AURES
TOUCH THE DIFFERENCE

ANNUAL FINANCIAL REPORT 2021

CONTENTS

AURES Technologies SA

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REPORT OF THE BOARD OF DIRECTORS
FOR THE COMBINED GENERAL MEETING
OF 28 JUNE 2022

The Annual Financial Report (AFR) is a reproduction of the official version of the AFR which was prepared in XHTML format and is available on the issuer's website.

To the Shareholders,

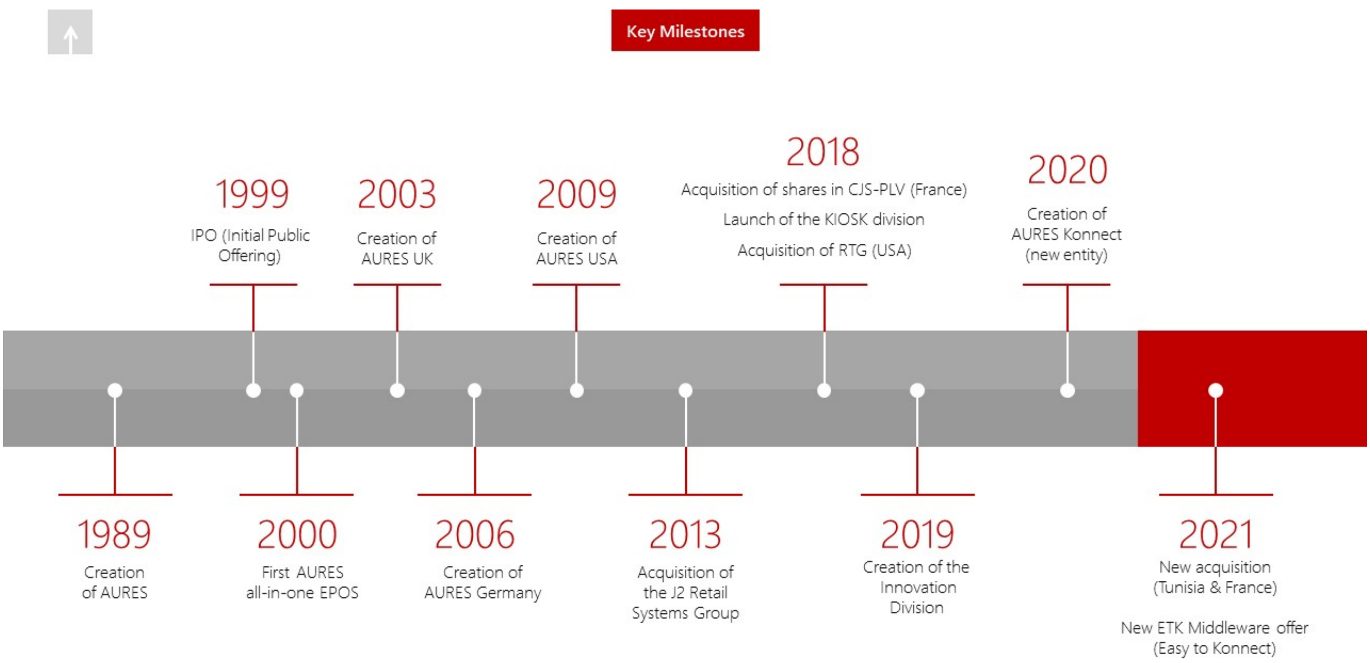
We have called you to this Combined General Meeting in accordance with French law and with the Company's articles of association, to present to you the Company's business operations during the year ended 31 December 2021, the results of these operations, the progress made and difficulties encountered, and our outlook for the future. We also submit for your approval the consolidated and parent company financial statements for this financial year (income statement, statement of financial position and accompanying notes) along with the appropriation of profit as determined in the financial statements.

➢1.1. The Group

The AURES Group (the "Group") is an IT equipment manufacturer providing a complete range of hardware solutions and applications for all sectors of the point-of-sale (POS) and retail industry.

The Group has a global presence, with headquarters in France, subsidiaries in the UK, Germany, Australia, the US (AURES Technologies Inc. & Retail Technology Group – RTG) and Tunisia (LST), as well as a network of partners, distributors and resellers in over 60 other countries.

1. History of the Group



AURES, which means "ears" in Latin, was founded by Patrick Cathala, the current Chairman and Chief Executive Officer, in 1989.
From the outset, the Company's philosophy has been based on knowing how to listen to the market, to trends in demand and to customers.

Initially, the Company marketed and sold integration products (original equipment).
In 1994, it launched its point-of-sale (POS) business, with the marketing and sale of peripherals such as printers and scanners.
In 1999, a decade after its creation, the AURES Group was listed on the Paris stock market and has since been listed on Euronext.

The Company began to expand internationally in the 2000s, creating subsidiaries in the United Kingdom (2003), Germany (2006) and the United States (2009).

During this decade, AURES also launched "Odyssé", its first-ever own-brand POS terminal, and was the first manufacturer of POS hardware at the time to offer a full palette of unique, interchangeable colours.

In 2013, growth picked up pace when AURES carried out its first acquisition in the form of the UK's J2 Retail Systems, a POS market player, giving the Group a foothold in Australia and enabling it to make further inroads in the UK and US markets.
The AURES Group then took on a new dimension, with consolidated revenue increasing from €32.4 million in 2012 to €52.4 million in 2013.

2018 marked a new stage in the Group's growth strategy.
It was in this year that AURES launched the kiosks (digital terminals) business, encompassing the engineering, industrialisation, production, and marketing and sale of digital and interactive terminals.
To further develop its kiosks business, on 4 January 2018 the Group acquired a 15% stake in the share capital of France's CJS-PLV, specialised in the industrial design and production of POS equipment and fittings.

AURES pursued its growth strategy in the United States with the acquisition of US-based Retail Technology Group (RTG) on 16 October 2018. RTG is not only a leading POS services, maintenance and support provider in the United States (mainly in the restaurant and catering markets) but also the only company to offer a full range of services, from installation to round-the-clock hotline solutions for hardware and software.
The acquisition of RTG allows the AURES Group to round out its hardware solutions offer with an array of complementary services to meet the legitimate demands of major companies in the United States. It also confirms the Group's aim of accelerating its growth in the country and ultimately becoming, as it is in Europe, one of the leading firms on the US market.

In 2019, the Group built on its initial contract wins in the kiosk business in 2018 and continued to expand this business by strengthening its teams and developing its first range of kiosk solutions.

The emergence of connected, omni-channel and mobility-focused businesses presented the Group with significant challenges.
A new innovation department was therefore created by the Group to anticipate and meet the challenges resulting from the transformation in buying habits and thereby support customers with their own digital change management projects.

In 2020, the Group continued to focus on structuring its kiosks business. This involved recruiting new employees, setting up a standard product range, and reflecting on the need to be able to provide end-to-end solutions for all types and sizes of markets by proposing not only hardware but also middleware (an IT environment that can provide partners' and customers' software with additional interconnection services and functionalities and component applications, such as click & collect, drive-through, self-ordering and equipment monitoring.

The Group also created AURES Konnect, whose corporate purpose is to implement technological solutions to interconnect all POS IT systems in order to optimise digitalisation and simplify the customer experience.

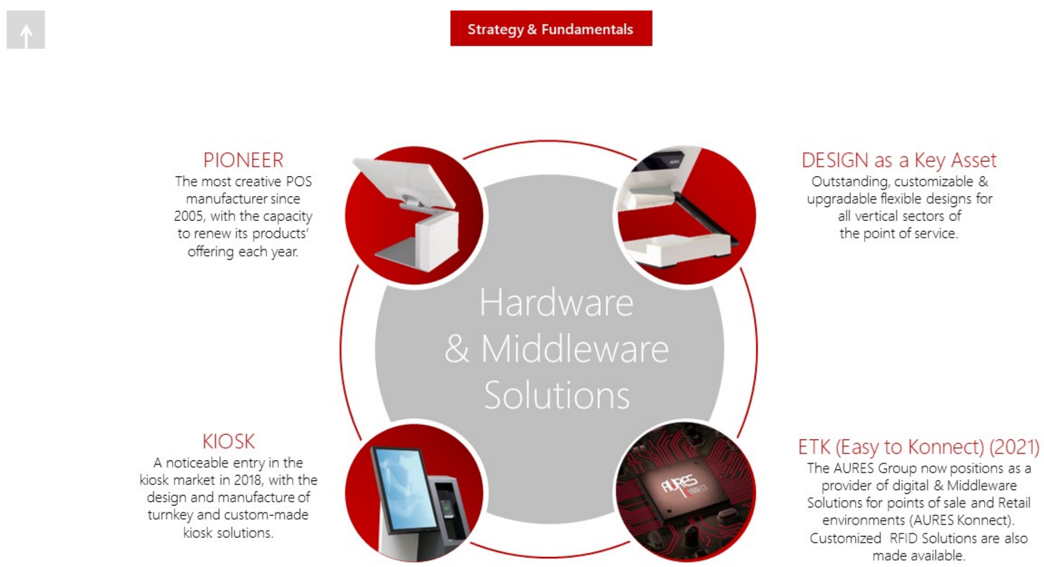
Following the creation of this new entity, on 22 February 2021 the Group carried out an external growth transaction by acquiring all the shares of two companies specialised in designing, developing and marketing software products – the French company Softavera and the Tunisia-based Leader Solution Tactile (LST), as well as their trademarks and associated software.

The aim of this major transaction is to enable the Group to offer end-to-end solutions to the market by proposing not only hardware but also the middleware (ETK = Easy to Konnect) that it has developed since it acquired the two companies.

Middleware is a type of software that connects different programs and applications to ensure that they can communicate and work together seamlessly.
The software components of middleware provide a method of communication between applications regardless of the platform and language used to develop them. The main objective of middleware is to facilitate interactions between different environments.

2. Business and strategy

A strategy focused on design and technology to create unique POS terminals:



Since 2005 and the launch of Odyssé, its first-ever own-brand terminal, design has been the linchpin of the strategy pursued by AURES, which develops, markets and sells leading-edge POS hardware with a contemporary look.

AURES was the first manufacturer of POS hardware at the time to offer a full palette of unique, interchangeable colours.

AURES seeks an optimum combination between contemporary design and advanced technology.
All AURES hardware incorporates the very latest POS and mobile POS technologies.
AURES integrates motherboards and powerful, new-generation processors and offers USB-C technology.

Security and reliability are the basis for all product drawings and designs for AURES POS hardware.

AURES' fanless hardware solutions provide superior durability and performance, while guaranteeing greater energy efficiency in step with ever stricter environmental regulations.

Since 2018, the Group has been developing its offering of interactive, multi-function kiosks with an exclusive design.
Designed, assembled and developed by the Group, kiosk solutions are suited to many different business sectors thanks to multiple management applications, including booking and order taking, click & collect, purchase and sale assistance, queue management, subscriptions and customer

loyalty initiatives, and naturally all transactions including till and payment operations (contact and contactless).

The exclusive AURES design draws on an array of meticulously integrated high-quality and high-performance sub-systems.

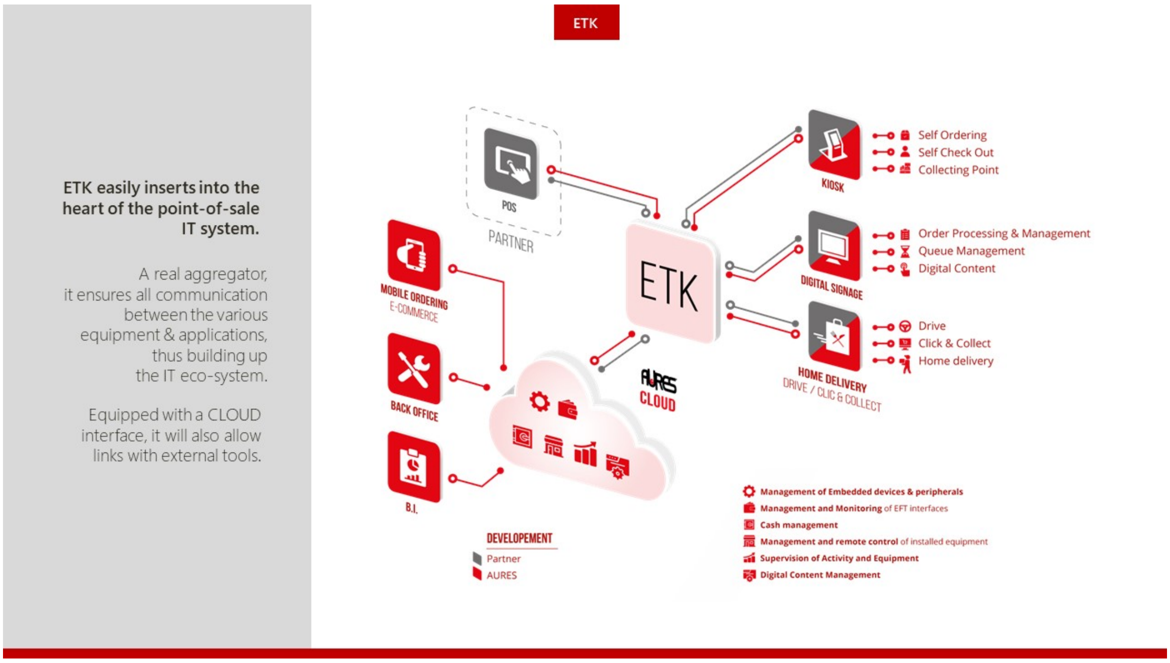
Through its acquisition of Retail Technology Group (RTG), since October 2018 AURES has added to its hardware offering in the United States a range of associated services that meet the demand of large companies in that market.

RTG is not only a leading POS services, maintenance and support provider in the United States (mainly in the restaurant and catering markets) but is also the only company to offer a full range of services, from installation to round-the-clock hotline solutions for hardware and software.

In 2021, following the external growth transaction completed at the beginning of the year, the Group began developing its own middleware (ETK = Easy to Konnect).

Middleware is a type of software that connects different programs and applications to ensure that they can communicate and work together seamlessly.

The software components of middleware provide a method of communication between applications regardless of the platform and language used to develop them.
The main objective of middleware is to facilitate interactions between different environments.



Today, the AURES Group is an IT equipment manufacturer providing a complete range of hardware solutions and applications for all segments of the point-of-sale (POS) market.

AURES sells its products to an exclusively professional clientele through its French, German, UK, US and Australian subsidiaries, and has a global network of distributors and resellers.

3. 2021 highlights

- ***Business***

2021 saw a return to strong demand, driving an upswing in the Group's business trends.

In an operating context that was still unsettled, the significant events of the year were as follows:

- the impacts of the global Covid crisis, which continued to affect the Group's business in the first quarter;
- exceptional revenue growth in the second quarter (up 61.4% on the same period of 2020) and 19.5% growth in the first half;
- a second half marked by a shortage of components and delivery delays due to transport difficulties which impacted supplies. This weighed on revenue growth, which slowed to 9.1% for that period.

Against this backdrop, the Group ended 2021 with €99.6 million in revenue, up 14.2% on 2020.

- ***External growth transaction***

On 22 February 2021, the Group acquired all the shares of two companies specialised in designing, developing and marketing software products – the French company Softavera and the Tunisia-based Leader Solution Tactile (LST), as well as their trademarks and associated software.
The aim of this major acquisition is to enable the Group to offer end-to-end solutions (digital hardware combined with applications).

- ***Liquidity***

In view of the ongoing Covid-19 health crisis, the Group decided to convert the €10.5 million French government-backed loan ("PGE") that it obtained in 2020 from three financial institutions in France into a loan repayable over five years with a one-year deferment period. Without the guarantee from the French government, the fixed interest rate on the loan ranges between 0.28% and 0.75%.

In the United States, the Group has obtained confirmation from the SBA that its USD 3 million Paycheck Protection Program (PPP) loan will be forgiven. Accordingly, the loan will be converted into a grant recognised in income in 2020.

4. 2022 outlook

The start of 2022 was affected by the shortage of electronic components, strong pressure on sea and air freight, the resurgence of the Covid crisis in China and the conflict in Ukraine.

The Group is working to secure its supply chains and limit the impact of these difficulties on its business.

Given the current international economic and political environment, it is not possible for the Group to issue any guidance at this stage.

5. Subsequent events

No significant events took place between 31 December 2021 and 28 April 2022, the date on which the financial statements were approved by the Board of Directors.

Keenly aware of the importance of Corporate Social Responsibility (CSR) to the Group and its partners, AURES has launched a process to draw up a pro-active CSR strategy realistically suited to its organisational structure, and it intends to measure its carbon footprint within a year.

To assist it with this project, in April 2022 it signed a three-way agreement with the French public investment bank, BPI France, and a consultancy firm specialised in CSR.

6. Risks

The Group has reviewed the risks that could have a material adverse impact on its operations, financial position and results, and considers that no material risks exist other than those presented below:

- ***Currency risk***

The AURES Group is exposed to two types of currency risk that could impact its profit and equity:

- currency risk resulting from the translation of the financial statements of its foreign subsidiaries (United Kingdom, Australia, Tunisia and United States) into euros;
- currency risk arising on cash flows from commercial and financial transactions carried out in currencies other than the euro, which is the Group's functional currency.

The Group has a policy aimed at minimising and managing these currency risks:

- Cash flows exchanged in connection with purchases of goods for resale are generally pooled by AURES Technologies SA, therefore providing the Company with a natural hedge for a portion of these purchases.
- Hedges are in place to protect against the currency risk arising on transactions. These hedges consist of forward purchases ranging from six months to one year and protect the Group's earnings from adverse changes in exchange rates against the euro. However, the hedges are flexible and are set up gradually, so as to maximise the benefit from any favourable exchange rate fluctuations.

At 31 December 2021, the amount outstanding under forward currency contracts was USD 6,026K.

The Group's policy is not to hedge risks arising on the translation into euros of the financial statements of consolidated subsidiaries with a functional currency other than the euro.

The main exchange rates used to prepare the financial statements are presented in Note 3 to the consolidated financial statements.

The Group did not and is unable to analyse sensitivity to currency risk. However, it presents:

- the impact of exchange rate fluctuations on its revenue on page 13 of this report (including changes in revenue based on constant exchange rates);
- the impact of exchange rate fluctuations on its gross profit on page 14 of this report;
- the impact of exchange rate fluctuations on its equity on page 50 of this report (statement of changes in equity).

- ***Liquidity risk***

As part of its operating activities, the AURES Group may use bank overdraft facilities in France.

AURES may look to increase its borrowings and debt in order to finance its acquisitions.
Borrowings contracted by the Company for this purpose are subject to bank covenants.

At 31 December 2021, one of the ratios (free cash flow/ interest expense) was not met. The related risk is limited to the reclassification of the corresponding debt (€815K) to current liabilities.

- ***Interest rate risk***

The consolidated income statement may be impacted by interest rate risk in the event that adverse fluctuations in interest rates have a negative impact on borrowing costs.

However, as part of its financing policy, the Group looks to limit interest rate risk by using only fixed-rate non-current borrowings.

- ***Credit risk***

The AURES Group closely monitors the recovery of receivables.

Each Group company has its own recovery department, which sends out reminders and is responsible for the recovery of past due amounts.
Insurance mechanisms (credit insurance, letters of credit) are set up when a risk arises in respect of a given customer, country or region.

Provisions for doubtful receivables amounted to €721K at 31 December 2021, representing 5.1% of the total amount of trade receivables (versus €305K and 3.02% of total trade receivables at end-2020).
The year-on-year increase was mainly due to a customer dispute in the US and the impact of changes in the scope of consolidation.
Write-offs of bad debt represented €260K in 2021 and €346K in 2020. A provision had been set aside for the majority of these losses.

The Group did not experience any major customer defaults in 2021.

- ***Procurement risk***

As the Group conducts business worldwide, major political tensions, health crises or climate events could interrupt its operations.

Likewise, any difficulties encountered in the supply chain could temporarily prevent the Group from selling its products.
If such problems persist, they could ultimately lead to a loss of customers, which could impact the Group's operations, financial position and results.

In addition to its policy of diversifying its purchases, the Group assesses the ability of its suppliers and partners to meet the long-term needs of AURES in terms of capacity and compliance with logistical, economic and qualitative requirements.

- ***"Key executive" risk***

In light of the Group's shareholding structure and the presence of the founder and Chief Executive Officer, AURES takes into account "key executive" risk and, since 2013, has had a management committee whose members are responsible for managing the Company's day-to-day operations.

- ***Security risk***

Cybersecurity

With RTG now a member of the consolidated group, AURES was required to reconsider cybersecurity risks, mainly due to the Group's new software helpdesk business.
Hackers are relentless and constantly test information system security. Any cybersecurity failures could adversely impact the Group's reputation.

Human error may also occur, and employees may not respect the Group's rules and regulations.

Risks relating to cybercrime may lead to the loss or unlawful disclosure of data, the termination of contracts by our customers, or additional costs.
A cyberattack would lead to partial or total unavailability of information systems, depending on the scale of the attack, and would temporarily prevent AURES from being able to sell its products and from communicating and working within the Group.

In view of all these factors, the Group is particularly vigilant about cybersecurity risk, and in 2019 it carried out work to analyse, redefine and ensure compliance with its security policy, mainly within RTG. This work did not reveal any major failings.

In 2021, the Group did not suffer any attacks that affected the availability of its information systems. Given the high level of computerisation of its administrative processes – i.e., use of cloud solutions, links with its subsidiaries, use of new collaborative tools and use of remote working – the Group's information systems are significantly exposed.

Various security systems have been put in place and continue to be deployed and updated throughout the Group. Specific solutions are used, such as firewalls and SIEM, and employees are regularly informed about cyber risks.

- ***Regulatory risks***

Data protection

The Group is subject to various local and international data protection regulations, particularly due to the introduction of the EU General Data Protection Regulation in May 2018.
The Group may be held liable in the event of failure to comply with applicable data protection rules, or an intentional or unintentional disclosure of personal data belonging to third parties.

Financial penalties may be handed down by data protection authorities, thereby exposing the Group to a financial and reputational risk.

Procedures exist within each entity to ensure compliance with local applicable data protection regulations.

Failure to comply with laws and regulations

The Group does business in various countries and is therefore subject to many different laws and regulations, which are constantly changing.
The broad scope of applicable local laws and regulations, and frequent regulatory developments, expose the Group to a compliance risk.
Besides its strict operational oversight, the Group also calls on independent advisers so that it can better protect its businesses.

- ***Health risks***

Health risks can never be ruled out. Any industrial and commercial business can be exposed to health risks due to the spread of a virus or as a result of other events arising within a particular country and/or population.
Such risks could affect the Group's operations and financial position.

Since 2020, the global Covid-19 health crisis has impacted the Group's operations in two main ways: (i) by making it impossible for some employees to go to their workplace, particularly for staff working in after-sales services and order preparation and shipping, and (ii) by making it difficult to continue operations due to a decrease in orders or shipping restrictions.
As part of its Covid-19 crisis management, the Group put in place an overall plan to guarantee the safety of all of its employees, in compliance with the governmental measures recommended in each country.

In addition, special working arrangements were set up Group-wide, both at headquarters and in the subsidiaries, so employees could continue with their work. Home-working was introduced whenever possible in order to ensure physical distancing.

- ***Environmental risks***

The Group could be exposed to:
- physical risks related to climate change;
- scarcity of resources;
- issues concerning the quality of living environments and the presence of contaminants.

The Group believes that its business is not significantly exposed to climate change and will consider the other environmental risks in its pro-active CSR strategy.

7. Internal control and risk management procedures

- ***Internal control objectives***

Internal control denotes all procedures approved by management to:

- ensure that management actions, operations and employee behaviour all comply with the policies and objectives defined by governing bodies, applicable laws and regulations, and internal rules and procedures;
- prevent and manage risks resulting from the Company's business, along with the risks of error or fraud;
- verify that accounting, financial and management information gives a true, fair and prudent view of the Company's business and position;
- ensure that assets are duly protected.

Like any system of control, internal control can only provide reasonable assurance that these objectives will be met.

- ***Overview of internal control procedures***

The Company has a simple structure owing to its size.
Responsibility for internal control lies partly with executive management and partly with the finance department.

Strategic decisions of the Board of Directors are implemented by executive management, which coordinates the different businesses thanks to a management team representing four operating departments:
- Sales;
- Marketing and Communication;
- Technical;
- Finance.

The management team meets as necessary and draws up specific action plans. Progress made is monitored at subsequent meetings.
The Company's business is a trade and services business and does not involve the transformation of raw materials.

Company assets mainly comprise goods held for resale in inventory as well as IT and office equipment.

The companies in the Group's historical reporting scope use the Microsoft Dynamics (Navision) ERP software, which allows their inventories to be managed on a continuous basis. A physical inventory is also taken each year.

Accounting records are kept internally on the standard Microsoft Dynamics ERP, which has been specifically adapted to the Company.

The segregation of duties principle is applied in a manner consistent with the Company's size.
In this respect, Microsoft Dynamics users only have ERP user rights in their specific field, except for two key users, the Chief Technology Officer and the Group Finance Director.

Operations in France are scheduled to migrate to the Business Central version of Microsoft Dynamics as from mid-2022, with the entities in the Group's historical reporting scope migrating after that.

