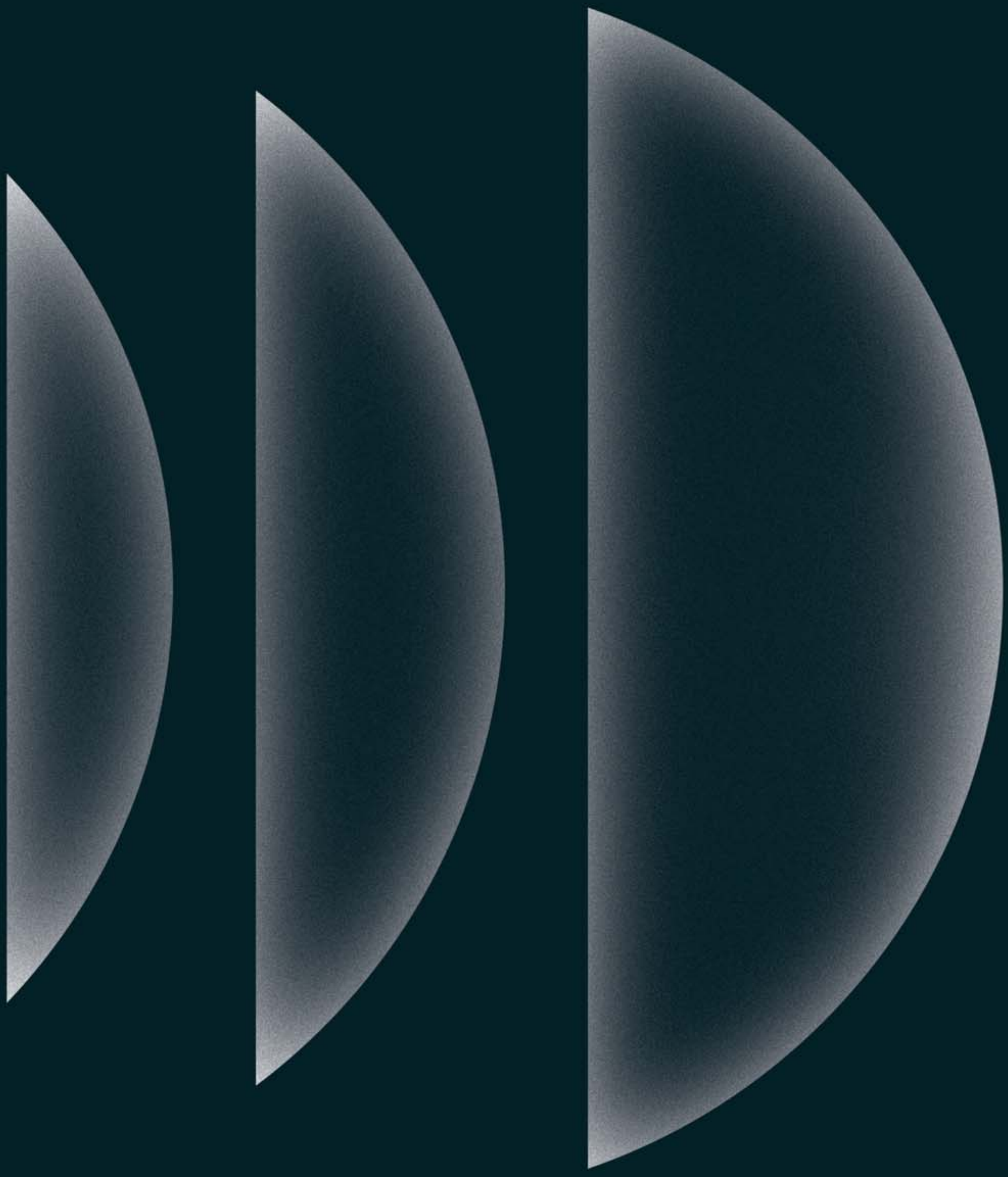

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Statement from the person responsible for the report

"I certify that the information contained in this universal registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import."

Nanterre, April 28, 2023

Mr Thierry GADOU

Chairman & Managing Director

Cross-reference table for the Universal Registration Document

The following cross-reference table is intended to facilitate access to the sections of the Universal Registration Document, which contain the information referred to in the sections of Annexes I and II of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019.