RTG uses NetSuite, a cloud version of the Oracle ERP.
The upgrade initially scheduled to take place in 2019 was postponed, firstly so that the Group could complete its work on identifying the adaptations required to meet its management and internal control requirements, and then due to the Covid-19 health crisis.

Softavera uses a cloud version of the Sage 100 ERP.

IT risk management is primarily based on daily back-ups of data, as well as login and password procedures governing access to the IT network and sensitive data flows.
A SIEM (Security Information & Event Management) system was implemented within the Company in France in 2019. It tracks the integrity of network data flows and triggers alerts in the event of any suspicious flows.

All IT memoranda are pooled and form the basis of procedures.

The Company also maintains and regularly updates documentation on regulatory developments affecting its business sector and subscribes to a number of specialist journals.
Subsidiaries' accounting records are reviewed by the Group's finance department. In Germany and Tunisia, the accounting books are reviewed by a local independent accountant and the Group's finance department.
In order to prepare local tax returns, Group subsidiaries call on external advisers.

- ***Other internal control procedures***

The following key controls exist at the level of the Group's operating processes:

- The sales departments produce monthly performance reports for each Group entity in order to monitor and track the sales performance, orders taken and percent margins, and to compare actual figures for each business with the previous year.

- The marketing and communication department oversees the progress of communication and marketing initiatives in terms of performance and cost compared with the objectives set.

- The technical department monitors and oversees the progress and volume of business in terms of after-sales support, technical assistance, product tests and listing, and troubleshooting.

- The finance department, which includes accounting, treasury, finance and management control functions, produces a cash report, monitors debt recovery, manages inventories, tracks currency hedges and reports on fixed costs as necessary.

Controls in place when preparing and processing financial and accounting information:

- These controls fall under the responsibility of the finance department and are based on the various ERPs used in the Group (Microsoft Dynamics, Oracle and Sage 100), which makes it easier to monitor the completeness and accurate measurement of transactions and to prepare accounting and financial information in accordance with the accounting rules and procedures applied by the Company when preparing both its parent company and consolidated financial statements.

- Since 2010, the consolidated financial statements have been generated via the EtatFi Conso software, with the SaaS version currently used.

- Executive management verifies the substance of the accounting and financial information produced by the finance department.

- Accounting and financial information is reported on a regular basis through several types of media (press releases, Company website, Actusnews website, legal publications), in accordance with the Company's Euronext Paris listing requirements. There is an agreement for documents to be automatically posted to the "Investor Relations" section of the website at the same time as they are published, as recommended by the French securities regulator, the AMF.

8. Condensed consolidated income statement

In € thousands	2021	2020
Revenue	99,611	87,243
Operating profit	3,471	4,947
Financial profit (loss)	390	(1,629)
Recurring profit before tax	3,861	3,317
Income tax expense	(1,258)	(209)
Consolidated net profit	2,603	3,109
Net profit attributable to owners of the parent	2,517	3,026

9. Condensed consolidated statement of financial position

In € thousands	31 Dec. 2021	31 Dec. 2020
Non-current assets	30,368	26,133
Current assets	65,571	59,922
TOTAL ASSETS	**95,939**	**86,055**
Shareholders' equity	35,113	31,752
Non-controlling interests	312	255
Total equity	35,425	32,007
Non-current liabilities	20,254	28,228
Current liabilities	40,260	25,820
TOTAL EQUITY AND LIABILITIES	**95,939**	**86,055**

10. Group business review for the year ended 31 December 2021

- ***Revenue***

2021 saw a return to strong demand in the first half of the year.

Despite the second half of 2021 being significantly impacted by electronic component shortages and international transport difficulties, consolidated revenue advanced 14.2% to €99.6 million for the full year.

At constant exchange rates (as defined in section 12 "Alternative performance indicators" of this report), revenue rose by 15.2%.

Apart from AURES Inc., all of the Group's entities recorded revenue growth in 2021.

Revenue generated by Softavera and LST – which have been consolidated since 22 February 2021 – was not material, representing just 2.02% of the consolidated total.

Revenue breaks down by as follows by destination:

In € thousands	2021	2020
France	18,660	14,244
United Kingdom	8,154	6,364
Germany	11,328	8,438
Australia	7,718	6,597
United States	41,800	41,662
Other EU countries	8,074	6,255
Exports (non-EU)	3,877	3,684
TOTAL	**99,611**	**87,244**

The criterion used to allocate revenue in the table above is the destination of sales.

This is different from that used in earnings press releases issued by the Group, in which revenue is presented by legal entity.

- ***Operating profit***

Consolidated operating profit totalled €3,471K, or 3.49% of revenue. A direct reading shows that this was 29.8% down on 2020. However, gross profit was €7,174K higher in volume terms and it should be noted that 2020 operating profit included the recognition of the €2,644K Paycheck Protection Program (PPP) loan in the United States as well as €805K worth of financial aid for the furlough and short-time working schemes used during the Covid-19 crisis (in 2021 this financial aid was only €151K).

After adjusting the 2020 and 2021 figures for these amounts, operating profit increased by 121.7% year on year.

In € thousands	2021	2020	% change
Reported consolidated operating profit	3,472	4,947	-29.8%
PPP loan and Covid aid	(151)	(3,449)	
Adjusted consolidated operating profit	3,321	1,498	+121.7%

Other non-recurring items and items related to the external growth transaction completed on 22 February 2021 have been included in consolidated operating profit. Other non-recurring items correspond to:

- the recognition of a €268K provision for impairment of trade receivables in the United States (litigation);
- the non-payment of the earnout for the RTG acquisition (objectives not achieved), representing income of €532K;
- the recognition of a €428K research tax credit.

And the items related to the external growth transaction were:

- personnel costs – €332K earnout;
- a €160K amortisation expense for acquired intangible assets;
- €211K in acquisition costs.

Together, the two acquired companies (LST and Softavera) accounted for €1,684K in "personnel costs" and €1,310K in "external expenses" in the consolidated income statement.
The year-on-year increase in these two line items also reflects the Group's business recovery (higher employee numbers, return to full-time work and the re-start of trade fairs, etc.).

Based on the consolidated income statement, gross profit is calculated as follows:

	2021	2020
Revenue	99,611	87,243
Cost of goods sold	(50,921)	(45,727)
Gross profit	48,690	41,516
as a % of revenue	**48.88%**	**47.59%**

Gross profit totalled €48,690K, representing 48.88% of revenue, versus €41,516K and 47.59% of revenue in 2020.

After swinging up sharply in the first half of 2021 to 49.18%, gross margin narrowed to 48.57% in the second half of the year due to pressure on production capacity and sea and air freight prices.
Taking into account the currency hedges set up by the Group, the fluctuation in the average USD/€ exchange rate for purchases had a significant impact (a negative 4.37%) due to high volatility during the year.

- ***Financial profit (loss)***

The Group recorded a financial profit of €390K versus a financial loss of €1,630K in 2020. The 2021 financial profit figure takes into account (i) the €479K cost related to the guarantee for the French government-backed loan, and, particularly, (ii) movements in the currency markets, especially the significant difference in the US dollar at the year-end.
See Note 5.20 to the consolidated financial statements for a breakdown of financial profit.

- ***Net profit***

The income tax expense for 2021 came to €1,258K, including a €43K tax benefit arising from an adjustment to deferred taxes following the reduction in the French corporate income tax rate from 27.375% to 25.825%.

The effective tax rate was much higher than in 2020 (32.58% versus 6.29%), mainly due to the fact that the €2,475K in income recognised in relation to the PPP forgiveness is not taxable.

Consolidated net profit for the year totalled €2,603K (€2,517K attributable to owners of the parent), down 16.3% on the 2020 figure of €3,109K (€3,026K attributable to owners of the parent). This corresponded to a net margin of 2.61% for 2021.

- ***Segment information***

The Group reports on three geographical segments: France, Europe and the United States and Australia.
This information reflects the key indicators monitored and used internally by the Group's chief operating decision-makers.

Following the first-time consolidation of Softavera and LST in 2021, the Group has aggregated segment information into the following two segments in order to track overall trends in those segments:
- marketing and sales of POS, kiosk and software products;
- POS services.

	2021						2020					
In € thousands	**Marketing and sales**				**Services**		**Marketing and sales**				**Services**	
	France (1)	**Europe (2)**	**United States/ Australia (3)**	Sub-total	**United States**	**Total**	**France (1)**	**Europe (2)**	**United States/ Australia (3)**	Sub-total	**United States**	**Total**
				(1)+(2)+(3)						(1)+(2)+(3)		
Revenue	25,698	24,065	15,467	65,231	34,380	99,611	18,914	19,632	15,202	53,748	33,496	87,244
Operating profit (loss)	(188)	1,672	876	2,360	1,111	3,471	626	1,404	752	2,782	2,164	4,946
Consolidated net profit (loss)	(108)	1,250	681	1,823	781	2,603	(577)	1,046	466	935	2,174	3,108

11. Subsidiary business review

The Group's subsidiaries conduct business within and outside their home countries, with the exception of RTG, which only does business in the United States.

The business recovery seen in 2021 for all of the Group's subsidiaries, except AURES Inc., resulted in wider margins and was therefore the main factor affecting their operating profit during the year.

- Germany

The German subsidiary contributed €14,239K to consolidated revenue in 2021, versus €11,815K in 2020.

Operating profit reported by the German subsidiary totalled €1,242K, and operating margin was 8.72% (versus €1,175K and 10% respectively in 2020).

Salaries rose within this subsidiary, as they did in all of the Group's entities due to the post-Covid business recovery.

The provision for impairment of inventories was raised by 29.7% from €240K to €312K, reflecting the increasing age of certain items held in inventory.

The German subsidiary's contribution to consolidated net profit was €866K (€779K attributable to owners of the parent), up 6.1% on the €816K recorded for 2020.

- United Kingdom

The UK subsidiary contributed €9,826K to consolidated revenue in 2021, versus €7,816K in 2020.

Operating profit reported by the UK subsidiary totalled €430K, and operating margin was 4.4% (versus €229K and 2.9% respectively in 2020).
The year-on-year increase in operating margin mainly stemmed from the Group's business recovery (25.7% revenue growth).

The UK entity received €63K under government-backed furlough and short-time working schemes similar to those set up in France (versus €209K in 2020). This amount was recognised in "Other operating income".

The provision for impairment of inventories was raised by 10.9% from €380K to €421K, reflecting the increasing age of certain items held in inventory.

The UK subsidiary's contribution to consolidated net profit was €384K, versus €229K in 2020.

- United States (AURES Inc.)

AURES Inc. contributed €7,495K to consolidated revenue in 2021, versus €8,202K in 2020, representing a year-on-year contraction of 8.6%. This subsidiary's business has been heavily weighed down by shortages of components because its orders are often single-product orders with no possibility of substitution in the event of supply difficulties.

AURES Inc. ended 2021 with an operating loss of €387K, and operating margin was a negative 5.2% (versus an operating loss of €192K and a negative 2.3% operating margin in 2020).

A €268K provision for impairment of trade receivables was recognised in 2021 relating to a customer dispute.

The provision for impairment of inventories was raised by 18.0% from €461K to €544K, reflecting the increasing age of certain items held in inventory.

The US subsidiary's contribution to consolidated net profit was a negative €388K, versus a negative €32K in 2020.

- Australia

The Australian subsidiary contributed €7,972K to consolidated revenue in 2021, versus €6,999K in 2020.

Operating profit reported by the Australian subsidiary totalled €1,173K, and operating margin was 14.7% (versus €962K and 13.7% respectively in 2020).

The year-on-year increase in operating margin was mainly driven by the subsidiary's revenue growth.

The Australian subsidiary's contribution to consolidated net profit was €741K, versus €546K in 2020.

- RTG

RTG's operating results continued to pick up in 2021, with operating profit coming in at €1,111K (including a €775K amortisation expense for intangible assets). Although operating profit was higher in 2020, at €2,164K, this included €2,475K in income related to the PPP forgiveness (and €804K in amortisation expense for intangible assets).

Adjusted for these amounts, operating profit totalled €1,886K in 2021 and €493K in 2020, representing an increase of more than 282%.

This performance was attributable to RTG's structural reorganisation.
RTG's contribution to consolidated net profit was €781K in 2021.

- LST, Softavera and AURES Konnect

Softavera and LST – which have been consolidated since 22 February 2021 – generated €2,014K in combined revenue. This amount is not material as it only represents 2.02% of the consolidated total.
Together with AURES Konnect (created specifically for the acquisition) they posted negative contributions of €1,397K and €1,240K to consolidated operating profit and consolidated net profit respectively.

The Group's FTE* headcount broken down by company is as follows:

	31 Dec. 2021			31 Dec. 2020		
	TOTAL	Managerial-grade employees (cadres)	Other employees	TOTAL	Managerial-grade employees (cadres)	Other employees
FR	56.7	27.8	28.9	56.6	25.2	31.3
DE	21.9	1.0	20.9	20.2	1.0	19.2
UK	21.9	3.3	18.7	23.6	4.8	18.7
US	6.3	1.0	5.3	10.1	1.0	9.1
AUS	10.9	2.0	8.9	13.8	2.0	11.8
RTG	194.5	9.8	184.7	172.5	7.4	165.1
Konnect	1.9	1.9	0.1	0.0	0.0	0.0
Softavera	7.6	2.0	5.6	0.0	0.0	0.0
LST	60.2	0.0	60.2	0.0	0.0	0.0
TOTAL	**382.0**	**48.7**	**333.3**	**296.5**	**41.4**	**255.1**

* FTE: full-time equivalent.

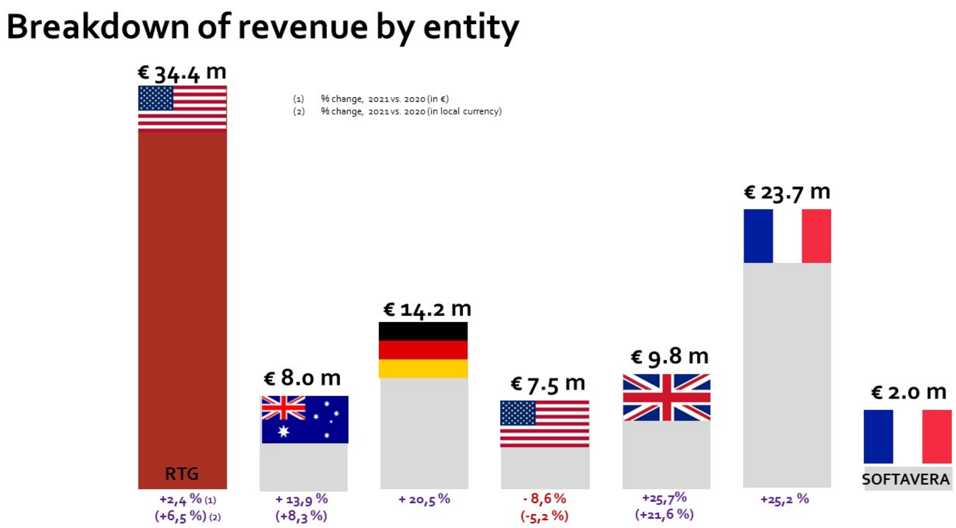
12. Alternative performance indicators

The Group monitors the following alternative performance indicators (APIs):

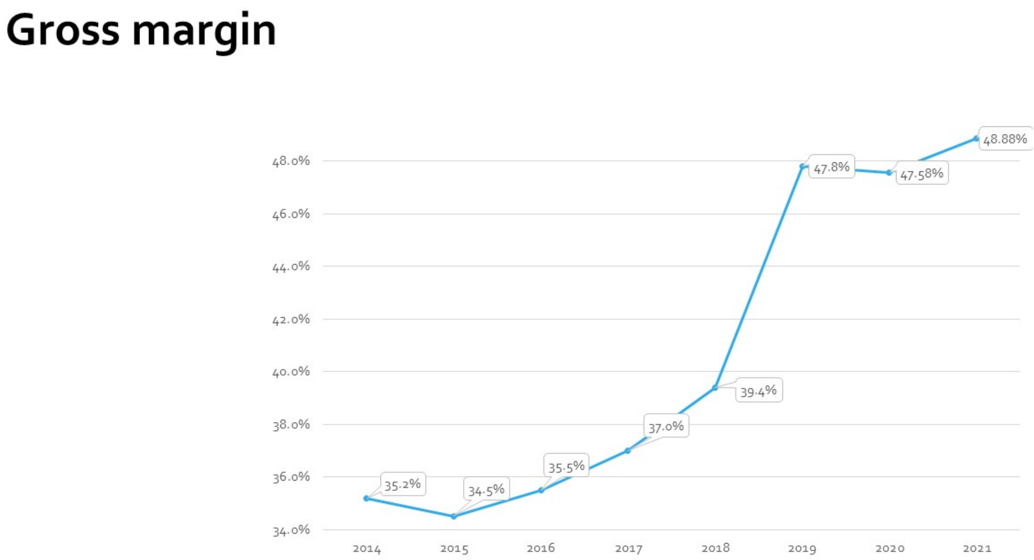
- changes in revenue based on constant exchange rates, which are calculated using the exchange rates for the period prior to the published period;
- gross profit, which is determined by deducting cost of goods sold from revenue;
- gross margin, which corresponds to gross profit divided by revenue;
- operating margin, which corresponds to operating profit divided by revenue;
- net margin, corresponding to net profit divided by revenue;
- net debt (or net cash), which represents the difference between gross debt (non-current borrowings and debt) and cash as reported in the statement of cash flows, comprising cash and cash equivalents less bank overdrafts.

Key figures and the main alternative performance indicators (APIs) monitored by the Group are presented below:

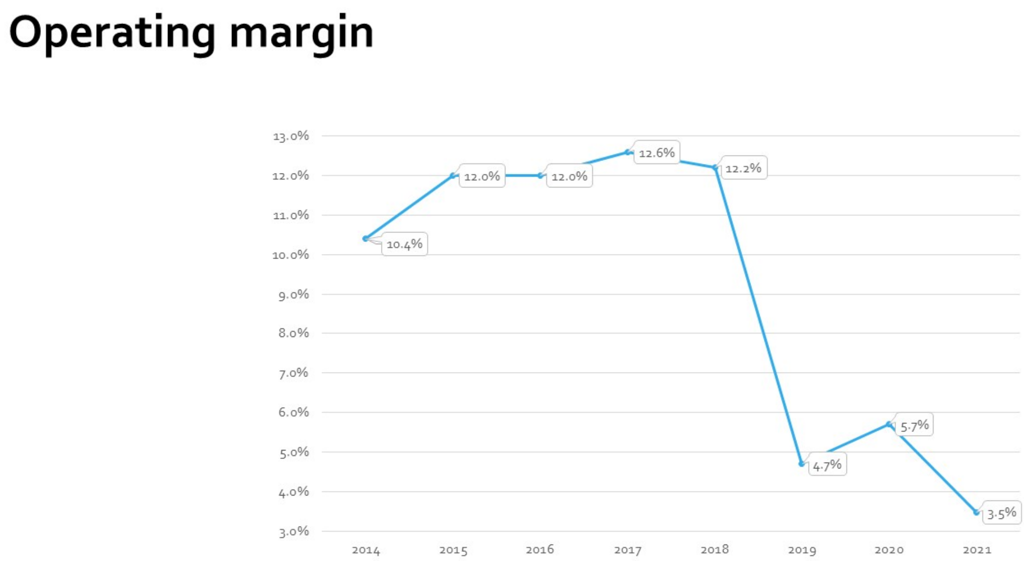
- ***Breakdown of revenue by entity***



- ***Gross margin***



- ***Operating margin***



- ***Net margin***

- ***Net debt***

Gross debt at 31 December 2020	**(21,232)**
Repayments during the year[(1)]	5,210
New borrowings	(552)
Gross debt at 31 December 2021	**(16,574)**
Bank overdrafts	(75)
Cash and cash equivalents	20,310
Net cash at 31 December 2021	**3,661**

[(1)] Including €2,552K in non-cash repayments following confirmation from the SBA of the conversion of the Paycheck Protection Program (PPP) loan into a grant recognised in income in 2020.

13. Research and development expenses

The Group's ability to develop new products is important in view of its business and the technological developments in its market.

It therefore incurs research costs which are expensed in the year in which they are incurred and the majority of which are included in "Personnel costs".

Some of these expenses are eligible for the research tax credit.

➢1.2. AURES TECHNOLOGIES SA ON THE STOCK MARKET

1. Share capital

At 31 December 2021, the Company's share capital was made up of 4,000,000 shares each with a par value of €0.25, representing 5,416,758 theoretical voting rights and 5,345,516 exercisable voting rights.

The difference between the number of shares and the number of theoretical voting rights reflects the existence of double voting rights, while the difference between the number of theoretical and exercisable voting rights is due to treasury shares.

2. Principal shareholders

To the best of the Company's knowledge, its shareholding structure was as follows at 31 December 2021:

Shareholder	Shares	% capital	Theoretical voting rights	% theoretical voting rights	Actual voting rights	% actual voting rights
Free float	1,467,028	36.68%	1,506,770	27.82%	1,506,770	28.19%
Patrick Cathala	1,430,381	35.76%	2,807,397	51.83%	2,807,397	52.52%
Amiral Gestion	401,706	10.04%	401,706	7.42%	401,706	7.51%
Alpenstock Mont Blanc	251,376	6.28%	251,376	4.64%	251,376	4.70%
Moneta Asset Management	212,401	5.31%	212,401	3.92%	212,401	3.97%
DNCA Investments	157,734	3.94%	157,734	2.91%	157,734	2.95%
Employees	8,132	0.20%	8,132	0.15%	8,132	0.15%
Treasury shares	71,242	1.78%	71,242	1.32%	-	0.00%
TOTAL	**4,000,000**	**100.00%**	**5,416,758**	**100.00%**	**5,345,516**	**100.00%**

Pursuant to Article L. 233-13 of the French Commercial Code (*Code de commerce*), to the best of the Company's knowledge, at 31 December 2021 the different percentages of share capital and voting rights as referred to in Article L. 233-7 of said Code were as follows:

Shareholder	Number of shares	%	Number of voting rights	%
Holding more than 5%				
Alpenstock Mont Blanc	251,376	6.28%	251,376	4.64%
Moneta Asset Management	212,401	5.31%	212,401	3.92%
Holding more than 10%				
Amiral Gestion	401,706	10.04%	401,706	7.42%
Holding more than 15%				
Holding more than 20%				
Holding more than 25%				
Holding more than 30%				
Holding more than 33 1/3%				
Patrick Cathala	1,430,381	35.76%		
Holding more than 50%				
Patrick Cathala			2,807,397	51.83%
Holding more than 66 2/3%				
Holding more than 90%				
Holding more than 95%				

3. Crossing of disclosure thresholds

In addition to the applicable laws and regulations, Article 9 of AURES Technologies SA's articles of association states that any individual or legal entity, acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code, that comes to hold or ceases to hold a number of shares representing any multiple of 2.5% of the Company's capital or voting rights must disclose to the Company the crossing of the relevant threshold. Said disclosure must be made by the close of trading on the fourth trading day following the date the threshold was crossed and the disclosing party must state the number of shares and voting rights held. The disclosing party must also state the number of securities they own that carry rights to the Company's capital and any voting rights attached to such securities, as well as any other information required by the applicable law. In the event of failure to comply with the above disclosure requirements, the shares in excess of the relevant threshold will be stripped of voting rights until the situation is remedied and after the expiration of a two-year period following the remedy date. This sanction may only be applied at the request of one or more shareholders holding at least 5% of the Company's capital, as evidenced in the minutes of the Shareholders' Meeting in which the request is made.

During 2021, the AMF and the Company were notified that the following disclosure thresholds had been crossed:

By way of letters received on 16 February 2021, Amiral Gestion informed the Company that, on 12 February 2021, it had raised its interest to above the threshold of 10% of the Company's capital and that, at that date, it held 401,706 AURES Technologies shares carrying the same number of voting rights, representing 10.04% of the Company's capital and 7.44% of the voting rights.
The crossing of this disclosure threshold resulted from a purchase of AURES Technologies shares on the open market (disclosure also sent by way of a letter to the AMF – AMF notice no. 221C0366).
In the same letter to the AMF, Amiral Gestion made the following statement of intent: "The acquisition of shares in AURES Technologies by Amiral Gestion forms part of Amiral Gestion's routine business as a portfolio management company, and was carried out with no intention of implementing a specific strategy with regard to AURES Technologies nor with any aim of exercising any particular influence over AURES Technologies' management. Admiral Gestion is not acting in concert with a third party and has no intention of taking control of AURES Technologies or of requesting that it, or any one or more persons or entities, be appointed to AURES Technologies' Board of Directors, Management Board or Supervisory Board."

By way of letters received on 16 February 2021, Moneta Asset Management informed the Company and the AMF that, on 12 February 2021, it had lowered its interest to below the threshold of 5% of the Company's capital and 3% of the voting rights and that, at that date, it held 161,797 AURES Technologies shares carrying the same number of voting rights, representing 4.04% of the Company's capital and 2.99% of the voting rights. The crossing of this disclosure threshold resulted from a sale of AURES Technologies shares on the open market (disclosure also sent by way of a letter to the AMF – AMF notice no. 221C0367).

By way of a registered letter dated 25 March 2021, DNCA Finance informed the Company that, on 22 March 2021, it had raised its interest to above the threshold of 2.5% of the Company's capital and that at that date it held 130,684 AURES Technologies shares.
The crossing of this disclosure threshold, provided for in the articles of association, resulted from a purchase of AURES Technologies shares on the open market.

By way of letters received on 17 May 2021, Moneta Asset Management informed the Company and the AMF that, on 13 May 2021, it had raised its interest to above the threshold of 5% of the Company's capital and that, at that date, it held 212,401 AURES Technologies shares carrying the same number of voting rights, representing 5.31% of the Company's capital and 3.93% of the voting rights. The crossing of this disclosure threshold resulted from a purchase of AURES Technologies shares on the open market (AMF notice no. 221C1085).

By way of a registered letter dated 22 December 2021, DNCA informed the Company that, on 21 December 2021, it had raised its interest to above the threshold of 2.5% of the Company's capital and that, at that date, it held 125,000 AURES Technologies shares.

By way of a registered letter dated 23 December 2021, DNCA informed the Company that, on 22 December 2021, it had raised its interest to above the threshold of 2.5% of the Company's capital and that, at that date, it held 157,734 AURES Technologies shares.

4. Free share awards

At the Annual General Meeting held on 25 June 2019, the shareholders authorised the Board of Directors to award free new or existing shares over a period of 38 months, within the scope of Article L. 225-197-1 of the French Commercial Code (eighteenth resolution).
The number of free shares that may be awarded by the Board of Directors pursuant to this authorisation may not represent more than 10% of the share capital at the date of the above-mentioned Annual General Meeting.
The authorisation granted at the Annual General Meeting of 25 June 2019 was used on 1 January 2020 to award 21,500 shares, leaving a residual 378,500 shares.

On 18 December 2020, the Board of Directors used the 25 June 2019 authorisation again, for the purpose of awarding up to 10,000 free shares to two employees, without any performance conditions attached but subject to a service condition.
The shares have a two-year vesting period, expiring on 20 December 2022 at midnight. However, they are not subject to a one-year lock-up period.
The free shares awarded to the beneficiaries will be existing ordinary shares.

No free shares were awarded in 2021.

The authorisation granted at the Annual General Meeting of 25 June 2019 was therefore used to award 31,500 shares, leaving a residual 368,500 shares.

A table summarising outstanding free share plans is provided in Note 6.8 to the consolidated financial statements included in this annual financial report.

5. Treasury shares and cross-shareholdings

None.

6. Disposal of cross-shareholdings

None.

7. Interests acquired in French entities during the year

On 22 February 2021, the Group acquired all of the shares of the French company, Softavera.

8. Share buybacks by the Company

At the Annual General Meeting held on 24 June 2021, the shareholders, acting within the scope of Articles L. 22-10-62 ***et seq.*** and L. 225-210 ***et seq.*** of the French Commercial Code, authorised the Company to purchase its own shares on the stock market up to a limit of 10% of the number of shares comprising the share capital as at the date of the Annual General Meeting, i.e., a maximum of 400,000 shares under the share buyback programme. This programme is designed to:

- stimulate trading in the secondary market and the liquidity of the AURES Technologies share, through an investment services provider acting under a liquidity agreement that complies with practices authorised by applicable regulations, it being specified in this respect that the number of shares taken into account to calculate the above-mentioned limit corresponds to the number of shares purchased, less the number of shares sold;
- hold the shares purchased and subsequently remit them for exchange or as payment with respect to any mergers, demergers, asset contributions or acquisitions that may be carried out;
- cover stock option and/or free share or similar plans for employees and/or corporate officers of the Group, including economic interest groups and subsidiaries, as well as any allocation of shares under a Company or Group savings or similar plan, in connection with employee profit-sharing and/or any other type of share allocation to employees and/or corporate officers of the Group, including economic interest groups and subsidiaries;
- cover marketable securities entitling holders to shares of the Company within the scope of applicable regulations;
- where appropriate, cancel the shares bought back in accordance with the authorisation granted by the Extraordinary General Meeting.

This authorisation was granted for a period of 18 months, i.e., until 23 December 2022. The maximum purchase price was set at €80 per share, representing a maximum amount of €32,000,000 for the operation.

The shares held within the scope of the share buyback programme undertaken by the Company are as follows:

	31 Dec. 2021			31 Dec. 2020		
Account	Number of shares	Price per share	Total price	Number of shares	Price per share	Total price
		€	€K		€	€K
Market-making	2,245	21.09	47	3,065	21.36	65
Treasury shares	68,997	22.32	1,540	68,997	22.32	1,540
TOTAL	**71,242**		**1,587**	**72,062**		**1,605**

Within the scope of this share buyback programme, the Company carried out the following transactions in connection with its liquidity agreement in 2021:

	Number of shares	Average price	% capital
Number of shares purchased	41,398	25.78	1.03%
Number of shares sold	42,218	25.71	1.06%
Number of shares cancelled	None	-	-
Market-making account at 31 Dec. 2021	2,245	21.09	0.05%
Number of treasury shares held at 31 Dec. 2021 other than under the liquidity agreement	68,997	22.32	1.72%

The Company did not buy back any of its own shares in 2021.

Other than under the liquidity agreement, the Company held 68,997 of its own shares at 31 December 2021.

The Company did not reallocate any shares during the year.

The carrying amount of the portfolio at 31 December 2021 was €1,587,213.27.

The market value of the portfolio at 31 December 2021 was €1,505,343.46.

The total nominal amount of the portfolio at 31 December 2021 was €17,249.25.

No transaction fees were charged on the share purchases and sales carried out under the liquidity contract.

9. Share transactions carried out during the year by corporate officers, senior executives and their relatives

Name	Position held within the issuer	Transaction date	Sales of shares
Patrick Cathala	Chairman and Chief Executive Officer	17 June 2021	Per-share price: €30
			Total amount: €19,170
Patrick Cathala	Chairman and Chief Executive Officer	9 July 2021	Per-share price: €30
			Total amount: €761,100
Patrick Cathala	Chairman and Chief Executive Officer	12 July 2021	Per-share price: €30
			Total amount: €6,480
Patrick Cathala	Chairman and Chief Executive Officer	16 July 2021	Per-share price: €30
			Total amount: €275,970
Patrick Cathala	Chairman and Chief Executive Officer	4 Aug. 2021	Per-share price: €30
			Total amount: €456,000

10. Employee share ownership

In accordance with Article L. 225-102 of the French Commercial Code, we inform you that employees held 0.20% of the share capital at 31 December 2021.

➢1.3. AURES Technologies SA

1. Company business review

In € thousands	2021	2020
Operating income	55,494	40,529
Operating expenses	54,111	40,831
Operating profit (loss)	1,382	(302)
Financial profit	1,855	240
Recurring profit (loss) before tax	3,238	(62)
Non-recurring loss	(4)	(13)
Income tax	(232)	150
Net profit for the year	**3,002**	**74**

- Operating profit

The Company ended 2021 with operating profit of €1,382K versus an operating loss of €302K in 2020.

Although the operating context remained unsettled, 2021 saw the return of strong demand and an upswing in business trends.

Revenue growth was very brisk in the first half of 2021 but the second half was marked by component shortages and delivery delays due to transportation difficulties that affected supplies.

For the year as a whole, however, the Company saw its revenue rise by 37.76%, to €53,068K.

The non-Group/Group sales mix was 44.6%/55.4% in 2021.

Gross margin contracted to 20.2% from 21.3% in 2020 due to the sharp increase in freight costs, which is another consequence of the Covid-19 health crisis.

External expenses increased by 33.6% (€970K), mainly attributable to higher lease payments following the expansion of the Company's premises, as well as advertising costs due to the resumption of trade shows, freight costs and the employment of temporary staff.

Total payroll expensed in 2021 rose to €5,769K from €4,880K in 2020 due to reduced use of furlough and short-time working schemes and to the higher amount of variable remuneration based on revenue and sales performance following the upturn in business.

- Financial profit

Financial profit totalled €1,855K in 2021 versus €240K in 2020.
The 2021 figure includes €1,450K in dividends received from Group subsidiaries.
The remaining amount was made up of (i) interest received on current accounts with subsidiaries and on loans and advances granted to subsidiaries and affiliates (€398K), (ii) interest on bank overdrafts and borrowings (€101K), (iii) net foreign exchange losses on hedging transactions (€11K), and (iv) a net reversal of a provision for impairment of marketable securities (€119K).

- Non-recurring loss

The Company reported a non-recurring loss of €4K in 2021, primarily comprising gains and losses on sales of treasury shares.

- Income tax

The Company recognised a research tax credit for the first time in 2021, which related to the years 2018 and 2020. This tax credit amounted to €428K and was deducted from income tax.

- Net profit

Net profit for 2021 was €3,001K versus €74K for 2020.

2. Statement of financial position

The following table presents the condensed statement of financial position of AURES Technologies:

In € thousands	31 Dec. 2021	31 Dec. 2020
Non-current assets	26,566	22,059
Inventories	10,981	8,514
Advances and downpayments	812	95
Trade receivables	18,995	8,757
Other receivables	1,438	2,017
Marketable securities	1,458	1,339
Cash and cash equivalents	6,530	13,813
Prepaid expenses	341	178
Unrealised translation gains	31	857
TOTAL ASSETS	**67,152**	**57,628**
Equity	32,526	29,525
Provisions for contingencies and expenses	294	1,059
Debt	33,844	27,004
Unrealised translation gains	488	40
TOTAL EQUITY AND LIABILITIES	**67,152**	**57,628**

The statement of financial position, income statement and notes to the financial statements are presented using the same format and valuation methods as those used in 2020.

3. Proposed appropriation of profit

We recommend that shareholders appropriate the full amount of the Company's net profit for the year ended 31 December 2021 – totalling €3,001,124.64 – to the retained earnings account, which would be increased from €26,744,342.05 to €29,745,466.69.

In accordance with Article 243 bis of the French Tax Code (*Code général des impôts*), shareholders are advised that the Company's dividend history over the past three years is as follows:

	AMOUNT ELIGIBLE FOR TAX RELIEF		AMOUNT NOT ELIGIBLE FOR TAX RELIEF
Year	DIVIDEND	OTHER AMOUNTS PAID OUT	
2018	€4,000,000* i.e., €1 per share	-	-
2019	-	-	-
2020			

* Including dividends not paid on treasury shares and allocated to retained earnings.

4. Subsidiaries and equity investments

See Note 7.1 "List of subsidiaries and equity investments" in the parent company financial statements.

5. Intercompany loans

None.

6. Existing branches

None.

7. Presentation of the resolutions submitted for approval at the Combined General Meeting of 28 June 2022

This section of the Board of Directors' report to the 28 June 2022 Combined General Meeting sets out the draft resolutions that will be submitted by the Board of Directors to the shareholders.

In addition to the resolutions that you will be asked to approve at the Combined General Meeting regarding the consolidated and parent company financial statements and proposed appropriation of profit, we also invite you to approve the resolutions set out below.

- **Fourth resolution – Statutory Auditors' special report on regulated related-party agreements – Placing on record that no new agreements were entered into**

We remind shareholders that they are only asked to vote on the new regulated related-party agreements entered into in 2021.
As no related-party agreements falling within the scope of Article L. 225-38 *et seq.* of the French Commercial Code were entered into during the year, shareholders are invited to place this fact on record.

The following agreements were entered into and approved in previous years and remained in force during 2021:

- Commercial lease for Le Cristal Un SCI

Related party: Patrick Cathala, Legal Manager (*Gérant*) of Le Cristal Un SCI and Chairman of the AURES Technologies SA Board of Directors.
Nature and purpose: Le Cristal Un SCI agreed to rent offices and business and storage facilities located at ZAC des Folies – 24 bis, rue Léonard de Vinci, 91090 Lisses, France, to AURES Technologies SA under a commercial lease.
Terms and conditions: On 28 September 2020, the Board of Directors authorised the signature of a commercial lease for these premises, to be used by the Company from 1 January 2021, in return for an annual rent plus the reimbursement of certain charges, with the storage facilities made available as from October 2020.

- Commercial lease for Le Cristal Un SCI

Related party: Patrick Cathala, Legal Manager (*Gérant*) of Le Cristal Un SCI and Chairman of the AURES Technologies SA Board of Directors.
Nature and purpose: Le Cristal Un SCI agreed to rent offices and business and storage facilities located at ZAC des Folies – 24 bis, rue Léonard de Vinci, 91090 Lisses, France, to AURES Technologies SA under a commercial lease.
Terms and conditions: On 20 September 2016, the Board of Directors authorised the signature of a commercial lease for these premises, which have been used by the Company since 1 January 2017, in return for an annual rent plus the reimbursement of certain charges.

The Board of Directors analysed these agreements, their financial terms and conditions and their benefits for the Company and concluded that the agreements continue to meet the criteria with respect to which they were originally approved.

- **Fifth resolution – Approval of the remuneration policy for the Chairman and Chief Executive Officer**

Pursuant to Article L. 22-10-8 of the French Commercial Code, we invite you to approve the remuneration policy for the Chairman and Chief Executive Officer, as presented in section 1.4 of the corporate governance report included in the 2021 annual financial report.

- **Sixth resolution – Approval of the remuneration policy for the members of the Board of Directors**

Pursuant to Article L. 22-10-8 of the French Commercial Code, we invite you to approve the remuneration policy for the members of the Board of Directors, as presented in section 1.4 of the corporate governance report included in the 2021 annual financial report.

- **Seventh resolution – Approval of the information disclosed in accordance with Article L. 22-10-9, I of the French Commercial Code**

Pursuant to Article L. 22-10-34, I of the French Commercial Code, we invite you to approve the information disclosed in accordance with Article L. 22-10-9, I of said Code, which is set out in section 1.3 of the corporate governance report included in the 2021 annual financial report.

- **Eighth resolution – Approval of the fixed, variable and exceptional components comprising the total remuneration and benefits in kind paid during or awarded for 2021 to Patrick Cathala, Chairman and Chief Executive Officer**

Pursuant to Article L. 22-10-34, II of the French Commercial Code, we invite you to approve the fixed, variable and exceptional components comprising the total remuneration and benefits in kind paid during or awarded for 2021 to Patrick Cathala, Chairman and Chief Executive Officer, as presented in section 1.2 of the corporate governance report included in the 2021 annual financial report.

Ninth resolution - Authorisation for the Board of Directors to carry out a share buyback programme in accordance with Article L. 22-10-62 of the French Commercial Code

In the ninth resolution, we invite you to grant the Board of Directors, for a period of 18 months, the powers necessary to purchase, on one or more occasions, at the times it deems fit, and in accordance with Articles L. 22-10-62 ***et seq.*** and L. 225-210 ***et seq.*** of the French Commercial Code, shares of the Company representing up to 10% of the number of shares comprising the share capital as at the date of this Meeting, adjusted where appropriate to reflect any capital increases or decreases that may be carried out during the programme.

This authorisation would terminate the authorisation given to the Board of Directors by the shareholders at the Annual General Meeting of 24 June 2021 (ninth resolution).

Shares may be purchased under this authorisation in order to:

- stimulate trading in the secondary market and the liquidity of the AURES Technologies share, through an investment services provider acting under a liquidity agreement that complies with practices authorised by applicable regulations, it being specified in this respect that the number of shares taken into account to calculate the above-mentioned limit corresponds to the number of shares purchased, less the number of shares sold;
- hold the shares purchased and subsequently remit them for exchange or as payment with respect to any mergers, demergers, asset contributions or acquisitions that may be carried out;
- cover stock option and/or free share or similar plans for employees and/or corporate officers of the Group, including economic interest groups and subsidiaries, as well as any allocation of shares under a Company or Group savings or similar plan, in connection with employee profit-sharing and/or any other type of share allocation to employees and/or corporate officers of the Group, including economic interest groups and subsidiaries;
- cover marketable securities entitling holders to shares of the Company within the scope of applicable regulations;
- where appropriate, cancel the shares bought back in accordance with the authorisation granted or to be granted by the Extraordinary General Meeting.

Shares may be bought back by any means, including by purchasing a block of shares, at the times deemed fit by the Board of Directors.

The Company would reserve the right to use options or derivative instruments within the scope of applicable regulations.

We propose that the shareholders set the maximum purchase price at €80 per share. In the event that any corporate actions are carried out – notably a stock split, reverse stock split or bonus share issue – the above amount would be adjusted in the same proportions (by applying a multiplication coefficient equal to the ratio between the number of shares making up the Company's share capital before the corporate action and the number of shares after the corporate action), with the maximum amount that could be invested in the buyback programme totalling €32,000,000.

The Board of Directors would have full powers to carry out the above operations, set the terms and conditions thereof, enter into any and all agreements and carry out all the required formalities.

Financial delegations of authority

The Board of Directors wishes to have the delegations of authority it needs to carry out, if it deems fit, any issues that may be necessary for the development of the Company's business. We therefore invite you to renew the financial delegations of authority that are due to expire. A table showing the present status of the delegations of authority and authorisations previously granted to the Board of Directors by the shareholders, as well as the extent of their use, is provided in section 6 of the corporate governance report. In addition, in light of the delegations of authority that may subsequently result in a cash capital increase, we invite you to vote on a delegation of authority to increase the share capital in favour of members of a Company savings plan, in accordance with applicable regulations.

Extraordinary resolutions

➢ Delegations of authority for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares of the Company or another Group entity and/or to debt securities, without pre-emptive subscription rights for existing shareholders

The outstanding delegations of authority previously granted for this purpose expire this year and have not been used.
We invite you to renew the delegations of authority to carry out cash capital increases, without pre-emptive subscription rights for existing shareholders.

Under these delegations, the Board of Directors would have full powers to carry out issues of shares or other securities, at the times it deems fit. The delegations of authority would be valid for a period of 26 months, with the exception of the delegation to increase the share capital by way of issues to a specific category of beneficiaries (without pre-emptive subscription rights for existing shareholders), which would be valid for 18 months. These delegations cover issues of:

- ordinary shares;
- and/or securities carrying rights to capital and/or to debt securities.

In accordance with Article L. 228-93 of the French Commercial Code, the securities issued pursuant to this delegation of authority may carry rights to ordinary shares to be issued by any company that holds, directly or indirectly, more than half of the Company's share capital, or by any company of which the Company holds, directly or indirectly, more than half of its share capital.

- **Tenth resolution – Delegation of authority for the Board of Directors to issue ordinary shares and/or securities carrying rights to the share capital of the Company or another Group entity and/or to debt securities, without pre-emptive subscription rights for existing shareholders, by way of a public offer (other than an offer as defined in Article L. 411-2, 1 of the French Monetary and Financial Code) and/or as consideration for securities tendered to a public exchange offer**

Under this delegation, the issues would be carried out by way of a public offer (other than an offer as defined in Article L. 411-2, 1 of the French Monetary and Financial Code) and/or as consideration for securities tendered to a public exchange offer.
Shareholders' pre-emptive subscription rights for the ordinary shares and/or other securities issued would be cancelled, but the Board of Directors would have the option to grant shareholders a priority subscription right in accordance with the applicable law.
The aggregate par value of the ordinary shares that may be issued pursuant to this delegation may not exceed €200,000, representing approximately 20% of the Company's share capital as of the date of this report.
Where applicable, this ceiling would be adjusted to add the nominal amount of any capital increase needed to protect, in accordance with the law and any applicable contractual stipulations, the rights of holders of rights or securities carrying rights to the Company's capital.
The amount of the issues carried out pursuant to this delegation would be included in the ceiling for issues of ordinary shares set in the eleventh resolution.
The amount received or to be received by the Company for each ordinary share issued under this delegation of authority, after taking into account the issue price of any stand-alone equity warrants issued, would be determined in accordance with the laws and regulations in force at the time the Board of Directors uses the delegation. Article R. 22-10-32 of the French Commercial Code currently stipulates that for issues covered by Article L. 22-10-52, 1 of said Code, the issue price must be at least equal to the weighted average of the prices quoted for the Company's share over the three trading days preceding the start of the offer, less a maximum discount of 10%.
In the event of an issue of securities as consideration for securities tendered to a public exchange offer, the Board of Directors would have the necessary powers, subject to the conditions provided for in Article L. 22-10-54 of the French Commercial Code and the limits specified above, to (i)

determine the list of securities tendered to the exchange, (ii) set the conditions of issue, the exchange ratio and the amount of any balancing cash adjustment payable, and (iii) define the precise terms of the issue.

If an issue is not taken up in full, the Board of Directors may take one and/or the other of the following courses of action:

- limit the amount of the issue to the amount of subscriptions received, subject to any ceilings provided for in the applicable regulations;
- freely allocate some or all of the unsubscribed securities.

The Board of Directors would have the powers necessary, within the limits specified above, to (i) set the terms and conditions of the issue(s); (ii) place on record any resulting capital increases; (iii) amend the Company's articles of association accordingly; (iv) charge, at its own discretion, the costs of the capital increase(s) to the amount of the corresponding additional paid-in capital and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital following each capital increase; and (v) more generally, take all necessary steps for such purposes.

This delegation would cancel, as of the date of the Annual General Meeting, the unused portion of any previous delegation granted for the same purpose.

- **Eleventh resolution – Delegation of authority for the Board of Directors to issue ordinary shares and/or securities carrying rights to the share capital of the Company or another Group entity and/or to debt securities, without pre-emptive subscription rights for existing shareholders, by way of a private placement (i.e., an offer as defined in Article L. 411-2, 1 of the French Monetary and Financial Code)**

Under this delegation, the issues would be carried out by way of an offer as defined in Article L. 411-2, 1 of the French Monetary and Financial Code.

Shareholders' pre-emptive subscription rights for the ordinary shares and/or other securities issued would be cancelled.

The aggregate par value of the ordinary shares that may be issued pursuant to this delegation may not exceed €200,000, representing approximately 20% of the Company's share capital as of the date of this report, it being specified that the issues would also be limited to 20% of the share capital per annum.

Where applicable, this ceiling would be adjusted to add the nominal amount of any capital increase needed to protect, in accordance with the law and any applicable contractual stipulations, the rights of holders of rights or securities carrying rights to the Company's capital.

The amount of the issues carried out pursuant to this delegation would be included in the ceiling for issues of ordinary shares set in the tenth resolution.

The amount received or to be received by the Company for each ordinary share issued under this delegation of authority, after taking into account the issue price of any stand-alone equity warrants issued, would be determined in accordance with the laws and regulations in force at the time the Board of Directors uses the delegation. Article R. 22-10-32 of the French Commercial Code currently stipulates that for issues covered by Article L. 22-10-52, 1 of said Code, the issue price must be at least equal to the weighted average of the prices quoted for the Company's share over the three trading days preceding the start of the offer, less a maximum discount of 10%.

If an issue is not taken up in full, the Board of Directors may take one and/or the other of the following courses of action:

- limit the amount of the issue to the amount of subscriptions received, subject to any ceilings provided for in the applicable regulations;
- freely allocate some or all of the unsubscribed securities.

The Board of Directors would have the powers necessary, within the limits specified above, to (i) set the terms and conditions of the issue(s); (ii) place on record any resulting capital increases; (iii) amend the Company's articles of association accordingly; (iv) charge, at its own discretion, the costs of the capital increase(s) to the amount of the corresponding additional paid-in capital and deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital following each capital increase; and (v) more generally, take all necessary steps for such purposes.

This delegation would cancel, as of the date of the Annual General Meeting, the unused portion of any previous delegation granted for the same purpose.

- **Twelfth resolution – Authorisation to set the issue price for issues without pre-emptive subscription rights for existing shareholders, within the limit of 10% of the Company's share capital per annum and under the terms and conditions set by the shareholders**

Pursuant to Article L. 22-10-52, 2 of the French Commercial Code, if the Board of Directors decides to carry out an issue of ordinary shares or securities carrying rights to the Company's share capital without pre-emptive subscription rights for existing shareholders by way of a public offer (including an offer as defined in Article L. 411-2, 1 of the French Monetary and Financial Code, i.e., a private placement) and such securities fall within the scope of Article L. 22-10-52, 1 of the French Commercial Code, we invite you to authorise the Board to depart from the pricing conditions specified in the above resolutions and to set the price for the equity securities to be issued as follows, within the limit of 10% of the Company's share capital per annum:
The issue price for the equity securities to be issued, immediately or in the future, may not, at the Board of Directors' discretion, be less than:

- either the weighted average price of the Company's share on the day preceding the pricing date, less a maximum discount of 15%; or
- the average of the listed prices of the Company's share over five consecutive days chosen from among the 30 trading days preceding the pricing date, less a maximum discount of 10%.