Section	Content	Section(s) of the Universal Registration Document	Page(s) of the Universal Registration Document
SECTION 1	**PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**		
Item 1.1	Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	9	315
Item 1.2	A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import. Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in accordance with the facts and that those parts of the registration document make no omission likely to affect their import.	9	315
Item 1.3	Where a statement or report attributed to a person as an expert is included in the registration document, provide the following details for that person: (i) name (ii) business address (iii) qualifications (iv) material interest if any in the issuer If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorized the contents of that part of the registration document for the purpose of the prospectus.	N/A	N/A
Item 1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	N/A	N/A
Item 1.5	A statement that: (i) the registration document has been approved by the *Autorité des marchés financiers (AMF)*, as competent authority under Regulation (EU) 2017/1129; (ii) the *Autorité des marchés financiers (AMF)* only approves this registration document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; (iii) such approval should not be considered as an endorsement of the issuer that is the subject of this registration document/prospectus.		1
SECTION 2	**STATUTORY AUDITORS**		
Item 2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	6.3	249
Item 2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A	N/A

Section	Content	Section(s) of the Universal Registration Document	Page(s) of the Universal Registration Document
SECTION 3	**RISK FACTORS**		
Item 3.1	A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed “Risk Factors.” In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risks shall be corroborated by the content of the registration document.	2	36
SECTION 4	**INFORMATION ABOUT THE ISSUER**		
Item 4.1	The legal and commercial name of the issuer.	7.9	272
Item 4.2	The place of registration of the issuer, its registration number and legal entity identifier (“LEI”).		
Item 4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.		
Item 4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business, if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.		
SECTION 5	**BUSINESS OVERVIEW**		
Item 5.1	Principal activities		
Item 5.1.1	A description of, and key factors relating to, the nature of the issuer’s operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information.	1	3-31
Item 5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services, has been publicly disclosed, give the status of their development.		
Item 5.2	Principal markets A description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.		
Item 5.3	The important events in the development of the issuer’s business.		
Item 5.4	Strategy and objectives A description of the issuer’s business strategy and objectives, both financial and non-financial (if any). This description shall take into account the issuer’s future challenges and prospects.		
Item 5.5	If material to the issuer’s business or profitability, summary information regarding the extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.		
Item 5.6	The basis for any statements made by the issuer regarding its competitive position.	1	4
Item 5.7	Investments	5	198
SECTION 6	**ORGANIZATIONAL STRUCTURE**		
Item 6.1	If the issuer is part of a group, a brief description of the group and the issuer’s position within the group. This may be in the form of, or accompanied by, a diagram of the organizational structure if this helps to clarify the structure.	1	9-23
Item 6.2	A list of the issuer’s significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.	6 ; 7	230;248 - 272

Section	Content	Section(s) of the Universal Registration Document	Page(s) of the Universal Registration Document
SECTION 7	**REVIEW OF FINANCIAL POSITION AND PROFITS AND LOSSES**		
Item 7.1	Financials	5	194-200
Item 7.1.1	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.		
Item 7.1.2	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: (a) the issuer's likely future development; (b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council	N/A	
Item 7.2	Operating results	6	207-249
Item 7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments materially affecting the issuer's income from operations and indicate the extent to which income was so affected.		
Item 7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	5	194
SECTION 8	**CAPITAL RESOURCES**		
Item 8.1	Information concerning the issuer's capital resources (both short term and long term).	7	260-264
Item 8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flow.	5 ; 6	199 ; 264
Item 8.3	Information on the borrowing requirements and funding structure of the issuer.	6	210
Item 8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	N/A	N/A
Item 8.5	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in item 5.7.2.	N/A	N/A
SECTION 9	**REGULATORY ENVIRONMENT**		
Item 9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	1	22-23