- **Thirteenth resolution – Delegation of authority for the Board of Directors to issue, to a specific category of beneficiaries, ordinary shares and/or securities carrying rights to the share capital of the Company or another Group entity and/or to debt securities, without pre-emptive subscription rights for existing shareholders**

Under this delegation, the issues would be carried out for a specific category of beneficiaries, in accordance with Article L. 225-138 of the French Commercial Code.
This delegation would be valid for a period of 18 months as from the date of the Annual General Meeting.
The aggregate nominal amount of the capital increases that may be carried out pursuant to this delegation may not exceed €50,000, representing approximately 5% of the Company's share capital as of the date of this report.
Where applicable, this ceiling would be adjusted to add the nominal amount of any capital increase needed to protect, in accordance with the law and any applicable contractual stipulations, the rights of holders of rights or securities carrying rights to the Company's capital.
This ceiling would be independent of all of the ceilings provided for by other resolutions of this Meeting.
In accordance with Article L. 225-138 of the French Commercial Code, the issue price for the ordinary shares that may be issued pursuant to this delegation of authority would be set by the Board of Directors and in any event must be at least equal to the weighted average of the share price over the last 20 trading days preceding the date on which the issue price is set.
Shareholders' pre-emptive subscription rights for the ordinary shares and/or other securities to be issued pursuant to this delegation of authority would be cancelled in favour of the following category of beneficiaries or one or more sub-categories of said category:
Any French or foreign private individuals or legal entities controlling, within the meaning of Article L. 233-3, I or II of the French Commercial Code, a company engaged in a POS hardware business, all or part of which is being acquired by the Company.
If an issue as referred to above is not taken up in full, the Board of Directors may take one and/or the other of the following courses of action in the order of its choice:

- limit the amount of the issue to the amount of subscriptions received, subject to any ceilings provided for in the applicable regulations;
- freely allocate some or all of the unsubscribed securities among the eligible category of persons or entities.

The Board of Directors would have full powers to use this delegation and, in accordance with the applicable laws and regulations, would be required to report on any such use at the following Ordinary General Meeting.

This delegation would cancel, as of the date of the Annual General Meeting, the unused portion of any previous delegation granted for the same purpose.

- **Fourteenth resolution – Authorisation to increase the amount of issues**

Within the scope of the foregoing delegations without pre-emptive subscription rights for existing shareholders (tenth, eleventh and thirteenth resolutions), we invite you to grant the Board of Directors the power to increase the number of securities specified in the initial issue, under the conditions set out in Articles L. 225-135-1 and R. 225-118 of the French Commercial Code and within the limit of the ceilings set by the shareholders.

Accordingly, it would be possible for the number of securities to be increased within 30 days of the end of the subscription period, up to 15% of the initial issue and at the same price as the initial issue, within the limit of the ceilings set by the shareholders.

- **Fifteenth resolution – Delegation of authority for the Board of Directors to increase the Company's share capital by issuing ordinary shares and/or securities carrying rights to the Company's capital to members of a corporate savings plan, without pre-emptive subscription rights for existing shareholders, in accordance with Articles L. 3332-18 *et seq.* of the French Employment Code**

We are inviting you to vote on this resolution in order to comply with Article L. 225-129-6 of the French Commercial Code, according to which the shareholders sitting in an Extraordinary General Meeting must also vote on an extraordinary resolution to increase the share capital in favour of members of a corporate savings plan when they grant delegations that could give rise to, immediately or in the future, a capital increase paid up in cash.

Within the scope of this delegation, we invite you to authorise the Board of Directors, if it deems fit and at its sole discretion, to increase the share capital, on one or more occasions, by issuing ordinary shares or securities carrying rights to the Company's capital to members of one or more Company or Group savings plans set up by the Company and/or by the French or foreign subsidiaries that are related to it under the conditions set out in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Employment Code (*Code du travail*).

Pursuant to Article L. 3332-21 of the French Employment Code, the Board of Directors would have the option to allocate to the above-defined beneficiaries, free of charge, new or existing shares, or other new or existing securities carrying rights to the Company's capital, for the purpose of (i) the employer's top-up contribution that may be paid in application of the rules and regulations of Company or Group savings plans and/or (ii) any discount applied. If new shares are issued for the purpose of such top-up contribution and/or the discount, the Board would be authorised to capitalise reserves, profit or additional paid-in capital in the amounts required to pay up the shares.

In accordance with the law, the pre-emptive rights of existing shareholders to subscribe for the shares and/or other securities to be issued pursuant to this delegation would be cancelled.

The maximum nominal amount of the capital increase(s) that could be carried out pursuant to this delegation would be 1% of the amount of the share capital at the time the Board of Directors decides to carry out this increase, this amount being independent of any other ceilings provided for under delegations of authority to increase the share capital. Where applicable, this amount would be adjusted to add the nominal amount of any capital increase needed to protect, in accordance with the law and any applicable contractual stipulations, the rights of holders of rights or securities carrying rights to the Company's capital.

This delegation of authority would be granted for a period of twenty-six months.

It is specified that, pursuant to Article L. 3332-19 of the French Employment Code, the price of the shares to be issued must not be more than 30% below – or more than 40% below when the lock-up period provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Employment Code is ten years or more – the average of the listed prices of the share during the 20 trading days preceding the date on which the decision setting the start of the subscription period is taken, or higher than this average.

The Board of Directors would have the choice of whether or not to use this delegation of authority and would have the necessary powers to take all measures and carry out all necessary formalities for the purposes of using it.

However, insofar as the Board of Directors considers this delegation to be neither timely nor relevant, you are invited to reject it.

- **Sixteenth resolution – Authorisation for the Board of Directors to award shares free of consideration to employees and/or certain corporate officers**

We invite you to renew the authorisation to award free shares to employees of the Company or of related companies or economic interest groups and/or to certain corporate officers.

We therefore ask you to grant the Board of Directors a 38-month authorisation to award, on one or more occasions, in accordance with Articles L. 225-197-1, L. 225-197-2 and L. 22-10-59 of the French Commercial Code, free of consideration, (i) new shares resulting from capital increase(s) carried out by capitalising reserves, additional paid-in capital or profit, or (ii) existing shares.
The beneficiaries of these awards may be:

- employees of the Company or of companies or economic interest groups directly or indirectly related to it within the meaning of Article L. 225-197-2 of the French Commercial Code; and/or
- corporate officers meeting the conditions set out in Article L. 225-197-1 of the French Commercial Code.

The total number of free shares that may be awarded may not exceed (i) 10% of the Company's share capital as at the date of the Annual General Meeting, and (ii) the maximum percentage provided for in the applicable regulations as at the award date.
The above ceiling would be adjusted where applicable to take into account the nominal amount of any capital increase(s) required to protect the rights of beneficiaries of free share awards in the event of any corporate actions carried out by the Company during the vesting period of their shares.
This ceiling would be independent of all of the ceilings provided for by other resolutions of this Meeting.
The free shares awarded to the beneficiaries would vest at the end of a vesting period to be set by the Board of Directors, which cannot be less than one year.
Where applicable, the beneficiaries would be required to hold their shares for a lock-up period set by the Board of Directors. The lock-up period would be set in such a way that the duration of the vesting period and the lock-up period combined represent at least two years.
Exceptionally, the free shares could vest before the end of the vesting period if the beneficiary becomes disabled (second or third categories of disability defined in Article L. 341-4 of the French Social Security Code).
This authorisation would automatically entail the waiver of existing shareholders' pre-emptive rights to subscribe for any new shares issued pursuant to this authorisation by capitalising reserves, additional paid-in capital or profit.
The Board of Directors would have full powers to (i) set the terms and conditions and any applicable criteria for the free share awards; (ii) draw up the list of beneficiaries and set the number of shares to be awarded to each beneficiary; (iii) where applicable, place on record that there are sufficient reserves available and, at the time of each award, transfer to a blocked reserve account the amount required to pay up the new shares to be awarded; (iv) decide on the capital increase(s) to be carried out by capitalising reserves, additional paid-in capital or profit for the purposes of issuing new shares to be awarded free of consideration; (v) purchase the required shares under the share buyback programme and allocate them to the free share plan; (vi) determine the impact on beneficiaries' rights of transactions carried out during the vesting period that result in a change the Company's share capital or that could affect the value of the free shares awarded, and make any adjustments necessary to the number of shares awarded in order to protect beneficiaries rights; (vii) take all necessary measures to ensure that any lock-up period applicable to the beneficiaries is respected; and (viii) generally take all necessary steps required to use this authorisation, in accordance with the applicable law.

This authorisation would cancel, as of the date of the Annual General Meeting, the unused portion of any previous authorisation granted for the same purpose.

- **Seventeenth resolution – Powers to carry out formalities**

The shareholders give full powers to the bearer of a copy or extract of the minutes of the Meeting to perform all of the legally required filing and publication formalities.

The Board of Directors invites you to approve the resolutions put to your vote, with the exception of the fifteenth resolution, which it invites you to reject.

THE BOARD OF DIRECTORS

8. Legal disclosures

8.1. Non-deductible expenses

The following disclosure is provided pursuant to Article 223 *quater* of the French Tax Code. The Company's non-deductible expenses and charges – as defined in Article 39-4 of the French Tax Code – amounted to €127,026 in 2021 and were added back to its taxable profit as required by Article 39-4 of said Code.

8.2. Information on payment terms

Pursuant to Articles L. 441-14 and D. 441-6 of the French Commercial Code, the following table shows details of supplier and customer payment terms at 31 December 2021:

In € thousands	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)
A. Days late						
Number of invoices	463	35	9	6	31	81
Total amount of invoices (incl. VAT)	5,849	343	9	13	295	659
As a % of total purchases for the period (excl. VAT)	12.67%	0.74%	0.02%	0.03%	0.64%	1.43%
As a % of revenue for the period (excl. VAT)						
B. Invoices excluded from (A) relating to disputed or unrecognised receivables and payables						
Number of invoices excluded	None					
Total amount of invoices excluded						
C. Reference contractual payment terms used						
Payment terms used to calculate late payments	Contractual terms granted by suppliers					

In € thousands	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)
A. Days late						
Number of invoices	1,260	177	89	62	295	623
Total amount of invoices (incl. VAT)	13,500	1,214	101	88	3,639	5,042
As a % of total purchases for the period (excl. VAT)						
As a % of revenue for the period (excl. VAT)	25.44%	2.29%	0.19%	0.17%	6.86%	9.50%
B. Invoices excluded from (A) relating to disputed or unrecognised receivables and payables						
Number of invoices excluded	None					
Total amount of invoices excluded						
C. Reference contractual payment terms used						
Payment terms used to calculate late payments	30 days net					

For information purposes, the following table shows details of supplier and customer payment terms at 31 December 2020:

In € thousands	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)
A. Days late						
Number of invoices	43	62	17	18	29	126
Total amount of invoices (incl. VAT)	209	214	59	19	79	371
As a % of total purchases for the period (excl. VAT)	0.66%	0.68%	0.19%	0.06%	0.25%	1.18%
As a % of revenue for the period (excl. VAT)						
B. Invoices excluded from (A) relating to disputed or unrecognised receivables and payables						
Number of invoices excluded	None					
Total amount of invoices excluded						
C. Reference contractual payment terms used						
Payment terms used to calculate late payments	Contractual terms granted by suppliers					

In € thousands	0 days	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total (1 or more days)
A. Days late						
Number of invoices	95	157	86	45	210	498
Total amount of invoices (incl. VAT)	708	462	543	103	2,515	3,623
As a % of total purchases for the period (excl. VAT)						
As a % of revenue for the period (excl. VAT)	1.84%	1.20%	1.41%	27.00%	6.53%	36.14%
B. Invoices excluded from (A) relating to disputed or unrecognised receivables and payables						
Number of invoices excluded	None					
Total amount of invoices excluded						
C. Reference contractual payment terms used						
Payment terms used to calculate late payments	30 days net					

9. Information on the social and environmental impact of the Company's business

In accordance with Articles L. 225-102-1, L. 22-10-36 and R. 225-105 *et seq.* of the French Commercial Code, the Company is not required to prepare a non-financial information statement since it does not meet the thresholds prescribed by French law triggering the disclosure of this information.

Certain information from the "Corporate social responsibility" (CSR) section of the 2017 annual financial report regarding the impact of the Company's business and of the use of the goods and services that it produces on climate change, as well as its commitments to promote sustainable development, the circular economy and the prevention of food waste, is set out below.

The Group's business is:

- in France, a commercial business, a product development business (design and creation), and an after-sales services business;
- in its foreign subsidiaries, a commercial business and an after-sales services business.

AURES has no industrial production activities. Accordingly, it does not use significant amounts of raw materials intended for production and subsequent sale, and it does not emit significant quantities of waste or greenhouse gases into the environment.

- Measures to prevent, reduce and/or remedy air, water and soil emissions with a significant harmful impact on the environment

The risk of environmentally harmful air, water and soil emissions from AURES' business activities is not considered significant.

- Noise pollution

AURES' business activities do not cause significant noise pollution.

- Other forms of pollution specific to a business activity

AURES' business activities do not cause other significant forms of pollution.

- Adaptation to the consequences of climate change

AURES' business activities are not significantly exposed to climate change.

- Waste prevention, recycling and elimination measures

Since the Group has no direct production activities, it produces a limited amount of waste. The Group works with a specialist service provider to manage and recycle waste electrical and electronic equipment (WEEE).

The Group pays particular attention to the management of its products at the end of their lifecycle. AURES' customers can contact the Group when they wish to dispose of their end-of-life products, in which case AURES will take back the products and assume responsibility for their management and recycling (see AURES' website for further information).

- Measures taken to improve efficiency in the use of raw materials

AURES works with its contractors in Taiwan and South Korea to develop prototypes that take into account criteria such as energy performance and the use of certain materials (aluminium and polycarbonate) to ensure that the materials it uses can be fully recycled and are compliant with regulations.

- Measures taken to ensure consumer health and safety and partnership initiatives

All technological solutions marketed by the AURES Group comply with applicable standards on the target markets.

- Initiatives to prevent food waste

AURES' business activities do not generate significant quantities of food waste.

Keenly aware of the importance of Corporate Social Responsibility (CSR) to the Group and its partners, AURES has launched a process to draw up a pro-active CSR strategy realistically suited to its organisational structure, and it intends to measure its carbon footprint within a year.

To assist it with this project, in April 2022 it signed a three-way agreement with the French public investment bank, BPI France, and a consultancy firm specialised in CSR.

10. Appendices required by law

The appendices to this report include the table referred to in Article R. 225-102 of the French Commercial Code showing the results of the Company over the last five years and the appendices required by the applicable regulations providing details on subsidiaries and equity investments.

Please note that shareholders:

- had a right to request documents for a specified time before the Annual General Meeting;
- were able to ask the Company to provide them with certain documents before the Annual General Meeting;
- have, at any time during the year, an ongoing right to request documents pertaining to the Annual General Meetings held over the last three years.

THE BOARD OF DIRECTORS

CORPORATE GOVERNANCE REPORT
(ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE)

This report was prepared by the Board of Directors in accordance with Articles L. 225-37, L. 225-37-4 and L. 22-10-8 to L. 22-10-11 of the French Commercial Code.

1. Company corporate officers

At 31 December 2021, the Board of Directors had six members, as follows:

Name	Position	Age	Nationality	Date appointed/ reappointed	Expiry of term of office
Patrick Cathala	Director, Chairman and Chief Executive Officer	65	French	AGM 21/05/2008 AGM 24/09/2020	AGM 2026
Daniel Cathala	Director	68	French	AGM 21/05/2008 AGM 24/09/2020	AGM 2026
Régis Cathala	Director	62	French	AGM 30/06/2011 AGM 20/06/2017	AGM 2023
Alfredo Freire	Director	54	French	AGM 30/06/2011 AGM 20/06/2017	AGM 2023
Isabelle Baptiste	Director	58	French	AGM 20/06/2018	AGM 2024
Sabine De Vuyst	Director	48	French	AGM 20/06/2017	AGM 2023

Directors are appointed for six-year terms of office.

The terms of office of Patrick Cathala and Daniel Cathala were renewed for a period of six years at the Combined General Meeting of 24 September 2020, i.e., until the close of the Annual General Meeting to be held in 2026 to approve the 2025 financial statements.

The terms of office of Régis Cathala and Alfredo Freire were renewed for a period of six years at the Annual General Meeting of 20 June 2017, i.e., until the close of the Annual General Meeting to be held in 2023 to approve the 2022 financial statements.

Sabine De Vuyst was appointed as a director for a period of six years at the Annual General Meeting of 20 June 2017, i.e., until the close of the Annual General Meeting to be held in 2023 to approve the 2022 financial statements.

Isabelle Baptiste's term of office was renewed for a period of six years at the Annual General Meeting of 20 June 2018, i.e., until the close of the Annual General Meeting to be held in 2024 to approve the 2023 financial statements.

There were no changes in the Board of Directors' membership structure in 2021.

At 31 December 2021, the Board of Directors comprised two women and four men. This ratio complies with the French statutory rules on gender-balanced corporate boards.

Pursuant to Article L. 22-10-10 of the French Commercial Code, it is herein specified that the Company does not apply a diversity policy as regards its Board of Directors, insofar as it is controlled by the Chairman and Chief Executive Officer and this factor has influenced its governance philosophy since the Company was founded.

However, in light of its size and current composition, the Board respects a certain diversity in terms of gender balance and its aim is to maintain a similar gender balance over the longer term.
Details of other positions and offices held by Company directors are provided in section 1.5 of this report.

1.1. Method of management

At the Board of Directors' meeting of 21 May 2008, the directors decided to combine the offices of Chairman of the Board and Chief Executive Officer, further to which Patrick Cathala took on the duties of Chief Executive Officer.

At its meeting on 24 September 2020, the Board decided that Patrick Cathala should continue to serve in the combined offices of Chairman and Chief Executive Officer for a further six-year term, i.e., until the expiry of his directorship at the close of the Annual General Meeting to be held in 2026.

1.2. Components of remuneration and benefits in kind paid during or awarded for 2021 to Patrick Cathala, Chairman and Chief Executive Officer (eighth resolution of the 28 June 2022 Annual General Meeting) – individual ex-post "say on pay"

In accordance with Article L. 22-10-34, II of the French Commercial Code, in the eighth resolution the shareholders are invited to vote on the fixed, variable and exceptional components comprising the total remuneration and benefits in kind paid or awarded to Patrick Cathala in respect of his duties as Chairman and Chief Executive Officer in 2021, determined pursuant to the remuneration policy approved at the Annual General Meeting of 24 June 2021 in its eighth ordinary resolution.

Components of remuneration paid during or awarded for 2021	Amount or accounting estimate submitted for shareholder approval	Description
Fixed remuneration	€513,270 (amount awarded for 2021 and paid in 2021)	Annual fixed remuneration calculated based on the level of responsibility and complexity that comes with the role of Chairman and Chief Executive Officer, as well as Patrick Cathala's experience in that role, his status as the Company's reference shareholder and his personal financial investment in the Group.
Annual variable remuneration	€0 (amount paid in 2021 after shareholder approval at the 2021 Annual General Meeting)	Annual variable remuneration (paid in 2020) was based on the net margin*, it being specified that, for confidentiality reasons, the expected level of this margin is not disclosed. The Chairman and Chief Executive Officer's annual variable remuneration cannot exceed 45% of his annual fixed remuneration.
	€0 for 2021	The Chairman and Chief Executive Officer's annual variable remuneration (awarded for 2021) was also contingent on the net margin*. At its meeting on 28 April 2022, the Board of Directors placed on record that the applicable criteria for the Chairman and Chief Executive Officer's 2021 variable remuneration had not been met.
Exceptional remuneration	None	The Board of Directors may decide to award the Chairman and Chief Executive Officer exceptional remuneration in special circumstances.
Benefits in kind	€10,528 (accounting estimate, amount awarded for 2021)	Company car.

** The net margin corresponds to the ratio resulting from net profit attributable to owners of the parent divided by revenue, using the figures for those metrics reported in the consolidated financial statements.*

1.3. Disclosures pursuant to Article L. 22-10-9, I of the French Commercial Code for each of the Company's corporate officers (seventh resolution of the 28 June 2022 Annual General Meeting) – Overall ex-post "say on pay"

The Chairman and Chief Executive Officer received gross annual fixed remuneration of €513,270 in 2021, calculated based on the level of responsibility and complexity that comes with the role of Chairman and Chief Executive Officer, as well as Patrick Cathala's experience in that role, his status as the Company's reference shareholder and his personal financial investment in the Group.

Pursuant to Article L. 22-10-9 of the French Commercial Code, it is hereby disclosed that an aggregate gross amount of €523,798 was paid or awarded (subject to shareholder approval) to the Chairman and Chief Executive Officer in 2021, set by reference to the principles of the remuneration policy approved at the Annual General Meeting of 24 June 2021 in the eighth ordinary resolution, breaking down as follows:

2021	Fixed remuneration	Variable remuneration (1)		Exceptional remuneration		Benefits in kind (2)	Directors' remuneration (formerly directors' fees)
Patrick Cathala		Amount paid in 2021	Amount awarded for 2021	Amount paid in 2021	Amount awarded for 2021		
	513,270	0*	0**	0*	0**	10,528	None

** Amount paid in 2021 after approval by shareholders at the Annual General Meeting.*

*** Amount to be paid once approved by shareholders.*

(1) The Chairman and Chief Executive Officer's annual variable remuneration reflects the Group's overall performance as it is contingent on the Group's net margin. The Board of Directors has determined the expected achievement level, but the figure is not disclosed for confidentiality reasons.
The net margin corresponds to the ratio resulting from net profit attributable to owners of the parent divided by revenue, using the figures for those metrics reported in the consolidated financial statements.

The Chairman and Chief Executive Officer's annual variable remuneration cannot represent more than 45% of his annual fixed remuneration.

(2) Benefits in kind relate to the use of a company car.

Patrick Cathala did not receive any free shares in 2021.

The remuneration policy applicable to the Chairman and Chief Executive Officer is in the Company's best interests, helps achieve the goals underlying its commercial strategy, and contributes to ensuring its longevity, due to the fact that:

- the conditions that have to be met in order to trigger payment of the Chairman and Chief Executive Officer's annual variable remuneration are set in advance by the Board of Directors; and
- the Chairman and Chief Executive Officer does not receive any free shares.

At the Annual General Meeting held on 20 June 2017, the shareholders set the total amount of annual directors' remuneration at €7,500.

The amounts of directors' remuneration paid in and awarded for 2021 to members of the Board (except for the Chairman and Chief Executive Officer) – out of the overall amount set in accordance with the remuneration policy approved in the sixth resolution of the 24 June 2021 Annual General Meeting – were as follows:

	Amounts awarded for 2020 and paid in 2022	Amounts awarded for 2021
Daniel Cathala	€3,000	€1,500
Sabine De Vuyst	€2,500	€1,500
Alfredo Freire	€2,000	€500

The individual remuneration awarded to the directors from the overall set amount is calculated based on their actual attendance at Board meetings, except for the Chairman and Chief Executive Officer, who does not receive any remuneration for his role as a director of the Company.

Neither the directors nor the Chairman and Chief Executive Officer receive any remuneration for duties they perform within the companies controlled by the Group.
No specific agreements have been entered into with the directors or the Chairman and Chief Executive Officer in respect of pensions or similar benefits,
and no financial advances have been granted to them.

The other components of the corporate officers' remuneration received pursuant to their employment contracts have not been disclosed for confidentiality reasons in view of the Company's size and operating structure.

➢ Pay equity ratios between the Chairman and Chief Executive Officer's remuneration and the average and median remuneration of the Company's employees

In accordance with the disclosure requirements of Article L. 22-10-9, I of the French Commercial Code, the tables below set out the ratios between the Chairman and Chief Executive Officer's remuneration and (i) the average remuneration (on a full-time equivalent – "FTE" – basis) of the Company's employees other than corporate officers, and (ii) the median remuneration (on an FTE basis) of the Company's employees other than corporate officers, as well as year-on-year changes in the Chairman and Chief Executive Officer's remuneration, the Company's performance and the average FTE-basis remuneration of the Company's employees other than its senior executives:

	Ratio of Chairman and CEO's remuneration/ average remuneration of the Company's employees	Ratio of Chairman and CEO's remuneration/ median remuneration of the Company's employees
2018	16.2	22.6
2019	16.4	22.8
2020[1]	10.6	14.4
2021	10.7	14.8

(1) Includes the impact of the Covid-19 crisis and the use of furlough and short-time working schemes as well as the reduction in remuneration agreed by the Chairman and Chief Executive Officer at the start of the pandemic.

	Year-on-year change in the Chairman and CEO's remuneration (Y/Y-1)	Year-on-year change in the average FTE-basis remuneration of the Company's employees (Y/Y-1)	Year-on-year change in the Company's performance (Y/Y-1)		Year-on-year change in pay equity ratios (Y/Y-1)	
					Average remuneration ratio	Median remuneration ratio
			Consolidated net profit	% change	Chairman and CEO	Chairman and CEO
2019	+1.1%	-0.1%	€3,053K	-63.2%	+1.2%	+0.9%
2020	-40.3%	-7.1%	€3,108K	+1.8%	-35.4%	-36.8%
2021	+6.5%	+4.7%	€2,603K	-16.2%	+1.7%	+2.5%

No meaningful ratios can be presented for data before 2019.

The scope used to calculate the ratio between the remuneration of the Chairman and Chief Executive Officer and the average and median remuneration on an FTE basis of the employees in that scope (other than corporate officers) corresponds to AURES Technologies SA. France – which is the country where the Group was first established and is currently its second-largest country of operations – was deemed to be the logical choice to use as the scope for this ratio.

The remuneration components included in the calculation of the ratios comprise all of the components of remuneration paid during the year concerned, both for the numerator and denominator of the ratio calculation (fixed remuneration, variable remuneration, exceptional remuneration, benefits in kind, etc.). The employees included in the denominator are those who were present and in service for the whole year concerned, and their remuneration is counted on a full-time equivalent basis.