Section	Content	Section(s) of the Universal Registration Document	Page(s) of the Universal Registration Document
SECTION 10	**TREND INFORMATION**		
Item 10.1	A description of: (i) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document (ii) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.	5	194
Item 10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	N/A	N/A
SECTION 11	**PROFIT FORECASTS OR ESTIMATES**	N/A	
SECTION 12	**ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**		
Item 12.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (i) members of the administrative, management or supervisory bodies (ii) partners with unlimited liability, in the case of a limited partnership with a share capital (iii) founders, if the issuer has been established for fewer than five years (iv) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business Details of the nature of any family relationship between any of the persons referred to in points (i) to (iv). In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (ii) and (iv) of the first subparagraph, details of that person's relevant management expertise and experience and the following information: (i) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies (ii) details of any convictions in relation to fraudulent offences for at least the previous five years (iii) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (i) and (iv) of the first subparagraph who acted in one or more of those capacities for at least the previous five years (iv) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies), and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years If there is no such information required to be disclosed, a statement to that effect is to be made.	3	56-80

Section	Content	Section(s) of the Universal Registration Document	Page(s) of the Universal Registration Document
Item 12.2	Administrative, management and supervisory bodies and senior management conflicts of interest Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts of interest, a statement to that effect must be made. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management. Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.	3	80
SECTION 13	**COMPENSATION AND BENEFITS**		
Item 13.1	The amount of compensation paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person. That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.	3	86-100
Item 13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.		
SECTION 14	**BOARD PRACTICES**		
Item 14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	3	61
Item 14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	3	81-85
Item 14.3	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	3	76-78
Item 14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	3	56
Item 14.5	Potential material impacts on the corporate governance, including future changes in the board and committees' composition (insofar as this has been already decided by the board and/or shareholders meeting).	3	60-80
SECTION 15	**EMPLOYEES**		
Item 15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	4 ; 6	166-177 ; 228
Item 15.2	Shareholdings and stock options With respect to each person referred to in points (i) and (iv) of the first subparagraph of item 12.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	3 ; 7	62-70 ; 267-271
Item 15.3	Description of any arrangements for involving the employees in the capital of the issuer.	7	263

Section	Content	Section(s) of the Universal Registration Document	Page(s) of the Universal Registration Document
SECTION 16	**MAJOR SHAREHOLDERS**		
Item 16.1	Insofar as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest as at the date of the registration document. If there are no such persons, an appropriate statement to the effect that no such person exists.	7	260
Point 16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.		
Point 16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, describe the nature of such control and describe the measures in place to ensure that such control is not abused.	3 ; 7	81-85 ; 260
Point 16.4	A description of any arrangements known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	N/A	N/A
SECTION 17	**RELATED PARTY TRANSACTIONS**		
Point 17.1	Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002, if applicable. If such standards do not apply to the issuer, the following information must be disclosed: (i) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer. Where such related party transactions are not concluded under market conditions, explain why. In the case of outstanding loans, including guarantees of any kind, indicate the amount outstanding (ii) the amount or the percentage to which related party transactions form part of the revenue of the issuer	6 ; 3	229 ; 81-85
SECTION 18	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**		
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Item 18.2	Interim and other financial information	N/A	N/A
Item 18.3	Auditing of historical annual financial information	6	259-252
Item 18.4	Pro forma financial information	N/A	N/A
Item 18.5	Dividend policy	7	264
Item 18.6	Legal and arbitration proceedings	2	48
Item 18.7	Significant change in the issuer's financial position	N/A	N/A

Section	Content	Section(s) of the Universal Registration Document	Page(s) of the Universal Registration Document
SECTION 19	**ADDITIONAL INFORMATION**		
Item 19.1	Share capital The information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet:	3 ; 6; 7	101 ; 243 ; 260
Item 19.1.1	The amount of issued capital, and for each class of share capital: (i) the total of the issuer's authorized share capital; (ii) the number of shares issued and fully paid and issued but not fully paid; (iii) the par value per share, or that the shares have no par value; and (iv) a reconciliation of the number of shares outstanding at the beginning and end of the year If more than 10 % of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.		
Item 19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.		
Item 19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.		
Item 19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.		
Item 19.1.5	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.		
Item 19.1.6	Information about the capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options, including those persons to whom such options relate.		
Item 19.1.7	A history of share capital, highlighting information about any changes for the period covered by the historical financial information.		
Item 19.2	Memorandum and Articles of Association	3	
Item 19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up-to-date memorandum and articles of association.		
Item 19.2.2	Where there is more than one class of existing shares, a description of the rights, privileges and restrictions attached to each class.		
Item 19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.		
SECTION 20	**MATERIAL CONTRACTS**		
Item 20.1	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	3.2	82-85
SECTION 21	**DOCUMENTS AVAILABLE**	**7**	**275**