1.4. Remuneration policies for corporate officers – Ex-ante "say on pay"

In accordance with Articles L. 22-10-8 and R. 22-10-14 of the French Commercial Code, the Board of Directors has drawn up a remuneration policy for each of the Company's corporate officers. These policies are in the Company's best interests, contribute to ensuring its longevity, and help achieve the goals underlying its commercial strategy, as described in the "Business and strategy" section of the management report.

The Board has determined the Chairman and Chief Executive Officer's remuneration policy in line with these factors, in particular by setting performance conditions for his variable remuneration that relate to the

implementation of the Company's commercial strategy in its best interests, as specified in section 1.3 of this report.
All remuneration components that are set, awarded or paid by the Company and any commitments given by the Company must comply with the remuneration policy approved by the shareholders. If no such policy is in place, they must comply with the Company's existing remuneration packages and practices.

The Board of Directors determines, reviews and implements the remuneration policies for each corporate officer, with the Chairman and Chief Executive Officer not taking part in any discussions or votes on any remuneration components and/or commitments concerning himself.

In the decision-making processes used to determine and review these remuneration policies, the Board takes into account the best interests of the Company and seeks to ensure that the corporate officers' remuneration packages are consistent with the remuneration of the Company's employees.

- Remuneration policy for the Chairman and Chief Executive Officer (fifth resolution of the 28 June 2022 Annual General Meeting)

In calculating the total remuneration payable to the Chairman and Chief Executive Officer, the Board of Directors particularly took into account the level of responsibility and complexity that comes with the role of Chairman and Chief Executive Officer, as well as Patrick Cathala's experience in that role, his status as the Company's reference shareholder and his personal financial investment in the Group.
The components making up the total remuneration and benefits in kind that can be awarded to the Chairman and Chief Executive Officer for serving in that role, as set by the Board of Directors, as well as their respective weightings, are as follows:

•Fixed remuneration
The Chairman and Chief Executive Officer receives fixed remuneration paid on a monthly basis.
The amount of his basic fixed remuneration did not change despite the fact that the size of the Group increased following the acquisition of RTG in October 2018. The same decision was taken concerning the remuneration of the French entity's employees.
The change in the Chairman and Chief Executive Officer's annual fixed remuneration between 2020 and 2021 reflects the reduction in remuneration he agreed to at the start of the Covid crisis.

•Annual variable remuneration
The Chairman and Chief Executive Officer receives annual variable remuneration representing up to 45% of his annual fixed remuneration.
The amount of his annual variable remuneration is contingent on the Group's net margin. The net margin corresponds to the ratio resulting from net profit attributable to owners of the parent divided by revenue, using the figures for those metrics reported in the consolidated financial statements.
Net margin was chosen as the criterion for setting the Chairman and Chief Executive Officer's variable remuneration as it best reflects the strategy and goals set by the Group.

•Exceptional remuneration
The Board of Directors may decide to award the Chairman and Chief Executive Officer exceptional remuneration in special circumstances.
The payment of exceptional remuneration must be justified by events such as the completion of an acquisition by the Company, a major business development project or an exceptional event.
Any exceptional remuneration awarded to the Chairman and Chief Executive Officer may not represent more than 45% of his annual fixed remuneration.

•Benefits in kind
The Chairman and Chief Executive Officer has the use of a company car.

Neither the Company nor any entity that is controlled by the Company or that controls the Company has given the Chairman and Chief Executive Officer any commitment concerning any remuneration, indemnity or benefit payable in the event of loss of office or a change in duties or responsibilities.

The variable remuneration and any exceptional remuneration awarded for 2021 to the Chairman and Chief Executive Officer for serving in that role can only be paid if the shareholders at the Combined General Meeting approve the components of his remuneration paid during or awarded for 2021 (individual ex-post "say on pay").

In the fifth resolution, the shareholders are invited to approve the remuneration policy set out above.

➢ Directors' remuneration policy (sixth resolution of the 28 June 2022 Annual General Meeting) – Ex-ante "say on pay"

In the tenth ordinary resolution of the 20 June 2017 Annual General Meeting, the total annual remuneration of the members of the Board of Directors was set at €7,500. This amount has remained unchanged since that date and will remain so until otherwise decided by the shareholders in an Annual General Meeting.

The criteria for allocating individual remuneration to the directors out of the aggregate annual amount approved by the shareholders – except to the Chairman and Chief Executive Officer who does not receive any remuneration for his duties as a director of the Company – are set by the Board and are based on each director's actual attendance at Board meetings.

However, Board meetings held in the form of the Audit Committee – which take place on different dates to the Board of Directors' meetings – are accounted for and remunerated separately.

➢ Information on the terms of office, employment contracts and/or service agreements of corporate officers vis-à-vis the Company

Pursuant to the articles of association, the Company's directors are appointed for six-year terms (Article 11).

The Chairman's term of office may not exceed his term as a director (Article 12).

If he is a director, the Chief Executive Officer's term of office may not exceed his term as a director (Article 14).

The table below shows the duration of any employment contracts and/or service agreements entered into by corporate officers with the Company as well as any notice periods and termination conditions applicable to them.

Corporate officer	Office(s) held	Employment contract with the Company	Service agreement with the Company	Notice periods	Termination conditions
Daniel Cathala	Director	Yes – permanent employment contract covering his sales work for the indirect POS business	No	3-month notice period for his salaried duties	Termination of corporate office in accordance with French legislation and case law
Sabine De Vuyst	Director	Yes – permanent employment contract covering her duties as Chief Financial Officer	No	3-month notice period for her salaried duties	Termination of corporate office in accordance with French legislation and case law

1.5. Details of offices and positions held

Pursuant to Article L. 225-37-4, 1° of the French Commercial Code, details of the offices and positions held by each corporate officer during the year in all companies are provided below:

Patrick Cathala

- Chairman and Chief Executive Officer of AURES Technologies SA (FR)
- Managing director (*Geschäftsführer*) of AURES GmbH (DE)*
- Director of AURES Technologies Ltd (UK)*
- Director of J2 Technology Systems Ltd (UK)*
- President of AURES Technologies Inc. (US)*
- Director of AURES Technology Pty Ltd (AU)*
- Chairman and President of AGH US Holding Company (US)*
- Chairman and President of Retail Technology Group Inc. (US)*
- Permanent representative of AURES Technologies SA at AURES Konnect SAS*
- Chairman of Softavera SAS*

- Legal Manager (*Gérant*) of Leader Solution Tactile SARL (Tunisia)*
- Chairman of Cafi SAS (FR)
- Legal Manager of Cabou SCI (FR)
- Legal Manager of Le Tessalit SCI (FR)
- Legal Manager of Desca SCI (FR)
- Legal Manager of Pagae SARL (FR)
- Legal Manager of Le Cristal Un SCI (FR)
- Legal Manager of Laurest SCI (FR)
- Permanent representative of AURES Technologies SA, director of CJS

Daniel Cathala
- Director of AURES Technologies SA

Régis Cathala
- Director of AURES Technologies SA

Alfredo Freire
- Director of AURES Technologies SA

Isabelle Baptiste
- Director of AURES Technologies SA

Sabine De Vuyst
- Director of AURES Technologies Ltd (UK)*
- Director of J2 Technology Systems Ltd (UK)*
- Company Secretary of AURES Technologies Inc. (US)*
- Director of AURES Technologies SA
- Secretary and Chief Financial Officer of AGH US Holding Company (US)*
- Secretary and Senior Vice President Finance of Retail Technology Group Inc. (US)*

* AURES Group companies.

None of the companies in which these offices and positions are held are listed companies other than AURES Technologies SA.

1.6. Agreements entered into between a director or shareholder holding more than 10% of the Company's voting rights and a controlled company

No agreements have been entered into between (i) any corporate officer or shareholder holding more than 10% of the voting rights and (ii) a controlled company as defined in Article L. 233-3 of the French Commercial Code.

1.7. Procedure for assessing agreements concerning routine transactions and entered into on arm's length terms

In accordance with paragraph 2 of Article L. 22-10-12 of the French Commercial Code, on 28 September 2020 the Board of Directors approved an Internal Charter specifying the methods used for:
(i) identifying and classifying agreements that are subject to the procedures applicable to "regulated" (i.e., subject to approval) related-party agreements within the Company prior to their signature, renewal or termination; and
(ii) regularly assessing whether "unregulated" (i.e., concerning routine transactions and entered into on arm's length terms and therefore not subject to approval) related-party agreements meet the criteria for being classified as this type of agreement.
The procedure for classifying agreements as "unregulated" is reviewed annually by the Board of Directors based on a preliminary analysis carried out by the finance department.
If, during its annual analysis, the finance department believes that an agreement previously included in this category no longer meets the applicable criteria, it informs the Board of Directors thereof. The Board then decides whether or not to reclassify the agreement as a "regulated" agreement. If it is reclassified, the Board ratifies the agreement and subsequently submits it for shareholder approval at the next Annual General Meeting on the basis of a special report drawn up by the Statutory Auditors, in accordance with Article L. 225-42 of the French Commercial Code.

2. Conditions for preparing and organising the Board's work

2.1. Frequency of meetings, attendance rate and review of work carried out

The Board of Directors met three times in 2021, with an average attendance rate of 55.5%.
Article 12 of the articles of association states that the Board of Directors will meet as often as necessary in the interests of the Company and that meetings are called by the Chairman of the Board.

The agenda of each Board meeting was as follows:

29 April 2021
- Impacts of the Covid-19 pandemic and related measures taken by the Company

- Approval of the parent company and consolidated financial statements for the year ended 31 December 2020
- Proposed appropriation of profit
- Related-party agreements
- Calculation of the Chairman and Chief Executive Officer's remuneration
- Preparation and notice of the Combined General Meeting
- Preparation of interim management planning documents
- Miscellaneous issues

24 June 2021

- Implementation of the authorisation granted at the Combined General Meeting of 24 June 2021 to trade in the Company's own shares pursuant to Article L. 225-209 of the French Commercial Code
- Individual allocation of directors' remuneration out of the total amount approved by the shareholders (formerly directors' fees)
- Miscellaneous issues

28 September 2021

- Business review and outlook
- Approval of the interim consolidated financial statements at 30 June 2021
- Draft press release
- Preparation of the revised interim management planning documents
- Miscellaneous issues

2.2. Notice of meeting

Pursuant to Article 12 of the articles of association, the directors were called to meetings of the Board by all means, including verbally.
Pursuant to Article L. 823-17 of the French Commercial Code, the Statutory Auditors were invited to attend the Board meetings reviewing and approving the interim and annual financial statements, and participated in those meetings.

2.3. Information provided to directors

All documents, technical files and information needed for directors to perform their duties were provided to them eight days before any Board meeting.

2.4. Location of Board meetings

Board meetings are held at the registered office or at any other location indicated in the notice of meeting.

2.5. Board committees

The Board of Directors has not set up any special committees.
In accordance with Article L. 823-20 of the French Commercial Code, the Board has decided to fulfil the duties of the Audit Committee.
When the Board meets in its capacity as the Audit Committee, the Chairman and Chief Executive Officer does not chair the meeting.

The Board met in its capacity as the Audit Committee on one occasion in 2021.

The agenda of the Audit Committee meeting was as follows:

29 April 2021

- Statutory Auditors' independence
- Receipt of the draft report by the Statutory Auditors
- Approval of an assignment entrusted to one of the Statutory Auditors to draw up a statement on the information prepared by the Company (covenants) for the year ended 31 December 2010 related to loan agreements with BNP Paribas and CIC, which constitutes a service falling within the scope of Article L. 822-11-2 of the French Commercial Code
- Miscellaneous issues

2.6. Minutes of meetings

The minutes of Board of Directors' meetings are drawn up at the end of each meeting and promptly communicated to all of the directors.

3. Powers of the Chairman and Chief Executive Officer

There are no limits on the powers of the Chairman and Chief Executive Officer.

4. Corporate Governance Code to which the Company refers

In terms of corporate governance, the Company has familiarised itself with the Corporate Governance Codes published by Middlenext in September 2016 and AFEP-MEDEF in January 2020, and has considered them in light of its own principles.

In accordance with Article L. 22-10-10, 4 of the French Commercial Code, the Company hereby states that it does not refer to any of the Corporate Governance Codes mentioned above as the basis for its corporate governance policy.

This policy is in fact based on the facts and principles specific to the Company, including the wish to maintain a stable shareholding structure that reflects its status as a family business.

In 2020, a set of Rules of Procedure was drawn up for the Board of Directors.

5. Participation of shareholders in the Annual General Meeting

The means by which shareholders can participate in Annual General Meetings are set out in Article 16 of the Company's articles of association.

All shareholders are entitled to participate in Annual General Meetings, to be represented or vote by proxy, regardless of the number of shares held, provided that these shares have been paid up in full and registered in their name by midnight (CET) on the second business day preceding the Meeting date, either in the registered securities account held by the Company or in the bearer shareholder account held by the authorised intermediary.

These terms and conditions are subject to any other measures that may need to be put in place as a result of the Covid-19 health crisis.

6. List of outstanding delegations and authorisations to increase the share capital

Type of delegation or authorisation	Date of AGM	Expiry date	Amount authorised	Use in previous years	Use in 2021	Residual amount at 31 Dec. 2021
Delegation to increase the share capital by capitalising reserves, profits or additional paid-in capital 1	24 June 2021	24 Aug. 2023	€200,000	-	-	€200,000
Delegation to issue ordinary shares and securities with pre-emptive subscription rights for existing shareholders	24 June 2021	24 Aug. 2023	€500,000 (ordinary shares)	-	-	€500,000 (ordinary shares)
Delegation to issue ordinary shares and securities without pre-emptive subscription rights for existing shareholders by way of a public offer	24 Sept. 2020	23 Nov. 2022	€200,000 * (ordinary shares)	-	-	€200,000 * (ordinary shares)
Delegation to issue ordinary shares and securities without pre-emptive subscription rights for existing shareholders by way of a private placement	24 Sept. 2020	23 Nov. 2022	€200,000 and 20% of the share capital p.a.* (ordinary shares)	-	-	€200,000 and 20% of the share capital p.a.* (ordinary shares)
Delegation to issue ordinary shares and securities without pre-emptive subscription rights for existing shareholders in favour of a specific category of beneficiaries	24 June 2021	24 Dec. 2022	€50,000 (ordinary shares)	-	-	€50,000 (ordinary shares)
Delegation to increase the share capital as consideration for shares or securities tendered	24 June 2021	24 Aug. 2023	10% of the share capital at the date of the AGM	-	-	10% of the share capital at the date of the AGM
Authorisation to award free shares	25 June 2019	24 Aug. 2022	10% of the share capital at the date of the AGM (i.e., 400,000 shares)	21,500 shares	-	378,500 shares
Authorisation to issue stock options	24 June 2021	24 Nov. 2023	10% of the share capital at the date of the Board of Directors' meeting	-	-	10% of the share capital at the date of the Board of Directors' meeting

* *Blanket ceilings.*

7. Factors likely to influence a public offer

Pursuant to Article L. 225-10-11 of the French Commercial Code, we set out below factors that are likely to influence a public offer:

- Details of the Company's capital structure and direct and indirect shareholdings in the Company of which it is aware, along with all relevant information in this respect, are provided in section 1 – "Share capital" of the "AURES Technologies SA on the stock market" section of the Board of Directors' report to the 28 June 2022 Combined General Meeting as well as in Note 7 of the parent company financial statements – "List of subsidiaries and equity investments".

The articles of association do not place any restrictions on the exercise of voting rights or on share transfers, it being specified that, at the Annual General Meeting held on 20 June 2017, the shareholders amended the articles of association, introducing a notification obligation for shareholders when their holdings reach, cross or fall below 2.5% of the share capital or voting rights. Failure to comply will cause any shares exceeding the undeclared fraction to be stripped of voting rights at the request of one or more shareholders holding at least 5% of the share capital.

- No securities carry special ownership rights. Nevertheless, all fully paid-up shares that can be proven to have been registered in the name of the same shareholder for at least four years carry double voting rights (Article 9 of the articles of association).

- No control mechanisms exist in the event of a system of employee share ownership with ownership rights that are not exercised by the employee shareholders.

- To the best of the Company's knowledge, no shareholder agreements or other commitments have been signed between shareholders that could restrict share transfers or the exercise of shareholders' voting rights.
- Appointments and reappointments to the Board of Directors are made in accordance with legal rules and the articles of association.
- The Company's articles of association are amended in accordance with applicable laws and regulations.

- Regarding powers of the Board of Directors, delegations and authorisations currently in force allowing for the Board to increase the share capital are set out in section 6 of this report. The authorisation to award free shares is included in the table above.

- The powers of the Board of Directors to buy back shares are described in section 7 – "Share buybacks by the Company" of the "AURES Technologies SA on the stock market" section of the Board of Directors' report to the 28 June 2022 Combined General Meeting.

- The Company has not entered into any agreements that are to be amended or that terminate in the event of a change of control of the Company.

- There are no agreements providing for severance benefits for directors or employees if they resign or are dismissed without just cause or if their employment is terminated on account of a public offer.

CONSOLIDATED FINANCIAL STATEMENTS

➢ Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (€ thousands)

Notes	ASSETS	31 Dec. 2021	31 Dec. 2020
	NON-CURRENT ASSETS		
5.1	Goodwill	9,707	6,901
5.2	Intangible assets	7,159	5,583
5.4	Right-of-use assets under leases	7,151	7,633
5.3	Property, plant and equipment	2,255	1,925
5.5	Other financial assets	1,629	1,418
5.22	Deferred tax assets	2,468	2,673
	TOTAL NON-CURRENT ASSETS	**30,368**	**26,133**
	CURRENT ASSETS		
5.6	Inventories and work-in-progress	26,062	19,526
5.7	Trade receivables	13,349	9,793
5.8	Other current assets	5,850	7,135
	Financial assets at fair value	-	-
5.9	Cash and cash equivalents	20,310	23,468
	TOTAL CURRENT ASSETS	**65,571**	**59,922**
	TOTAL ASSETS	**95,939**	**86,055**

Notes	EQUITY AND LIABILITIES	31 Dec. 2021	31 Dec. 2020
	EQUITY		
	Share capital	1,000	1,000
	Reserves	31,596	27,725
	Profit for the year	2,517	3,026
	Shareholders’ equity	35,113	31,752
	Non-controlling interests	312	255
5.10	**TOTAL EQUITY**	**35,425**	**32,007**
	NON-CURRENT LIABILITIES		
5.12	Non-current borrowings and debt	11,591	18,550
5.13	Non-current lease liabilities	6,010	6,544
5.22	Deferred tax liabilities	1,139	1,538
5.11	Provisions for contingencies and expenses	1,181	1,134
5.16	Other non-current liabilities	332	462
	TOTAL NON-CURRENT LIABILITIES	**20,254**	**28,228**
	CURRENT LIABILITIES		
5.14	Trade payables	15,014	9,539
5.13	Current lease liabilities	1,580	1,400
5.12	Current borrowings and debt	5,060	2,703
6.1	Derivative instruments	20	260
	Current tax	1,249	647
5.15	Contract liabilities	8,763	6,072
5.16	Other liabilities	8,575	5,198
	TOTAL CURRENT LIABILITIES	**40,260**	**25,820**
	TOTAL EQUITY AND LIABILITIES	**95,939**	**86,055**

CONSOLIDATED INCOME STATEMENT (€ thousands)

Notes		2021	2020
5.17	Revenue	99,611	87,243
	Cost of goods sold	(50,921)	(45,727)
	Personnel costs	(21,669)	(19,524)
	External expenses	(19,129)	(15,468)
	Taxes other than on income	(590)	(437)
5.2/5.3/5.4	Depreciation and amortisation expense	(3,703)	(3,629)
5.6/5.7/5.11	(Additions to) Reversals of provisions	(462)	(739)
5.18	Other operating income and expenses	(136)	3,105
	Recurring operating profit	**3,002**	**4,824**
5.19	Other income from operations	591	845
5.19	Other expenses from operations	(121)	(723)
	Operating profit	**3,471**	**4,947**
5.20	Cost of net debt	(809)	(312)
5.20	Other financial income	1,229	562
5.20	Other financial expenses	(30)	(1,879)
5.21	Income tax expense	(1,258)	(209)
	Net profit for the year	**2,603**	**3,109**
	Attributable to owners of the parent	2,517	3,026
	Attributable to non-controlling interests	87	82
5.23	Basic earnings per share (€)	0.64	0.77
5.23	Diluted earnings per share (€)	0.64	0.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ thousands)

Notes		2021	2020
	Net profit for the year	**2,603**	**3,109**
	Items of other comprehensive income (loss) that may be reclassified to profit or loss		
	Translation gains and losses	732	(515)
	Items of other comprehensive income (loss) that will not be reclassified to profit or loss		
	Actuarial gains and losses on defined benefit plans	(33)	27
	Total other comprehensive income (loss)	**699**	**(488)**
	Total comprehensive income	3,302	2,620
	Attributable to owners of the parent	**3,216**	**2,538**
	Attributable to non-controlling interests	**87**	**82**

CONSOLIDATED STATEMENT OF CASH FLOWS (€ thousands)

Notes		2021	2020
	Consolidated net profit (1)	2,603	3,108
	+/- Net depreciation, amortisation and provision expense (2)	3,635	3,468
5.20	-/+ Unrealised gains and losses on changes in fair value	(156)	88
	-/+ Income and expenses related to stock options and other	111	(5)
	-/+ Capital gains and losses on disposals	11	(3)
5.20	+ Cost of net debt	809	312
5.21	+/- Income tax expense (including deferred taxes)	1,258	209
	= CASH FLOW FROM OPERATIONS BEFORE COST OF NET DEBT AND INCOME TAX (A)	**8,271**	**7,177**
	- Income tax paid (B)	642	18
	+/- Change in working capital relating to operations (3) (C)	(3,752)	(435)
	= NET CASH FROM OPERATING ACTIVITIES (D) = (A)+(B)+(C)	**5,161**	**6,760**
	- Outflows relating to purchases of property, plant and equipment and intangible assets	(727)	(2,037)
	+ Inflows relating to disposals of property, plant and equipment and intangible assets	18	7
5.5	- Outflows relating to purchases of long-term financial assets (non-consolidated equity investments)	-	-
5.1	+/- Impact of changes in scope of consolidation	(3,760)	0
	+/- Change in loans and advances granted	(164)	94
	= NET CASH FROM (USED IN) INVESTING ACTIVITIES (E)	**(4,632)**	**(1,936)**
6.7	-/+ Buybacks and sales of treasury shares	(5)	(14)
	- Dividends paid during the year:	-	-
	- Dividends paid to owners of the parent	-	-
	- Dividends paid to non-controlling shareholders of consolidated companies	(30)	(20)
5.12	+ Inflows relating to new borrowings	89	15,323
5.12	- Repayments of borrowings	(2,659)	(2,613)
	- Repayments of lease liabilities	(1,591)	(1,820)
5.20	- Net interest paid	(330)	(312)
	= NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)	**(4,526)**	**10,544**
5.9/5.12	+/- Impact of exchange rate fluctuations (G)	784	(189)
	= NET CHANGE IN CASH AND CASH EQUIVALENTS (4) (H) = (D)+(E)+(F)+(G)	**(3,213)**	**15,179**
	NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (I)	**23,447**	**8,268**
	NET CASH AND CASH EQUIVALENTS AT END OF YEAR (J)	**20,234**	**23,447**

(1) Including non-controlling interests.

(2) Excluding additions relating to current asset items.

(3) Including changes relating to employee benefit obligations.

(4) Including cash and cash equivalents and bank overdrafts (see Notes 5.9 and 5.12).

The change in working capital (C) can be analysed as follows:

	2021	2020
Change relating to trade receivables and contract assets net of contract liabilities	(63)	5,840
Change relating to trade payables	3,392	(5,562)
Change relating to other receivables and payables	(1,239)	(3,780)
Change relating to inventories	(5,842)	3,067
= Change in working capital relating to operations	**(3,752)**	**(436)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (€ thousands)

	Share capital	Consolidated reserves	Translation reserves	Shareholders' equity	Non-controlling interests	Total equity
Total equity at 1 January 2020	**1,000**	**29,283**	**(1,030)**	**29,253**	**193**	**29,446**
Comprehensive income	0	3,053	(516)	2,537	82	2,619
Dividends paid	-	-	-	-	(20)	(20)
Treasury share transactions	-	(33)	-	(33)	-	(33)
Free share awards	-	(5)	-	(5)	-	(5)
Other	-	-	-	-	-	-
Total equity at 31 December 2020	**1,000**	**32,298**	**(1,546)**	**31,752**	**255**	**32,007**
Net profit for the year	-	2,517	-	2,517	87	2,604
Translation gains and losses	-	-	732	732	-	732
Actuarial gains and losses on defined benefit plans	-	(33)	-	(33)	-	(33)
Comprehensive income	**-**	**2,484**	***732***	**3,216**	***87***	**3,303**
Dividends paid	-	-	-	-	(30)	(30)
Treasury share transactions	-	13	-	13	-	13
Free share awards	-	111	-	111	-	111
Other[(1)]	-	21	-	21	-	21
Total equity at 31 December 2021	**1,000**	**34,927**	**(814)**	**35,113**	**312**	**35,425**

[(1)] See Note 4 “Change in accounting methods” for further information on the IFRIC agenda decision issued in May 2021.

Unless otherwise specified, all the information below is expressed in thousands of euros.
Certain minimal figure differences may occur due to rounding.

➢ 2021 highlights

2021 saw a return to strong demand, driving an upswing in the Group's business trends.

In an operating context that was still unsettled, the significant events of the year were as follows:

- the impacts of the global Covid crisis, which continued to affect the Group's business in the first quarter;
- exceptional revenue growth in the second quarter (up 61.4% on the same period of 2020) and 19.5% growth in the first half;
- a second half marked by a shortage of components and delivery delays due to transport difficulties which impacted supplies. This weighed on revenue growth, which slowed to 9.1% for that period.

Against this backdrop, the Group ended 2021 with €99.6 million in revenue, up 14.2% on 2020.

The Group continued to develop and expand its range of products and services during the year via an external growth transaction.

On 22 February 2021, the Group acquired all the shares of two companies specialised in designing, developing and marketing software products – the French company Softavera and the Tunisia-based Leader Solution Tactile (LST), as well as their trademarks and associated software.
The aim of this major acquisition is to enable the Group to offer end-to-end solutions (digital hardware combined with applications).

In terms of liquidity, the Group decided to convert the €10.5 million government-backed loan ("PGE") that it was granted in 2020 by three financial institutions in France into a loan repayable over five years with a one-year deferment period. Without the guarantee from the French government, the fixed interest rate on the loan ranges between 0.28% and 0.75%.

In the United States, the Group has obtained confirmation from the SBA that its USD 3 million Paycheck Protection Program (PPP) loan will be forgiven. Accordingly, the loan will be converted into a grant recognised in income in 2020.

1. Accounting policies and methods

1.1. General accounting principles and accounting standards

Pursuant to European Commission regulation no. 1606/2002, the AURES Group has prepared its consolidated financial statements for the year ended 31 December 2021 in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union whose application was mandatory at that date.

The standards can be consulted on the European Commission website.

The consolidated financial statements for the year ended 31 December 2021 were approved for issue by the Board of Directors on 28 April 2022.

The new standards, amendments and interpretations whose application was mandatory for the first time in 2021 are:

- amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16 published in January 2021 – "Interest Rate Benchmark Reform – Phase 2";
- amendments to IFRS 7 and IFRS 4 – Insurance Contracts – "Extension of the Temporary Exemption from Applying IFRS 9";
- IFRIC agenda decision on Attributing Benefit to Periods of Service (IAS 19 – Employee Benefits).
- Amendment to IFRS 16 – "Covid-19-Related Rent Concessions beyond 30 June 2021";
- IFRIC agenda decision related to IAS 38 "Intangible Assets" on accounting for the costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement.

The May 2021 IFRIC agenda decision on attributing retirement benefits to periods of service was applied retrospectively by the Group in 2021.
The net-of-tax impact of this first-time application at 1 January 2021 was €31.5K. As this amount is not material, it was recognised in opening equity in the 2021 financial statements, and the financial statements at 31 December 2020 have not been restated. See Note 4 "Change in accounting methods" for further information.

The application of the other above-mentioned amendments and interpretations as from January 1, 2021 either had no impact on the consolidated financial statements at 31 December 2021 or were not relevant for the Group.

In its 2021 consolidated financial statements the Group did not early adopt any standards, amendments or interpretations applicable for reporting periods beginning on or after 1 January 2022.

In particular, it did not early adopt:
- amendments to IFRS 3 – "Reference to the Conceptual Framework";
- amendments to IAS 37 – "Onerous contracts – Cost of Fulfilling a Contract";
- amendment to IAS 16 – "Property, Plant and Equipment – Proceeds before Intended Use";
- annual improvements to IFRSs (2018-2020 cycle).

The Group chooses not to apply standards, amendments and interpretations whose application is optional in a given period.

The consolidated financial statements have been prepared using the historical cost convention, except for certain categories of assets and liabilities which are accounted for in accordance with the rules prescribed by IFRS.
The categories concerned are mentioned in the notes below.

1.2. Basis of consolidation

1.2.1. Consolidation methods

The consolidated financial statements include the financial statements of AURES Technologies SA and the financial statements of subsidiaries that it controls, which are fully consolidated.
AURES Technologies SA does not jointly control or exercise significant influence over any other entities.

1.2.2. Goodwill

Upon acquiring exclusive control of an entity, the assets, liabilities and any contingent liabilities of that entity are measured at fair value.
Goodwill represents the difference between the cost of acquiring the subsidiary and the fair value of the Group's share in the subsidiary's net identifiable assets at the acquisition date.

In accordance with IAS 36, goodwill is allocated to cash-generating units (CGUs) for impairment testing purposes.
It is tested for impairment at least annually, and more frequently whenever there is an indication that it may be impaired, and is recorded at cost less cumulative impairment losses. Impairment losses recognised against goodwill cannot be reversed.

1.2.3. Significant estimates and assumptions

The preparation of consolidated financial statements in accordance with the IFRS conceptual framework requires Group management to use estimates and assumptions as certain items in the financial statements cannot be measured with precision. Management revises these estimates in the event of a change in the underlying circumstances or in the light of new information or more experience. Consequently, the estimates used for the year ended 31 December 2021 may be significantly revised and actual future results may differ considerably from these estimates due to different assumptions or conditions.
Estimates primarily concern:

- intangible assets: see Note 1.3.1;
- provisions: see Note 1.3.13;
- employee benefit obligations: since these benefits are settled many years after the employees concerned have provided the related services, employee benefit obligations are calculated using actuarial methods based on financial and demographic assumptions such as the discount rate, inflation rate, rate of future salary increases and mortality rate. Since employee benefit plans are long-term plans, changes in actuarial assumptions may result in actuarial gains and losses that can lead to significant changes in the obligation recognised (see Note 1.3.14);
- the measurement of right-of-use assets and lease liabilities (see Notes 1.3.4 and 1.3.5);
- deferred tax assets: deferred tax assets are recognised to the extent that it is probable that the Group will generate sufficient taxable income against which unused tax savings can be utilised (see Note 1.3.18);
- the research tax credit (see Note 1.3.17).

During 2021 the Group did not observe any significant changes in the level of uncertainty associated with these estimates and assumptions.

The Covid crisis has significantly increased the level of economic risks and uncertainty, both in France and internationally. However, despite the impact of the crisis on the Group's revenue and earnings, it was able to continue its operations, and its financial structure remains well-balanced.

It is still too soon, though, for the Group to assess the impacts of a long-lasting crisis.

To date, the Group has not identified any significant impacts on its critical accounting estimates and judgements as a result of climate change risks.
The Group is currently not in a position to assess the long-term impact of climate change on its business.

1.2.4. Foreign currency transactions

- ***Functional currency and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Group's presentation currency.

- ***Foreign currency transactions, assets and liabilities***

Foreign currency transactions within the Group's companies are translated into the functional currency at the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date.

The Group may take out forward contracts for purchases of foreign currencies in order to manage the risk arising from fluctuations in exchange rates.
Forwards are put in place to hedge commercial transactions recognised in the statement of financial position and cash flows expected to arise on highly probable future commercial transactions.
Non-monetary items carried at historical cost are translated at the historical exchange rate at the transaction date, while non-monetary items carried at fair value are translated using the exchange rate prevailing at the date fair value was determined.

Any resulting foreign exchange differences are recognised in the income statement, with the exception of:

- differences arising on a gain or loss recognised directly in equity, which are also recognised in equity;
- differences arising on the translation of a net investment in a foreign operation, which are recognised in equity and taken to the income statement when the investment is sold.

- ***Translation of the financial statements of Group companies***

The financial statements of Group companies whose functional currency is different from the presentation currency and which do not operate in a hyperinflationary economy are translated into the presentation currency as follows:

- assets and liabilities are translated at the exchange rate prevailing at the date of each statement of financial position;
- income statement items are translated at the average exchange rate for the year or at the exchange rate prevailing at the transaction date for material transactions;
- all resulting translation differences are recognised as a separate component of equity.

When a foreign operation is sold, or when control of any such operation is relinquished, the translation differences initially recognised in equity are taken to the income statement in gains and losses on disposals.

1.2.5. Reporting date

All entities included in the consolidated group have a 31 December year-end (reporting date).

1.2.6. Non-controlling interests

All profit (loss) from fully consolidated subsidiaries is allocated between the Group and any non-controlling interests, even if this leads to the recognition of non-controlling interests for a negative amount within equity.

1.3. Principal accounting methods

The principal accounting methods used are described below.

1.3.1. Intangible assets

This caption does not include research and development expenses, which are included in operating expenses for the period according to their nature.
Software is amortised on a straight-line basis over a period of one to eight years depending on the type of software concerned.
Customer relationships are amortised on a straight-line basis over a period of eight to ten years.
Non-compete clauses are amortised on a straight-line basis over a period of two to five years.
Trademarks and copyrights are amortised over an estimated life of 15 years.

Goodwill is not amortised but tested for impairment at least annually or whenever there is an indication that it may be impaired (see Note 5.1).
For impairment testing purposes, goodwill and intangible assets are allocated to cash-generating units (CGUs). CGUs represent the smallest level at which assets are monitored internally and relate to each operating segment as defined in Note 5.17 to the consolidated financial statements.

1.3.2. Property, plant and equipment

In accordance with IAS 16 – Property, Plant and Equipment, the gross value of property, plant and equipment represents their acquisition cost. Property, plant and equipment are not remeasured.

Property, plant and equipment is depreciated on a straight-line or declining balance basis over the following estimated useful lives:

- Technical installations, equipment and tooling: 1 to 5 years
- General equipment, fixtures and fittings: 2 to 10 years
- Vehicles: 4 to 5 years
- Office and IT equipment: 1 to 8 years
- Office furniture and equipment: 4 to 10 years

The useful lives applied by Group companies for each asset category are consistent.

1.3.3. Leases

The Group recognises a lease when it has the right to direct an identified asset's use and when it obtains substantially all the economic benefits from that use.

The Group primarily has property leases, such as for offices and warehouses, although it also leases vehicles and office equipment.

Leases are recognised in the statement of financial position upon commencement of the lease for the present value of the future lease payments.

The Group therefore recognises:

- non-current right-of-use assets under leases;
- lease liabilities reflecting lease payment obligations.

1.3.4. Right-of-use assets

Upon commencement of a lease, right-of-use assets represent the initial amount of the liability plus any initial direct costs and any adjustments for restoration obligations or payments made to the lessor prior to commencement of the lease, net of any incentives received from the lessor.

Right-of-use assets are depreciated over the lease term, generally corresponding to the non-cancellable term of the lease including any extension options that are reasonably certain to be exercised.
Depreciation recognised against right-of-use assets is included in recurring operating profit.

1.3.5. Lease liabilities

Upon commencement of a lease, lease liabilities are recognised for an amount equal to the present value of future lease payments, including fixed lease payments, variable lease payments that depend on an index or a rate defined in the lease, and payments relating to extension, purchase, termination or non-renewal options, provided that the Group is reasonably certain that it will exercise those options.

When the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure right-of-use assets and the corresponding lease liabilities. The incremental borrowing rate notably takes into account the terms applicable to the Group's own borrowings and the economic environment in which the lease was entered into.

Lease liabilities are subsequently measured at amortised cost using the effective interest method.
After the commencement of the lease, the carrying amount of the lease liability is:

- (a) increased to reflect interest on the lease liability;
- (b) reduced to reflect the lease payments made;
- (c) remeasured to reflect any reassessment or lease modifications as specified in IFRS 16, or to reflect revised in-substance fixed lease payments.

Interest expense over the period is shown within financial income and expenses.
Lease liabilities are presented separately from net debt.

1.3.6. Exemptions

As permitted under IFRS 16.5, lease payments on short-term leases and leases with a low-value underlying asset (less than or equal to USD 5,000 or the foreign currency equivalent) are recognised directly in rental expenses.

1.3.7. Long-term financial assets

This caption mainly comprises deposits and guarantees.
At the reporting date, the Company held one non-consolidated equity investment but no receivables were due from that investment.
Non-consolidated equity investments are measured at fair value at the reporting date, with any changes recognised within other comprehensive income.

1.3.8. Inventories

Inventories are measured at the lower of cost, determined based on the weighted average cost formula, and realisable value.
The gross value of supplies includes their purchase price and any ancillary expenses, such as shipping, customs duties and insurance.
Inventories are written down whenever their net realisable value falls below their weighted average cost, i.e., mainly as a result of obsolescence owing to changes in technology or product range.

1.3.9. Receivables and payables

Receivables and payables are carried at nominal value.

If there is a risk of non-recovery, an appropriate impairment provision is recorded on a case-by-case basis or based on an aged analysis.

Obligations relating to an earn-out clause linked to financial performance (revenue, operating margin) granted in a business combination are recognised at fair value at the acquisition date.

Any changes (excluding the impact of discounting) resulting from facts and circumstances existing at the acquisition date that occur within 12 months of that date (measurement period) are recognised against goodwill. Otherwise, they are included in financial income and expenses.

1.3.10. Cash and cash equivalents

Cash and cash equivalents include cheques and bills for collection, petty cash and demand deposits. Cash equivalents are short-term investments that are highly liquid, readily convertible into a known amount of cash, and subject to an insignificant risk of changes in value.

1.3.11. Treasury shares

In accordance with IAS 32, treasury shares are recognised at their acquisition cost as a deduction from consolidated equity. If they are sold, the cost of the batch of shares sold is determined using the first-in-first-out method (FIFO), while the gains or losses on disposal are taken directly to equity.

1.3.12. Share-based payment

The Group has operated long-term equity-settled plans in the form of free share awards since 2016. The plans are accounted for in accordance with IFRS 2 – Share-based Payment. The fair value of the services provided by employees in exchange for free shares is expensed against equity. The total amount expensed over the vesting period of the free shares is calculated based on the fair value of the options awarded at the award date.

1.3.13. Provisions for contingencies and expenses

In accordance with IAS 37, a provision is set aside for present obligations to third parties at the reporting date that are likely to result in an outflow of resources, when these obligations can be estimated reliably.

1.3.14. Provisions for employee benefit obligations

Obligations to all employees of all ages under defined benefit plans are measured using the projected unit credit method based on the collective bargaining agreements in force within each company. The present value of the employer's future obligation changes in line with future salary increases, employee turnover and the discount rate used.
Actuarial gains and losses arising from changes in actuarial assumptions or experience adjustments are recognised in other comprehensive income.

1.3.15. Revenue

The Group applies IFRS 15 – Revenue from Contracts with Customers to recognise revenue.

- Consolidated revenue primarily results from sales of POS hardware and, to a lesser extent, from sales of services including extended warranties (warranties extended beyond the statutory warranty period – usually on-site warranties instead of workshop returns), hardware repairs of equipment no longer under warranty, and billed shipping costs.

- Revenue generated by the kiosk business also relates to sales of hardware.

For sales of POS hardware and kiosks, revenue is recognised when control of these products is transferred to the customer.

- In certain cases, the extended warranty service is not billed separately but is included in the selling price of the POS hardware.

Warranties included in the contract can be treated as an additional free service. These warranties are measured based on their stand-alone selling price, i.e., the catalogue price, and are recognised in revenue on a straight-line basis over the warranty period.

- Revenue earned on other services is recognised in the period in which the services are provided, with the customer benefiting from these services as and when the Group provides them.

In accordance with IFRS 15, liabilities relating to contracts and customer downpayments are recognised in "Contract liabilities" in the consolidated statement of financial position.

1.3.16. CVAE tax on value added

The Group presents CVAE tax within "Taxes other than on income".

1.3.17. Recurring operating profit and operating profit

Recurring operating profit represents the difference between revenue and operating expenses. These include selling expenses as well as general and administrative expenses.

Operating profit also includes other income and expenses from operations, corresponding to gains and losses on disposals of property, plant and equipment and intangible assets, and other identified material non-recurring income and expenses (mainly provisions for claims and disputes).

The classification of these items is consistent with recommendation no. 2013-03 issued by the French accounting standards-setter (Autorité des normes comptables – ANC).

In accordance with IAS 20, the Group recognises research tax credits within recurring operating profit, as a deduction from personnel costs.

1.3.18. Income tax

Income tax expense corresponds to the income tax due by each consolidated entity, adjusted for any deferred tax. Deferred taxes may be recognised for any temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax base as resulting from the applicable tax rules.

Deferred tax is calculated based on the tax rates known or anticipated at the reporting date. The impact of changes in tax rates is recognised in the period in which the decision to change the tax rate is made.
Deferred tax assets arising on tax loss carryforwards which are not expected to be recovered are not recognised.
Deferred tax assets and liabilities are not discounted.

1.3.19. Earnings per share

Basic earnings per share is calculated by dividing net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share takes account of the impact of any potentially dilutive shares on profit for the period and on the weighted average number of shares outstanding.

1.3.20. Financial instruments

Forwards are put in place by the Group to hedge commercial transactions recognised in the statement of financial position and cash flows expected to arise on highly probable future commercial transactions.

Derivatives are initially recognised at fair value: attributable transaction costs are taken to the income statement as they are incurred.
Derivatives are measured at fair value at the reporting date, with changes in fair value taken to the income statement for the period in light of the lack of any formal documentation demonstrating hedge effectiveness.

2. Scope of consolidation

The ultimate parent company is AURES Technologies SA.
The following entities are included in the scope of consolidation:

	31 Dec. 2021			31 Dec. 2020		
	% ownership	% control	Consolidation method	% ownership	% control	Consolidation method
AURES Technologies Limited	100%	100%	FC	100%	100%	FC
AURES Technologies GmbH	90%	90%	FC	90%	90%	FC
AURES Technologies Inc.	100%	100%	FC	100%	100%	FC
AURES Technologies Pty	100%	100%	FC	100%	100%	FC
J2 Systems Technology Limited	100%	100%	FC	100%	100%	FC
CJS PLV	15%	15%	NC	15%	15%	NC
AGH US Holding Company Inc.	100%	100%	FC	100%	100%	FC
Retail Technology Group Inc.	100%	100%	FC	100%	100%	FC
AURES Konnect	100%	100%	FC	-	-	-
Softavera	100%	100%	FC	-	-	-
Leader Solution Tactile	100%	100%	FC	-	-	-

FC: Full consolidation

NC: Non-consolidated

3. Foreign currency translation

The table below shows the exchange rates used to translate entities' foreign currency financial statements into euros:

	Average rate	Average rate	Closing rate	Closing rate
	2021	2020	31 Dec. 2021	31 Dec. 2020
US dollar	1.1835	1.1410	1.1326	1.2271
Australian dollar	1.5747	1.6556	1.5615	1.5896
Pound sterling	0.8600	0.8892	0.84028	0.8990

The exchange rates used to translate into euros the financial statements of LST (consolidated since 22 February 2021) were as follows:

	Average rate	Opening rate	Closing rate
	2021	22 Feb. 2021	31 Dec. 2021
Tunisian dinar	3.001	3.3003	3.2820

Translation gains and losses recognised in other comprehensive income primarily result from fluctuations in the US dollar, Australian dollar and pound sterling between 2020 and 2021.

4. Change in accounting methods

The application of the IFRIC agenda decision issued in May 2021 on attributing retirement benefits to periods of service constitutes a change in accounting method.
The net-of-tax impact of the first-time application of this decision at 1 January 2021 was €31.5K.

As this amount is not material, it was recognised in opening equity in the 2021 financial statements, and the financial statements at 31 December 2020 have not been restated.

5. Notes to the financial statements for the year ended 31 December 2021

Amounts are expressed in thousands of euros.

5.1. Goodwill

Movements in goodwill can be analysed as follows:

In € thousands	31 Dec. 2020	Impact of exchange rate fluctuations	Changes in scope of consolidation	31 Dec. 2021
J2 goodwill	329	23	0	352
RTG goodwill	6,572	548	0	7,120
Softavera and LST goodwill	0	0	2,234	2,234
TOTAL	**6,901**	**571**	**2,234**	**9,707**

5.1.1. Acquisition of Softavera and LST and their trademarks and associated software

On 22 February 2021, through its subsidiary AURES Konnect SAS, the Group acquired all the shares of two companies – Softavera, based in France, and Tunisia-based Leader Solution Tactile (LST) – as well as their trademarks and associated software.
Together, these companies employ some 70 people and they design, develop and market software products.

The aim of this major acquisition is to enable the Group to offer end-to-end solutions (digital hardware and software applications).
The acquisition totalled €4.88 million, breaking down as follows:
◦ a cash payment on the closing date;
◦ a cash payment deferred until September 2021;
◦ a cash payment deferred for a period of one year.

At 31 December 2021, the Group had paid €3,907K.
The deferred payments are not subject to any conditions.

Taking into account the €148K in cash acquired, the net cash outflow for the Group was €3.76 million at 31 December 2021.

The Group calculated that the goodwill arising on the acquisition amounted to €2.234 million, corresponding to the acquisition price less the net assets of the two companies at the acquisition date (i.e., 22 February 2021).

The measurement of the assets acquired and liabilities assumed and the final calculation of the related goodwill, as required under IFRS 3, was completed at 31 December 2021.

The table below shows the fair value of the assets acquired and liabilities assumed at the acquisition date of 22 February 2021:

In € thousands	
Total non-current assets	2,949
Total current assets	1,032
Total cash and cash equivalents	148
Total assets	**4,130**
Total non-current liabilities	0
Total current liabilities	1,479
Total liabilities	**1,479**
Net assets at the acquisition date	2,650
Acquisition price	4,885
Goodwill	**2,235**

The intangible assets recognised correspond to copyright and trademarks acquired for €2,200K and €600K respectively.

These intangible assets are being amortised over a period of 15 years.

In 2021, the two acquired companies (LST and Softavera) contributed €2 million to consolidated revenue. Their contribution to consolidated operating profit was a negative €139K.
If the companies had been acquired on 1 January 2021, their annual revenue contribution for 2021 would have approximated €2.4 million.

The two companies' revenue is included in the "Marketing and sales" segment as shown in Note 5.17.

5.1.2. *Impairment test*

The goodwill impairment tests carried out in 2021 did not result in the recognition of any impairment losses, as the recoverable amount of the assets tested was higher than their carrying amount. The recoverable amounts of the Group's cash-generating units were determined based on value in use.

For RTG, value in use is calculated using cash flow projections contained in business plans covering up to 2027.

Beyond 2027, cash flows from a standard year are used, discounted to perpetuity.

A 12.6% post-tax discount rate and a 2% long-term growth rate were used.
The sensitivity tests performed on the discount rate (+/- 100bps) and organic growth rate (+/- 100bps), which also assume a decline in revenue in 2023 and an EBITDA margin of 4.4% in 2022 versus 4.1% in 2021 (due to the company's improved earnings), confirm the Group's analysis.

5.2. Intangible assets

Movements in intangible assets can be analysed as follows:

In € thousands	31 Dec. 2020	Acquisitions	Disposals	Transfers	Changes in scope of consolidation	Impact of exchange rate fluctuations	31 Dec. 2021
Customer relationships	11,172	-	-	-	-	856	12,028
Non-compete clause	363	-	-	-	-	29	392
Concessions, patents and other rights	1,813	-	(65)	-	2,211	32	3,990
Trademarks	-	-	-	-	600	-	600
Gross value of intangible assets	**13,348**	**-**	**(65)**	**-**	**2,811**	**917**	**17,011**
Customer relationships	(5,886)	(1,288)	-	-	-	(496)	(7,669)
Non-compete clause	(201)	(56)	-	-	-	(18)	(275)
Concessions, patents and other rights	(1,679)	(213)	51	-	(2)	(31)	(1,873)
Trademarks	-	(34)	-	-	-	-	(34)
Total amortisation	(7,765)	(1,591)	51	-	(2)	(544)	(9,852)
Net amount of intangible assets	**5,583**	**(1,591)**	**(15)**	**-**	**2,809**	**373**	**7,159**

5.3. Property, plant and equipment

Movements in property, plant and equipment can be analysed as follows:

In € thousands	31 Dec. 2020	Acquisitions	Disposals	Transfers	Changes in scope of consolidation	Impact of exchange rate fluctuations	31 Dec. 2021
Buildings, fixtures and fittings	1,852	144	-	737	9	68	2,810
Technical installations, equipment and tooling	487	14	(1)	4	2	32	537
Other property, plant and equipment	1,201	246	(100)	4	212	43	1,605
Property, plant and equipment in progress	779	194	-	(745)	-	-	228
Gross value of property, plant and equipment	**4,319**	**597**	**(101)**	**-**	**223**	**143**	**5,181**
Buildings, fixtures and fittings	(1,035)	(196)	-	-	(1)	(61)	(1,294)
Technical installations, equipment and tooling	(457)	(13)	1	-	(1)	(32)	(501)
Other property, plant and equipment	(902)	(189)	95	-	(97)	(38)	(1,130)
Depreciation of property, plant and equipment	**(2,394)**	**(398)**	**97**	**-**	**(99)**	**(131)**	**(2,925)**
Net amount of property, plant and equipment	**1,925**	**199**	**(5)**	**-**	**124**	**12**	**2,255**

Movements recorded under “Transfers” relate to the transfer of property, plant and equipment in progress to their final asset categories.

“Other property, plant and equipment” mainly includes vehicles (€67K) and office and IT equipment (€1,138K).