1 2 3 4 5 6 7 8 9

Glossary

- **Access point (AP):** An access point (AP) is a networking device that allows any object, smartphone, computer or device to connect to the Internet. It allows wireless devices to connect to a wired network to join the Internet. In general, an access point connects, in particular via Wi-Fi, to a switch, or to a wired network.
- **AI (Artificial Intelligence):** Artificial intelligence is a field of computer science that focuses on the development of computer systems capable of performing tasks that generally require human intelligence, such as natural language understanding, pattern recognition, decision-making and data-driven learning.
- **BLE (Bluetooth Low Energy):** is a wireless technology designed for devices with low energy consumption while maintaining a communication range similar to that of traditional Bluetooth. The advantage of BLE is the efficient use of energy in battery-powered devices.
- **Cloud:** The term cloud covers all remote storage solutions. Instead of being stored on hard drives or local memory, data is available on remote servers and accessible internally. For this purpose, the various stakeholders have gigantic fields of storage servers located in data centers.
- **Cloud computing:** Cloud computing is the practice of using remote computer servers hosted on the Internet to store, manage and process data, rather than a local server or personal computer.
- **Computer Vision:** A field of artificial intelligence (AI) that allows computers and systems to focus on the acquisition, processing and analysis of digital images or videos to extract information or make decisions.
- **Core appliance:** Server.
- **DTP labels (Dual Transistor Pixel):** DTP labels use a dual-transistor pixel, a patented process that demonstrates additional expertise in low-energy displays.
- **Easylock:** Easylock is a security system that protects electronic shelf labels (ESL).
- **EasyLock fixing system:** see Easylock.
- **EasyLock security system:** see Easylock.
- **Eco-design:** Eco-design consists of integrating environmental protection into the design of goods or services. It aims to reduce the environmental impacts of products throughout their life cycle: extraction of raw materials, production, distribution, use and end-of-life.
- **Electronic Manufacturing Services or EMS:** EMS are electronic component and module manufacturing services.
- **Electronic paper:** See EDP.
- **EPD (Electronic Paper Display):** EPD or electronic paper is a display technique on flexible, electronically modifiable medium, seeking to imitate the appearance of a printed sheet and which, like paper, does not require energy to leave a text or an image displayed. After applying the correct electrical charge, an EPD creates high-resolution images with the same level of contrast and readability as a printed medium. Once the text and images are visible, the EPD no longer needs energy to maintain the display (bi-stable technology).
- **Electronic shelf label or ESL or smart labels:** An ESL is a label in the form of a small electronic box and allowing a digital display of the price. The ESL allows automatic and remote updating of prices by radio waves without manipulation within the shelves. The ESL makes it possible to avoid a difference between the price displayed and the price at check-out since the price update is centralized and distributed at the same time to the checkouts and labels.
- **e-paper:** See EDP.
- **ESL Second life:** ESL Second life is an electronic label recycling program, based on the eco-design and repairability of our products, extending the lifespan of ESLs.
- **GDPR:** The General Data Protection Regulation (GDPR) is a European regulatory text that governs the processing of data on an equal basis throughout the European Union (EU). It came into force on May 25, 2018.
- **Infra-LESS:** Embedded IoT protocol.
- **IoT (Internet of Things):** IoT, or Internet of Things, refers to the process of connecting physical objects (screen, printed circuit board, plastic frame, etc.) to the Internet.
- **IoT operating system / solution:** see IoT
- **ISO 27001 standard:** ISO 27001 is the international standard describing best practices to be followed in the creation of an information security management system.
- **ISO 9001 standard:** ISO 9001 defines the structural and organizational requirements necessary for the creation of an efficient and effective management system. This standard gives companies a regulatory framework that allows them to approach their management with a systematic approach to production processes in line with their customers' expectations and customer satisfaction.
- **LCD Display (Liquid Crystal Display):** The LCD display allows the creation of flat screens with low electricity consumption. These screens are used in almost all electronic displays.
- **LSA award (*Libre Service Actualités*):** *Libre Service Actualités* is a French weekly professional magazine dedicated to current events and the analysis of trends in the grocery industry, retail, mass distribution and consumption. Each year, LSA rewards the best innovations of French and European consumer goods companies, manufacturers, distributors and service providers, which innovate in their approaches, business lines, concepts or products.