5.4. Right-of-use assets

Right-of-use assets related to property, plant and equipment (see Note 1.3.4) can be analysed as follows:

		Increases			Decreases			
In € thousands	**31 Dec. 2020**	**New leases**	**Changes in scope of consolidation**	**Depreciation**	**End of contracts**	**Depreciation**	**Impact of exchange rate fluctuations and other movements**	**31 Dec. 2021**
Right-of-use assets – Property	7,068	39	328	(1,330)	(215)	215	278	6,383
Right-of-use assets – Plant and equipment	-	8	-	(2)	-	-	0	6
Right-of-use assets – Vehicles	565	587	-	(382)	(104)	84	11	762
TOTAL	**7,633**	**634**	**328**	**(1,714)**	**(319)**	**299**	**289**	**7,150**

5.5. Long-term financial assets

Movements in long-term financial assets can be analysed as follows:

In € thousands	31 Dec. 2020	Increases	Decreases	Transfers	Changes in scope of consolidation	Impact of exchange rate fluctuations	31 Dec. 2021
Non-consolidated equity investments	951	0	0	0	0	0	951
Other long-term financial assets	467	190	(6)	0	19	8	678
TOTAL	**1,418**	**190**	**(6)**	**0**	**19**	**8**	**1,629**

Non-consolidated equity investments relate to the acquisition of a 15% stake in the capital of CJS-PLV on 4 January 2018.

In the current environment, the Group did not identify any indications that an impairment loss may have occurred in relation to this investment at 31 December 2021.

Other long-term financial assets mainly comprise deposits and guarantees given on the signature of leases regarding various Group entities and two holdbacks (€250K) deducted by BPI at the time of arranging financing in 2018.

The increase in this item in 2021 mainly corresponds to a guarantee deposit that was set up for the use of a bank card at RTG (€177K).

5.6. Inventories

In € thousands	31 Dec. 2021	31 Dec. 2020
Inventories	29,250	22,427
Impairment	(3,189)	(2,901)
NET	**26,062**	**19,526**

Inventories and work-in-progress can be analysed as follows for each Group entity:

In € thousands	TOTAL	AUS	FR	GMBH	US	UK	RTG	Softavera
Inventories	29,250	2,017	11,658	5,963	3,350	2,252	3,920	90
Impairment	(3,189)	(259)	(678)	(312)	(544)	(421)	(976)	0
NET	**26,062**	**1,758**	**10,981**	**5,651**	**2,807**	**1,831**	**2,944**	**90**

Movements in the "Impairment" line can be analysed as follows:

In € thousands	31 Dec. 2020	Impairment	Reversals of impairment	Changes in scope of consolidation	Impact of exchange rate fluctuations	31 Dec. 2021
Impairment	(2,901)	(3,111)	2,976	0	(152)	(3,189)

Impairment recognised against inventories is included in operating profit.

5.7. Trade receivables

In € thousands	31 Dec. 2021	31 Dec. 2020
Gross value	14,070	10,098
Impairment	(721)	(305)
NET	**13,349**	**9,793**

Movements in impairment of trade receivables can be analysed as follows:

In € thousands	31 Dec. 2020	Impairment	Reversals of impairment	Changes in scope of consolidation	Impact of exchange rate fluctuations	31 Dec. 2021
Impairment	(305)	(606)	297	(75)	(32)	(721)

All trade receivables fall due within one year, with the exception of doubtful receivables. The maximum exposure to credit risk on trade receivables is their carrying amount.

Impairment recognised against trade receivables is included in operating profit.

Trade receivables can be analysed as follows for each Group entity:

In € thousands	TOTAL	AUS	FR	GMBH	US	UK	RTG	Softavera
Trade receivables	13,660	1,018	3,617	1,029	1,546	1,100	4,746	605
Doubtful receivables	410	75	10	0	281	0	0	44
Gross value	14,070	1,092	3,627	1,029	1,827	1,100	4,746	649
Impairment	(721)	(69)	(8)	(56)	(281)	0	(253)	(54)
NET	**13,349**	**1,024**	**3,619**	**973**	**1,547**	**1,100**	**4,492**	**595**

5.8. Accrued receivables and other

In € thousands	31 Dec. 2021	31 Dec. 2020
State	3,595	3,323
Personnel-related receivables	4	8
Amounts receivable from suppliers	64	99
Credit notes receivable	111	50
Advances granted to suppliers	1,046	125
Other receivables	211	2,761
Accrued income	0	4
Prepaid expenses	818	766
TOTAL	**5,849**	**7,135**

"State" includes €428K corresponding to a research tax credit.

"Other receivables" includes:

- €155K corresponding to a receivable due following the triggering of the seller's warranty given in connection with the RTG acquisition.

5.9. Cash and cash equivalents

In € thousands	31 Dec. 2021	31 Dec. 2020
Bank accounts	20,299	23,458
Petty cash	11	10
TOTAL	**20,310**	**23,468**

5.10. Equity

Equity includes shareholders' equity and non-controlling interests as shown in the statement of financial position.
Consolidated equity is not subject to any third-party restrictions.

The share buyback programmes put in place within the Group are described in Note 6.7 to the consolidated financial statements.

5.11. Provisions for contingencies and expenses

In € thousands	31 Dec. 2020	Additions	Reversals	Remeasurement	Change in accounting method	Impact of exchange rate fluctuations	31 Dec. 2021
Employee benefit obligations (1)	560	55	0	33	(43)	0	619
Customer warranties (2)	451	537	(453)	0	0	3	538
Free share plans (3)	1	23	0	0	0	0	24
Other provisions for contingencies (4)	122	0	(122)	0	0	0	0
TOTAL	**1,134**	**615**	**(575)**	**33**	**(43)**	**3**	**1,181**

- (1) Employee benefit obligations

The Company has no pension obligations. Its only employee benefit obligations concern termination benefits payable upon retirement, pursuant to the collective bargaining agreement.

Termination benefits are calculated based on the average remuneration that the employee concerned received or would have received over the last 12 months of service prior to retirement.

In the event of voluntary retirement, payroll taxes are deducted from the termination benefits.
Termination benefits are not funded by insurance contracts.

The actuarial method used to measure these benefits is the projected unit credit method.
To reflect the impact of increases in benefit entitlement based on seniority, benefits are allocated on a straight-line basis over the employee's active working life.

The portion of the benefit obligation allocated to reporting periods prior to the measurement date (defined benefit obligation) corresponds to the Company's obligation for services provided.

The actuarial liability corresponds to the amount of the benefit obligation for which a provision should be set aside in the financial statements. The portion of the benefit obligation allocated to the reporting period following the measurement date (service cost) reflects the likely increase in the obligation owing to the additional year of service provided by the employee at the end of that period.

The future benefit obligation is calculated on a case-by-case basis in accordance with the recommendations of the International Accounting Standards Board (IASB) (revised IAS 19). The sum of these obligations gives the total benefit obligation for the Company.

Until 31 December 2020, the obligation was attributed based on employees' length of service before retirement. However, the IFRIC decision published in May 2021 led to a change in how the obligation should be attributed for post-employment plans that meet three criteria: (i) the amount of the retirement benefit to which an employee is entitled depends on the length of service before retirement, (ii) the number of years of service taken into account is capped, and (iii) the employee is required to be employed by the Group when they reach retirement. For this type of plan, the obligation is attributed only over the period during which employee service leads to benefits under the plan. The calculation of benefits has not been changed. This change in method means that the Group recognises its benefit obligation as from a later date than previously.

The IFRIC decision has affected the calculation of employees' termination benefits on retirement for AURES Technologies SA, but not for the Group's other two French companies as the plan in place in those companies does not have a cap on the number of years of service taken into account.

The accounting treatment of this impact is set out in Note 4 "Change in accounting methods".

The assumptions used to calculate the benefit obligation at 31 December 2021 and 31 December 2020 are as follows:

	31 Dec. 2021	31 Dec. 2020
Mortality rate	TD/TV 2015-2017	TD/TV 2014-2016
Discount rate	1.00%	0.35%
Rate of future salary increases	2.00%	1.50%
Theoretical retirement age for managerial-grade employees (cadres)	65 years	65 years
Theoretical retirement age for other employees	63 years	63 years
Employee turnover rate	2.60%	2.30%
Employer payroll tax rate	33.72%-47.15%	47.15%

The sensitivity of the provision for employee benefit obligations to changes in the discount rate is not material:

Discount rate	0.75%	1.00%	1.25%
Employee benefit obligations (in € thousands)	635.9	618.9	602.6

Service cost for 2021 amounted to €53K (2020: €45K) and interest expense totalled €2K (2020: €4K). Actuarial losses totalled €51K (compared with €27K in actuarial gains in 2020) and were recognised in other comprehensive income.

- (2) Customer warranties

A provision calculated on a statistical basis is set aside in the financial statements for the costs of setting up contractual warranties for customers on sales of equipment. The provision is calculated based on the revenue earned and the residual warranty period at the reporting date.

- (3) Free share plans

A provision is set aside to cover social security contributions due on free share plans.

- (4) Other provisions for contingencies

  - Claims and disputes

Two cases are currently under appeal, for which no provisions had been recognised at 31 December 2021.

5.12. Non-current and current borrowings and debt

At 31 December 2021, non-current and current borrowings and debt can be analysed by maturity as follows:

In € thousands	TOTAL	1 year or less	More than 1 year and less than 5 years	More than 5 years
Other borrowings and debt	(16,575)	(4,984)	(11,591)	0
Short-term bank overdrafts	(75)	(75)	0	0
TOTAL	**(16,651)**	**(5,060)**	**(11,591)**	**0**

Changes in non-current and current borrowings and debt in the period can be analysed as follows:

In € thousands	31 Dec. 2020	Increases	Decreases	Changes in scope of consolidation	Impact of exchange rate fluctuations	31 Dec. 2021
Cash liabilities	(20)	(89)	24	19	(9)	(75)
Borrowings and debt	(21,232)	(467)	5,210	0	(85)	(16,575)
TOTAL	**(21,253)**	**(556)**	**5,233**	**19**	**(94)**	**(16,651)**
O/w current	(2,688)	0	0	0	0	(5,060)
O/w non-current	(18,550)	0	0	0	0	(11,591)

(1) Including €2,552K in non-cash repayments following confirmation from the SBA of the conversion of the Paycheck Protection Program (PPP) loan into a grant recognised in income in 2020.

In 2016, to finance the fixtures and fittings for its new headquarters, the Company was granted two bank loans in euros bearing fixed-rate interest at between 1.15% and 1.64%, with a final maturity in 2023.

In connection with the acquisition of RTG on 16 October 2018, the Company was granted three bank loans in euros bearing fixed-rate interest at between 0.95% and 1%, with a final maturity in 2024.

In 2020, the Group arranged a bank loan in euros with a final maturity in 2027 and bearing fixed-rate interest at 0.52%, taken out in connection with financing for fixtures and fittings for its headquarters.

During the Covid crisis, the Group also obtained a €10.5 million government-backed loan ("PGE") in France from three financial institutions. On its anniversary date, this loan was converted into a loan repayable over five years with a one-year deferment period and a final maturity in 2026. The loan bears fixed-rate interest at between 1.65% and 2.14%.

The Group considers that it is not exposed to interest rate risk and that the fair value of the various borrowings and debt corresponds to their carrying amount in the statement of financial position.

5.13. Lease liabilities

Movements in lease liabilities can be analysed as follows:

In € thousands	31 Dec. 2020	New leases	Increases	Changes in scope of consolidation	Decreases	Impact of exchange rate fluctuations	31 Dec. 2021
Non-cash impacts	11,401	509	102	328	(10)	307	12,637
Cash impacts	(3,456)	0	0	0	(1,591)	0	(5,047)
TOTAL	**7,945**	**509**	**102**	**328**	**(1,600)**	**307**	**7,590**
O/w current	1,400	0	0	0	0	0	1,580
O/w non-current	6,544	0	0	0	0	0	6,010

Lease liabilities at 31 December 2021 can be analysed by maturity as follows:

In € thousands	TOTAL	1 year or less	More than 1 year and less than 5 years	More than 5 years
Lease liabilities	7,590	1,580	6,010	0

5.14. Trade payables

Trade payables can be analysed as follows for each Group entity:

In € thousands	TOTAL	AUS	FR	GMBH	US	UK	RTG	Softavera
Trade payables	15,014	236	12,280	548	111	366	1,356	118
Amounts payable on non-current assets	0	0	0	0	0	0	0	0
TOTAL	**15,014**	**236**	**12,280**	**548**	**111**	**366**	**1,356**	**118**

All amounts included within “Trade payables” fall due within one year.

5.15. Contract liabilities

In € thousands	31 Dec. 2021	31 Dec. 2020
Customer advances	3,355	1,647
Deferred income	5,408	4,425
TOTAL	**8,763**	**6,072**

Deferred income primarily relates to:

- revenue earned on extended warranties for the residual warranty period and relating to future years (including the impact of IFRS 15 for €1,745K). It includes a financial component that is not considered material by the Group in light of the parent company’s borrowing costs;
- revenue earned on services performed by RTG for the residual period and relating to future years, amounting to €1,752K.

5.16. Accrued payables and other

In € thousands	31 Dec. 2021	31 Dec. 2020
Other non-current liabilities	332	462

In € thousands	31 Dec. 2021	31 Dec. 2020
Tax and social security liabilities	6,546	3,999
Amounts payable to customers	260	287
Credit notes not yet issued	268	273
Other payables	1,501	640
TOTAL	**8,575**	**5,199**

Other non-current liabilities correspond to future benefits payable within four years to employees of the acquired companies, Softavera and LST, subject to service conditions and sales objectives.

The €462K earn-out payment payable in 2022 in connection with the RTG acquisition – which was still recognised in the consolidated statement of financial position at 31 December 2020 in view of the difficulty in accurately estimating RTG’s earnings outlook in an economic environment that continued to be impacted by the Covid crisis – was not paid as the related objectives were not met.

The related income was recorded in “Other income from operations”.

The “Other payables” line corresponds to (i) the one-year deferred cash payment due in connection with the RTG acquisition, which amounted to €506K (USD 573K) after deducting the sums withheld pursuant to the seller’s warranty (for RTG’s data breach and tax audit), and (ii) the €977K deferred cash payments relating to the acquisition of Softavera and LST and their trademarks and associated copyrights.

5.17. Segment information

The Group reports on three geographical segments: France, Europe and the United States and Australia.
This information reflects the key indicators monitored and used internally by the Group’s chief operating decision-makers.

In view of the first-time consolidation of Softavera and LST in 2021, the Group has amended the aggregate of each indicator per business sector, in order to track overall trends in those sectors:

- marketing and sales of POS, kiosk and software products;
- POS services.

Information analysing revenue by source is also presented.

The two sources of revenue are now:

- sales of goods (including sales carried out by RTG in the course of its services business) and software products;
- sales of services including installation, warranties, repairs of equipment no longer under warranty, and billed shipping costs.

5.17.1. Results by business sector

Sector information is determined in light of consolidated data as defined in Note 5.17:

	2021						2020					
In € thousands	**Marketing and sales**				**Services**		**Marketing and sales**				**Services**	
	France (1)	**Europe (2)**	**United States/ Australia (3)**	**Sub-total**	**United States**	**Total**	**France (1)**	**Europe (2)**	**United States/ Australia (3)**	**Sub-total**	**United States**	**Total**
				(1)+(2)+(3)						(1)+(2)+(3)		
Revenue	25,698	24,065	15,467	65,231	34,380	**99,611**	18,914	19,632	15,202	53,748	33,496	**87,244**
Operating profit (loss)	(188)	1,672	876	2,360	1,111	**3,471**	626	1,404	752	2,782	2,164	**4,946**
Consolidated net profit (loss)	(108)	1,250	681	1,823	781	**2,603**	(577)	1,046	466	935	2,174	**3,108**

France includes AURES SA, AURES Konnect, Softavera and LST.

Europe includes the UK and German entities.
United States (services) includes RTG.

5.17.2. Revenue by source

Consolidated revenue can be analysed by source as follows:

In € thousands	2021	2020
Sales of goods	70,528	59,224
Sales of services	29,083	28,019
TOTAL	**99,611**	**87,243**

5.17.3. Geographic breakdown

Consolidated revenue can be analysed by destination of sales as follows:

In € thousands	2021	2020
France	18,660	14,244
United Kingdom	8,154	6,364
Germany	11,328	8,438
Australia	7,718	6,597
United States	41,800	41,662
Other EU countries	8,074	6,255
Exports (non-EU)	3,877	3,684
TOTAL	**99,611**	**87,244**

The criterion used to allocate revenue as presented in the table above is the destination of sales. This is different from that used in earnings press releases prepared by the Group, in which revenue is presented by entity.

5.18. Other operating income and expenses

Other operating income and expenses consist of the following:

In € thousands	2021	2020
Royalties and patents	(54)	(61)
Debt write-offs	(260)	(346)
Directors' remuneration (formerly directors' fees)	(8)	(4)
Other operating expenses	(13)	(2)
Amounts received in respect of short-time working or similar arrangements	151	3,449
Other operating income	47	69
TOTAL	**(136)**	**3,105**

Royalties relate to amounts paid on sales of J2 products. The Group hedges losses on its trade receivables.

Amounts received in respect of furlough and short-time working schemes concern France (€88K) and the United Kingdom (€63K).

5.19. Other income and expenses from operations

Other income and expenses from operations consist of the following:

In € thousands	2021	2020
Net carrying amount of non-current assets sold	(29)	(10)
Other expenses from operations	(82)	(170)
Proceeds from disposals of non-current assets	18	7
Terminated leases (IFRS 16)	0	6
Other income from operations[1]	562	289
TOTAL	**469**	**122**

[1] See Note 5.16 on the earn-out related to the acquisition of RTG.

5.20. Financial profit (loss)

Financial profit (loss) can be analysed as follows:

In € thousands	2021	2020
Interest expense	(103)	(92)
Interest expense on lease liabilities	(227)	(220)
Guarantee costs for the French government-backed loan	(479)	0
Cost of net debt	**(809)**	**(312)**
Other financial income	0	4
Foreign exchange gains	1,073	420
Foreign exchange losses	(30)	(1,653)
Fair value of financial instruments	156	(88)
Other financial expenses	**1,200**	**(1,317)**
FINANCIAL PROFIT (LOSS)	**390**	**(1,629)**

- Currency risk

The AURES Group is exposed to two types of currency risk that could impact its profit and equity:

- currency risk resulting from translating into euros the financial statements of its foreign subsidiaries (located in the United Kingdom, Australia and United States);
- currency risk arising on cash flows from commercial and financial transactions carried out in currencies other than the euro, which is the Group's functional currency.

The Group has a policy aimed at minimising and managing these currency risks:

- Cash flows exchanged in connection with purchases of goods for resale are generally pooled by AURES Technologies SA, therefore providing the Company with a natural hedge for a portion of these purchases.
- Hedges are in place to protect against the currency risk arising on transactions. These hedges consist of forward purchases ranging from six months to one year and protect the Group's earnings from adverse changes in exchange rates against the euro. However, the hedges are flexible and are set up gradually, so as to maximise the benefit from any favourable exchange rate fluctuations.
- Cash flows exchanged in connection with purchases of goods for resale are generally pooled by AURES Technologies SA.

The impact of hedges is set out in Note 6.1 "Off-balance sheet commitments".

- The Group's policy is not to hedge risks arising on the translation into euros of the financial statements of consolidated subsidiaries with a functional currency other than the euro.

The main exchange rates used to prepare the financial statements are presented in Note 3 to the consolidated financial statements.

5.21. Income tax

The income tax expense for the year can be analysed as follows:

In € thousands	2021	2020
Current tax	(1,437)	(254)
Deferred tax	179	45
TOTAL	**(1,258)**	**(209)**

The table below reconciles:

- the Group's theoretical tax expense as calculated by multiplying consolidated profit before tax by the tax rate applicable in 2022, with
- the total tax expense recognised in the consolidated income statement.

In € thousands	2021	2020
Consolidated profit before tax	3,861	3,317
Theoretical tax expense	997	908
%	25.83%	27.38%
Impact of non-taxable income and expenses	122	(825)
Impact of different tax rates	138	126
EFFECTIVE TAX EXPENSE AND TAX RATES	**1,257**	**209**
	32.56%	**6.29%**

5.22. Deferred tax

Deferred tax assets and liabilities can be analysed by category as follows:

	31 Dec. 2021	31 Dec. 2020
Deferred tax assets on temporary differences	1,100	1,121
Deferred tax assets on tax loss carryforwards	273	697
Deferred tax assets on employee benefit obligations	160	153
Deferred tax assets on adjustments (inventory margin)	197	144
Deferred tax assets on adoption of IFRS 15	455	444
Deferred tax assets on adoption of IFRS 16	91	65
Deferred tax assets on provisions	188	0
Deferred tax assets on fair value	4	48
Deferred tax assets	**2,467**	**2,672**
Deferred tax liabilities on temporary differences	(118)	0
Deferred tax liabilities on provisions	(70)	(261)
Deferred tax liabilities on intangible assets	(951)	(1,278)
Deferred tax liabilities on fair value	0	0
Deferred tax liabilities	**(1,139)**	**(1,539)**

At 31 December 2021, the Group's historical US entity had cumulative tax losses of around USD 1,600K (taken on from AURES USA Inc. following the merger with the current entity, formerly named J2 Retail Systems Inc.). These tax losses have not given rise to the recognition of any deferred tax assets in the financial statements.

Since the US subsidiary is a UK and US tax resident, a portion of the tax losses generated by J2 Retail Systems Inc. in previous periods was offset against income taxed in the United Kingdom.

The remaining tax losses may be offset against income generated and liable for income tax in the United States if the Company is no longer a UK tax resident.

Following the acquisition of RTG, the Group recognised deferred tax assets of €273K on the USD 1.2 million tax losses carried forward by the entity.
These were recognised to the extent that they may be utilised against future taxable differences, based on a reasonable likelihood that they would be realised or recovered, as estimated in light of available forecasts.

5.23. Earnings per share

At 31 December 2021, AURES Technologies' share capital comprised 4,000,000 shares and the Company held 71,242 treasury shares (Note 6.7).

In € per share (except for number of shares)	2021
Net profit attributable to owners of the parent (in €K)	2,517
Average number of shares outstanding	0
Before dilution	3,928,415
Impact of dilution	0
Free shares	10,000
After dilution	3,938,415
Attributable earnings per share	0
Basic	0.64
Diluted	0.64

5.24. Related-party transactions

The Group carried out the following related-party transactions:

In € thousands	2021	2020
	Le Cristal Un SCI	Le Cristal Un SCI
External expenses (rent and insurance)	397	227
Taxes other than on income	110	59
Trade payables	0	71

Le Cristal Un SCI has a senior executive in common with AURES Technologies SA.
Remuneration expensed for senior executives during the year is presented in Note 6.6.

6. Other disclosures

6.1. Off-balance sheet commitments

In € thousands	31 Dec. 2021
Forward purchases of foreign currencies	5,332
Pledge of business goodwill	5,410
Guarantees	506
French government-backed loan (“PGE”)	10,500

- Forward purchases of foreign currencies

At 31 December 2021, the amount outstanding under forward currency contracts taken out by the Group totalled USD 6,026K, of which USD 1,199K was allocated to the payment of trade payables.
The balance of these contracts hedges commitments given to purchase goods for resale at 31 December 2021.

The average exchange rate for the hedges in force at 31 December 2021 was EUR 1 = USD 1.1301.

Forward contracts are carried in the financial statements at their fair value and were recognised in financial assets in an amount of €20K at 31 December 2021.

- Pledge of business goodwill

On 31 December 2012, business goodwill was pledged to Crédit du Nord and BNP Paribas in an amount of €5,060,000 in connection with ten-year financing set up for the J2 Systems Technology acquisition on 20 December 2012.

On 10 January 2017, €350,000 in business goodwill was pledged to BPI France in connection with financing set up in relation to fixtures and fittings for the new headquarters.

- Guarantees

Within the scope of the RTG acquisition on 16 October 2018, AURES Technologies SA provided a parent company guarantee to its subsidiary AGH US Holding Company Inc. It remains liable for the amounts due until 2022, i.e., €506K (USD 573K based on the exchange rate at 31 December 2021).

- Bank covenants

Other commitments given by the Company relate to bank covenants agreed when the financing was arranged for the acquisition of RTG on 16 October 2018.
The Company undertook to comply with three covenant ratios defined in the loan agreement with BNP Paribas and CIC.

These three ratios, based on the consolidated financial statements, are:

- Net debt/equity;
- Free cash flow/interest expense;
- Consolidated net debt/consolidated gross operating profit + finance lease payments.

The covenant ratios that had to be respected at 31 December 2021 were as follows:

- Stable net debt/equity: 1 or less;
- Free cash flow/interest expense: more than 1;
- Consolidated net debt/consolidated gross operating profit + finance lease payments: 3 or less.

At 31 December 2021, one of the ratios (free cash flow/interest expense) was not met. However, given the Group's net cash position at 31 December 2021, the only risk is of the Group having to reclassify the corresponding debt (€815K) to current liabilities.

6.2. Headcount

AURES Technologies had an FTE* headcount of 382 at 31 December 2021:

	31 Dec. 2021	31 Dec. 2020
Managerial-grade employees (cadres)	48.7	41.4
Other employees	333.3	255.1
TOTAL	**382.0**	**296.5**

* FTE: Full-time equivalent.