- **NFC (Near field communication):** Near field communication 1,2, often referred to by its acronym NFC, is a short-range and high-frequency wireless communication technology, allowing the exchange of information between devices up to a distance of approximately 10 cm in the general case3. This technology is an extension of the ISO/CEI 14443 standard standardizing proximity cards using radio-identification (RFID) which combine a smart card and a drive within a single device.
- **NFC-tag label:** An electronic NFC-tag label is a label equipped with NFC microchips for the purpose of sharing information or performing actions when a device equipped with an NFC reader falls within their scope of action.
- **Perifem Award:** Perifem is a professional association that brings together the main grocery and specialized retailers, developers, shopping center managers and their solution partners. It is a recognized contact for public authorities in its areas of expertise (sustainable development, safety, etc.). It aims to highlight projects implemented or projects for the future in Perifem's three areas of activity: Energy / Environment, Security / Safety and Technological Innovation.
- **Picking:** Picking or order preparation is the operation that consists of picking and collecting the items in the quantity specified by the order before it is shipped.
- **Printed Circuit Board or PCB or printed circuit:** A printed circuit is a support for electrically holding and connecting a set of electronic components to each other, in order to produce a complex electronic circuit. It is also referred to as an electronic card.
- **Product positioning system or PPS:** Product positioning is the process of determining the position of new products in the minds of consumers.
- **Retail Media:** The term "Retail Media" refers to an advertising approach in which retailers offer advertising services, effectively using their store or e-commerce site as a platform to deliver highly targeted advertising.
- **RMA (Merchandise Authorization):** This is a procedure used by manufacturers or retailers to manage the return of defective, damaged or unwanted products. The purpose of the RMA is to track the return process and ensure that the customer receives the right service, whether it is a repair, replacement or refund.
- **SAAS (Software as a Service):** The SAAS model is an application software solution hosted in the cloud and operated outside the organization or company by a third party, also known as a service provider. Users typically pay a subscription fee to access the software, which allows them to avoid the costs of purchasing, installing and maintaining traditional software on their own computers.
- **Single point of failure or SPOF:** A single point of failure or SPOF, is a point of a computer system on which the rest of the system is dependent and on which a failure results in a complete shutdown of the system.
- **SKU (Stock keeping unit):** The sales unit, or stock keeping unit, is an essential element in the control and management of warehouse stock. It corresponds to the unique reference number of a product recorded on the company's software and composed of letters and numbers.
- **Smartdetection Flash Evo:** Smartdetection Flash Evo is a unique solution for detecting products in aisles with short expiry dates in stores. This solution eliminates the need to check products individually and spend hours in the aisle to identify and remove soon-to-be-expired products. The solution works via flashing labels, signaling soon-to-be expired products. In less than 4 minutes, more than 500 products can be checked and discounted. In 2021, this solution received multiple awards such as the LSA and Perifem prizes for sustainability.
- **TCO (Total Cost of Ownership):** The Total Cost of Ownership is a financial estimate intended to help buyers and owners determine the direct and indirect costs of a product or service.
- **TFT Display (Thin Film Transistor):** TFT is not strictly speaking a display technology, but is a particular type of transistor that makes it possible to improve image quality. It is most often used in conjunction with LCD displays.
- **VAS (Value Added Services):** Value-added services (VAS) are additional services offered to customers in addition to a basic product or service.
- **V:IoT protocol:** The V:IoT protocol guarantees that there will be no interference with other HF/Wi-Fi networks. The integration of the V:IoT protocol in Wi-Fi equipment makes it possible to pool Wi-Fi infrastructures and ESL.
- **WEEE or Waste electrical and electronic equipment:** WEEE are a category of waste consisting of end of life equipment, powered by electricity or via electromagnetic fields, as well as equipment for the production, transfer and measurement of these currents and fields (these are mainly computers, printers, mobile phones, digital cameras, refrigerators, electronic games, televisions, etc.).

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