6.3. Employee profit-sharing and incentive schemes

No Group companies are required to set up an employee profit-sharing or incentive scheme.

6.4. Statutory audit fees

The amount of fees paid to the Group's Statutory Auditors in 2021 and 2020 can be analysed as follows:

	PwC		F.-M. Richard et Associés	
In € thousands	**2021**	**2020**	**2021**	**2020**
Sub-total: statutory audit services	265	232	144	97
AURES Technologies SA	136	101	120	97
Fully consolidated subsidiaries	129	131	24	0
Sub-total: non-audit services	3	3	3	3
AURES Technologies SA	3	3	3	3
Fully consolidated subsidiaries	0	0	0	0
TOTAL	**268**	**235**	**147**	**100**

Non-audit services in 2021 corresponded to the verification of covenants and the issuance of a statement to the Group's banks.

6.5. Subsequent events

No significant events took place between 31 December 2021 and 28 April 2022, the date on which the financial statements were approved for issue by the Board of Directors.

6.6. Executive remuneration

Remuneration paid to members of the Company's managing bodies totalled €524K in 2021.

No advances were granted during the year.

The above amount concerns remuneration payable to the Chairman and Chief Executive Officer.

Remuneration payable to other corporate officers is not disclosed for confidentiality reasons, given the Company's scale and operating methods.

The corporate officers do not receive any remuneration for the duties they perform within the companies controlled by the Group.

No specific agreements have been entered into with the corporate officers in respect of pensions or similar benefits, and no financial advances have been granted to them.

6.7. Treasury shares

A new share buyback programme was set up by the Board of Directors further to the authorisation given at the Annual General Meeting of 24 June 2021.

The shares held within the scope of all share buyback programmes undertaken by the Company are as follows:

	31 Dec. 2021			31 Dec. 2020		
Account	**Number of shares**	**Price per share**	**Total price**	**Number of shares**	**Price per share**	**Total price**
		€	€K		€	€K
Market-making	2,245	21.09	47	3,065	21.36	65
Treasury shares	68,997	22.32	1,540	68,997	22.32	1,540
TOTAL	**71,242**		**1,587**	**72,062**		**1,605**

Within the scope of this share buyback programme, the Company carried out the following transactions in connection with its liquidity agreement in 2021:

	Number of shares	Average price	% capital
Number of shares purchased	41,398	25.78	1.03%
Number of shares sold	42,218	25.71	1.06%
Number of shares cancelled	None	-	-
Market-making account at 31 Dec. 2021	2,245	21.09	0.05%
Number of treasury shares held at 31 Dec. 2021 other than under the liquidity agreement	**68,997**	**22.32**	**1.72%**

The Company did not purchase any of its own shares in 2021.

Other than under the liquidity agreement, the Company held 68,997 of its own shares at 31 December 2021.

The carrying amount of the portfolio at 31 December 2021 was €1,587,213.27.
The market value of the shares in the portfolio was €1,505,343.46 and their aggregate par value was €17,249.25.

6.8. Free share plans

At the Annual General Meeting held on 16 June 2016, the shareholders authorised the Board of Directors to award Group employees and/or certain corporate officers, on one or several occasions and over a maximum period of 38 months, free shares that may or may not be subject to performance conditions.
Part of this authorisation has been used. The terms and conditions of the authorisation along with a list of beneficiaries were approved by the Board of Directors at its meetings of 21 October 2016, 31 October 2017 and 23 July 2018.

At the Annual General Meeting held on 25 June 2019, the shareholders authorised the Board of Directors to award free new or existing shares over a period of 38 months, within the scope of Article L. 225-197-1 of the French Commercial Code (eighteenth resolution).

The number of free shares that may be awarded by the Board of Directors pursuant to this authorisation may not represent more than 10% of the share capital at the date of the above-mentioned Annual General Meeting.

The authorisation granted at the Annual General Meeting of 25 June 2019 was used on 1 January 2020 to award 21,500 shares, leaving a residual 378,500 shares.

On 18 December 2020, the Board of Directors used the 25 June 2019 authorisation again, for the purpose of awarding up to 10,000 free shares to two employees, without any performance conditions attached but subject to a service condition.

The shares have a two-year vesting period, expiring on 20 December 2022 at midnight. However, they are not subject to a one-year lock-up period.
The free shares awarded to the beneficiaries will be existing ordinary shares.

No free shares were awarded in 2021.

The authorisation granted at the Annual General Meeting of 25 June 2019 was therefore used to award 31,500 shares, leaving a residual 368,500 shares.

The main features of the free share plans are summarised below:

Overview	**2020-1 Plan**
	Movements in 2020
Date of AGM	25 June 2019
Total number of shares that may be awarded	10% of the share capital at the date of the AGM
Total number of shares actually awarded	10,000
Date of Board of Directors' decision	18 Dec. 2020
Period during which the condition for awarding shares was assessed	Service condition assessed at the vesting date only
Vesting period	2 years
Post-vesting lock-up period	None
	Movements in 2020
Number of shares subject to a service condition awarded during the year	10,000
Number of shares forfeited or cancelled during the year	-
Number of shares vested during the year	-
Share price at the award date	€22.20
Number of shares at 31 December 2020	10,000
Expense recognised against equity	€5K
	Movements in 2021
Number of shares subject to a service condition awarded during the year	-
Number of shares forfeited or cancelled during the year	-
Number of shares vested during the year	-
Share price at the award date	-
Number of shares at 31 December 2021	-
Expense recognised against equity	€111K

The fair value of the shares awarded was determined by reference to the stock market price of the AURES Technologies SA share at the date on which the plan was approved by the Board of Directors, assuming that the full number of shares would be awarded. The expense charged against equity is recognised on a straight-line basis over the vesting period of each plan.

FINANCIAL STATEMENTS

➢ Financial statements

STATEMENT OF FINANCIAL POSITION – ASSETS (€ thousands)

Notes		Gross amount	Depreciation, amortisation and provisions	31 Dec. 2021	31 Dec. 2020
	Uncalled subscribed share capital				
1.1/1.4	**INTANGIBLE ASSETS**				
	Start-up costs				
	Research and development expenses				
	Concessions, patents and other rights	1,227	1,190	37	94
	Intangible assets in progress	226	-	226	34
	Advances and downpayments	-	-	-	-
1.2/1.4	**PROPERTY, PLANT AND EQUIPMENT**	-	-	-	-
	Land	-	-	-	-
	Buildings	1,694	409	1,285	590
	Technical installations, equipment and tooling	50	41	10	5
	Other	559	310	249	165
	Property, plant and equipment in progress	2	-	2	745
	Advances and downpayments	-	-	-	-
1.3/1.4	**LONG-TERM FINANCIAL ASSETS**	-	-	-	-
	Equity investments	11,397	-	11,397	11,392
	Receivables from equity investments	12,912	-	12,912	8,580
	Other long-term investments	-	-	-	-
	Loans	-	-	-	-
	Other long-term financial assets	449	-	449	455
	NON-CURRENT ASSETS	**28,516**	**1,950**	**26,566**	**22,059**
	INVENTORIES AND WORK-IN-PROGRESS	-	-	-	-
1.5	Inventories	11,658	678	10,981	8,514
	Advances and downpayments paid on orders	812	-	812	95
1.6	**RECEIVABLES**	-	-	-	-
	Trade receivables	19,003	8	18,995	8,757
	Other	1,438	-	1,438	2,017
	Share capital subscribed and called but not paid	-	-	-	-
1.8	CASH AND MARKETABLE SECURITIES	-	-	-	-
	Treasury shares	1,540	82	1,458	1,339
	Cash instruments	-	-	-	-
1.8	Cash and cash equivalents	6,530	-	6,530	13,813
1.9	Prepaid expenses	341	-	341	178
	CURRENT ASSETS	**41,322**	**768**	**40,554**	**34,712**
	Deferred expenses	-	-	-	-
	Loan repayment premiums	-	-	-	-
2.7	Unrealised translation losses	32	-	32	857
	TOTAL	**69,870**	**2,718**	**67,152**	**57,628**

STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES (€ thousands)

Notes		31 Dec. 2021	31 Dec. 2020
2.1	Share capital	1,000	1,000
	Additional paid-in capital	-	-
	Revaluation adjustments	-	-
	Equity method adjustments	-	-
	Legal reserve	100	100
	Reserves under the articles of association or a contract	-	-
	Regulated reserves	-	-
	Other reserves	1,500	1,500
	Retained earnings	26,744	26,670
	PROFIT FOR THE YEAR	3,001	74
	Investment subsidies	-	-
	Regulated provisions	181	180
2.2	**EQUITY**	**32,526**	**29,525**
	Proceeds from issues of non-voting securities	-	-
	Conditional advances	-	-
	OTHER EQUITY	-	-
	Provisions for contingencies	294	1,059
	Provisions for expenses	-	-
2.3	**PROVISIONS FOR CONTINGENCIES AND EXPENSES**	**294**	**1,059**
	DEBT	-	-
	Bank borrowings and debt	16,270	18,749
	Other borrowings and debt	17	14
	Advances and downpayments received on orders in progress	2,674	7
		-	-
	OPERATING PAYABLES	-	-
	Trade payables	12,163	6,609
	Tax and social security liabilities	1,917	901
		-	-
	OTHER PAYABLES	-	-
	Amounts payable on non-current assets and other	-	-
	Other payables	233	193
	Deferred income	569	531
2.5	**DEBT**	**33,844**	**27,004**
2.7	Unrealised translation gains	488	40
	TOTAL	**67,152**	**57,628**

INCOME STATEMENT (€ thousands)

Notes		France	Export	2021	2020
	Sales of goods held for resale	16,162	35,781	51,943	37,658
	Sales of services	875	250	1,125	862
3.1	NET REVENUE	17,036	36,032	53,068	38,520
	Reversals of depreciation, amortisation and provisions, and expense transfers			1,672	1,103
	Other income			754	905
	OPERATING INCOME			**55,494**	**40,529**
	Purchases of goods held for resale (including customs duties)			44,987	29,022
	Change in inventories (goods)			(2,691)	1,288
	Purchases of raw materials and other supplies (including customs duties)			21	18
	Other purchases and external expenses			3,856	2,886
	Taxes, duties and other levies			374	334
	Wages and salaries			3,993	3,526
	Payroll taxes			1,776	1,354
	Non-current assets: depreciation and amortisation expense			302	241
	Non-current assets: additions to provisions			-	-
	Current assets: additions to provisions			686	466
	Contingencies and expenses: additions to provisions			244	1,056
	Other expenses			563	638
	OPERATING EXPENSES			54,111	40,831
	OPERATING PROFIT (LOSS)			**1,382**	**(302)**
	Investment income			1,848	566
	Other interest income			0	4
	Reversals of provisions and expense transfers			201	2
	Foreign exchange gains			2	-
4	**FINANCIAL INCOME**			2,052	572
	Depreciation, amortisation and provision expense – financial items			82	201
	Interest expense			101	90
	Foreign exchange losses			13	42
	Net expenses on disposals of marketable securities			-	-
4	**FINANCIAL EXPENSES**			196	332
4	**FINANCIAL PROFIT**			**1,855**	**240**
	RECURRING PROFIT (LOSS) BEFORE TAX			**3,238**	**(62)**
	Non-recurring income on revenue transactions			9	4
	Non-recurring income on capital transactions			35	22
	Reversals of provisions and expense transfers			-	-
5	**NON-RECURRING INCOME**			44	27
	Non-recurring expenses on revenue transactions			13	1
	Non-recurring expenses on capital transactions			35	39
	Non-recurring depreciation, amortisation and provision expense			0	0
5	**NON-RECURRING EXPENSES**			48	40
5	**NON-RECURRING LOSS**			**(4)**	**(13)**
	Employee profit-sharing			-	-
6	Income tax			232	(150)
	TOTAL INCOME			57,589	41,128
	TOTAL EXPENSES			54,356	41,203
	PROFIT FOR THE YEAR			**3,001**	**74**

Unless otherwise specified, all the information below is expressed in thousands of euros.
Certain minimal figure differences may occur due to rounding.

➢ 2021 highlights

Although the operating context remained unsettled, 2021 saw the return of strong demand and an upswing in business trends.
Revenue growth was very brisk in the first half of 2021 but the second half was marked by component shortages and delivery delays due to transportation difficulties that affected supplies.

For the year as a whole, however, the Company saw its revenue rise by 37.76%, to €53,068K.

The Company recognised a research tax credit for the first time in 2021, which related to the years 2018 and 2020. This tax credit amounted to €428K and was deducted from income tax.

The Company converted the €10.5 million government-backed loan ("PGE") that it obtained in 2020 from three financial institutions in France into a loan repayable over five years with a one-year deferment period. Without the guarantee from the French government, the fixed interest rate on the loan ranges between 0.28% and 0.75%.

There are no other facts or circumstances relating to the 2021 financial year that are likely to have an impact on the financial statements or that could prevent a meaningful year-on-year comparison of the statement of financial position and income statement.

➢ Subsequent events

In late March 2022, the French entity was called before the Evry Employment Court (***Conseil de prud'hommes***) following the termination of an employee's employment contract.

Based on the Company's situation at the date when these financial statements were approved for issue, it does not believe that the matter will affect its ability to operate as a going concern.

No other significant events took place between 31 December 2021 and 28 April 2022, the date on which the financial statements were approved for issue by the Board of Directors.

➢ Accounting policies and methods

The financial year ended 31 December 2021 covers a 12-month period from 1 January 2021 to 31 December 2021.

Total assets before appropriation of profit represent €67,152K, while the income statement presented in list form shows net accounting profit of €3,001K.

The parent company financial statements were prepared in accordance with the French Commercial Code (***Code de commerce***), French Generally Accepted Accounting Principles as set out in the French Chart of Accounts (ANC standard no. 2016-07 of 4 November 2016 regarding the Chart of Accounts), ANC standard no. 2015-05 and ANC standard no. 2018-01 of 20 April 2018.
The financial statements have been prepared on a going concern basis using the accrual and consistency methods, in accordance with the principle of prudence, with the aim of presenting a fair view of the Company's accounting position.

Unless otherwise stated, accounting items are carried at historical cost.

The decision of 5 November 2021 amending ANC recommendation no. 2013-02 of 7 November 2013 constitutes a change in accounting method. The impact of this change is set out in Note 8 "Off-balance sheet commitments". The impact of this amendment at 1 January 2021 is a €43K decrease in the commitment.

➢ Notes to the statement of financial position

1. Notes to the statement of financial position – Assets

1.1. Intangible assets

This caption does not include research and development expenses.
Where appropriate, these are included in operating expenses for the period according to their nature.

Software is amortised on a straight-line basis over a period of one to eight years depending on the type of software concerned.
Intangible assets are recognised at cost.

1.2. Property, plant and equipment

The gross value of property, plant and equipment represents their acquisition or production cost.
Property, plant and equipment are not remeasured.

Borrowing costs are not capitalised as part of the cost of property, plant and equipment.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Type of asset	Depreciation
Technical installations, equipment and tooling	1 to 5 years
General equipment, fixtures and fittings	2 to 10 years
Vehicles	4 to 5 years
Office and IT equipment	1 to 8 years
Office furniture and equipment	4 to 10 years

1.3. Long-term financial assets

Movements in long-term financial assets in 2021 are set out in Note 1.4 “Movements during the year” to the financial statements.

The caption includes deposits and guarantees, equity investments and amounts receivable from equity investments, along with treasury shares held by the Company in connection with its liquidity agreement.

- Equity investments

The gross value of equity investments reflects the amount at which they were initially recognised by the Company, including acquisition fees.

Equity investments are written down based on any difference between their gross value and their current value taking into account the share in net assets, unrealised capital gains on non-current assets, and the profitability outlook.

No impairment was recognised in 2021 against equity investments or amounts receivable from equity investments.

- Treasury shares

Treasury shares held by the Company in connection with the liquidity agreement are carried at acquisition cost.
They are written down when their recoverable value (as estimated based on their average price over the last month of the reporting period) falls below their carrying amount.

The average price of the shares in December 2021, i.e., €21.13, is greater than the price per share used in the market-making account.

Consequently, no impairment was recognised against treasury shares at 31 December 2021.

Treasury shares included in long-term financial assets at 31 December 2021 can be analysed as follows:

	Number of shares	Price per share €	Total price €K	Impairment
Market-making	2,245	€21.09	47	-

1.4. Movements during the year

Movements in non-current assets and depreciation/amortisation during the year are presented in the tables below.

1.4.1. Movements in non-current assets

In € thousands	31 Dec. 2020	Remeasurement	Acquisitions, contributions	Transfers	Sales	31 Dec. 2021
START-UP COSTS AND RESEARCH AND DEVELOPMENT EXPENSES	-	-	-	-	-	-
OTHER INTANGIBLE ASSETS	**1,258**	**-**	**194**	**-**	**-**	**1,453**
Building improvements	829	-	127	737	-	1,692
Technical installations, industrial equipment and tooling	40	-	6	4	-	49
Vehicles	12	-	-	-	-	12
Office and IT equipment, furniture	404	-	150	4	(10)	548
Property, plant and equipment in progress	746	-	2	(745)	-	2
PROPERTY, PLANT AND EQUIPMENT	**2,030**	**-**	**284**	**-**	**(10)**	**2,304**
Equity investments and amounts receivable from equity investments	19,972	-	5,206	-	(868)	24,310
Loans and other long-term financial assets	454	-	0	-	(6)	448
LONG-TERM FINANCIAL ASSETS	**20,426**	**-**	**5,206**	**-**	**(875)**	**24,758**
TOTAL	**23,715**	**-**	**5,685**	**-**	**(885)**	**28,514**

The change in "Equity investments and amounts receivable from equity investments" corresponds to:

- the acquisition of LST shares for €5K;
- the net decrease in loans to AGH US Holding Company Inc. for €752K and interest on these loans for €398K;
- the granting of a loan to AURES Konnect for €3,977K.
- The remainder of the year-on-year change in this item corresponds to the conversion of receivables owed by AGH US Holding Company denominated in US dollars at 31 December 2021.

1.4.2. Movements in depreciation and amortisation

In € thousands	31 Dec. 2020	Additions	Reversals	31 Dec. 2021
START-UP COSTS AND DEVELOPMENT EXPENSES	-	-	-	-
OTHER INTANGIBLE ASSETS	1,130	59	-	1,190
Building improvements	240	169	-	409
Technical installations, industrial equipment and tooling	36	5	-	41
Vehicles	10	1	-	11
Office and IT equipment, furniture	240	68	(9)	299
PROPERTY, PLANT AND EQUIPMENT	526	243	(9)	760
LONG-TERM FINANCIAL ASSETS	(0)	-	-	(0)
TOTAL	**1,656**	**302**	**(9)**	**1,950**

1.5. Inventories and work-in-progress

Inventories are measured using the weighted average cost formula.
The gross value of supplies includes their purchase price and any related forwarding costs.

Inventories are written down whenever their estimated realisable value falls below their recoverable amount.

Inventories at 31 December 2021 can be analysed as follows:

In € thousands	31 Dec. 2021	31 Dec. 2020
Inventories	11,658	8,968
Impairment	(678)	(454)
NET	**10,981**	**8,514**

1.6. Receivables

Receivables are measured at nominal value.

A provision for impairment of receivables is recognised to reflect any potential recovery difficulties.

Receivables at 31 December 2021 can be analysed as follows:

In € thousands	31 Dec. 2021	31 Dec. 2020
Trade receivables	18,993	8,755
Doubtful or disputed receivables	10	15
Impairment	(8)	(13)
NET	**18,995**	**8,757**

Analysis of receivables by maturity:

In € thousands	Gross value	1 year or less	More than 1 year
Loans – Group	12,912	-	12,912
Current accounts – Group	-	-	-
Other long-term financial assets	449	-	449
Doubtful or disputed receivables	10	-	10
Other trade receivables	18,993	18,993	-
Employee-related receivables	2	-	2
Social security and other receivables	1	1	-
Income tax receivables	428	428	-
VAT receivables	194	194	-
Other tax receivables	7	7	-
Other receivables	806	804	3
Prepaid expenses	341	341	-
TOTAL	**34,142**	**20,768**	**13,374**

1.7. Accrued income

Accrued income can be analysed by statement of financial position caption at 31 December 2021 as follows:

In € thousands	31 Dec. 2021	31 Dec. 2020
Credit notes receivable	72	50
Other	0	4
TOTAL	**72**	**54**

1.8. Cash and cash equivalents and marketable securities

Cash and cash equivalents and marketable securities are carried at their acquisition cost. They are written down to their average price over the last month of the reporting period if this is lower than their acquisition cost.

Cash and cash equivalents and marketable securities at 31 December 2021 can be analysed as follows:

In € thousands	31 Dec. 2021	31 Dec. 2020
Cash and cash equivalents in EUR	5,324	13,230
Cash and cash equivalents in USD translated into euros at the exchange rate at 31 December	1,206	583
Marketable securities (treasury shares)	1,540	1,540
TOTAL	**8,070**	**15,353**

The average price of the shares in December 2021, i.e., €21.13, is lower than the price per share used in the treasury share account at 31 December 2021. Consequently, €82K in impairment was recognised at 31 December 2021.

Marketable securities (treasury shares) at 31 December 2021can be analysed as follows:

	Number of shares	Price per share €	Total price €K	Impairment
Treasury shares	68,997	22.3178	1,540	82
TOTAL	**68,997**		**1,540**	**82**

1.9. Prepaid expenses

Prepaid expenses as detailed below consist only of ordinary expenses which impact profit in a subsequent period:

			Amount		
In € thousands	**Period**		**Operating items**	**Financial items**	**Non-recurring items**
Rentals	Jan. 2022	May 2022	16		
Maintenance and repairs	Jan. 2022	Jan. 2022	3		
SaaS software	Jan. 2022	Dec. 2022	9		
IT maintenance	Jan. 2022	June 2025	37		
Insurance	Jan. 2022	Dec. 2022	76		
Documentation	Jan. 2022	Jan. 2023	3		
Fees	Jan. 2022	Dec. 2026	7		
Advertising	Jan. 2022	Aug. 2022	36		
Postal and telecommunications expenses	Jan. 2022	Jan. 2022	2		
PGE guarantee fees	Jan. 2022	June 2026	152		
TOTAL			**341**		

2. Notes to the statement of financial position – Equity and liabilities

2.1. Share capital

The share capital represents €1,000,000.
It comprises 4,000,000 ordinary shares each with a par value of €0.25.

2.2. Equity

Movements in equity in 2021 can be analysed as follows:

In € thousands	31 Dec. 2020	Appropriation of 2020 profit	Dividends paid	2021 profit	Other movements	31 Dec. 2021
Share capital	1,000	-	-	-	-	1,000
Legal reserve	100	-	-	-	-	100
Other reserves	1,500	-	-	-	-	1,500
Retained earnings	26,670	74	-	-	-	26,744
Profit for the year	74	(74)	-	3,001	-	3,001
Regulated provisions	180	-	-	-	-	180
TOTAL EQUITY	**29,524**	**-**	**-**	**3,001**	**-**	**32,525**

Regulated provisions

In € thousands	31 Dec. 2020	Additions	Reversals	31 Dec. 2021
Accelerated depreciation/ amortisation	180	0	-	180
TOTAL REGULATED PROVISIONS	**180**	**0**	**-**	**180**

2.3. Provisions for contingencies and expenses

A provision is set aside for present obligations to third parties at the reporting date that are likely or certain to result in an outflow of resources, when these obligations can be estimated reliably.

In € thousands	31 Dec. 2020	Additions	Reversals	O/w reversals of utilised provisions	31 Dec. 2021
Provisions for claims and disputes	105	-	(105)	(105)	-
Provision for warranties	181	215	(181)	-	215
Provision for free share awards	3	47	-	-	50
Provision for foreign exchange losses	770	29	(770)	-	29
PROVISIONS FOR CONTINGENCIES AND EXPENSES	**1,059**	**291**	**(1,056)**	**(105)**	**294**

- Customer warranties

A provision calculated on a statistical basis is set aside in the financial statements for the costs of setting up contractual warranties for customers on sales of equipment.
The provision is calculated based on the revenue earned and the residual warranty period at the reporting date.

- Provisions for claims and disputes

Two cases are currently under appeal.
No provisions had been recognised in their respect at 31 December 2021.

- Provision for free share awards

The €50K provision recognised at 31 December 2021 corresponds to the estimated loss over the vesting period on the award of shares under the 2020 Plan, as well as the "Macron Law" employer's contribution recognised during the year.

2.4. Free share plans

At the Annual General Meeting held on 16 June 2016, the shareholders authorised the Board of Directors to award Group employees and/or certain corporate officers, on one or several occasions and over a maximum period of 38 months, free shares that may or may not be subject to performance conditions.

Part of this authorisation has been used. The terms and conditions of the authorisation along with a list of beneficiaries were approved by the Board of Directors at its meetings of 21 October 2016, 31 October 2017 and 23 July 2018.

At the Annual General Meeting held on 25 June 2019, the shareholders authorised the Board of Directors to award free new or existing shares over a period of 38 months, within the scope of Article L. 225-197-1 of the French Commercial Code (eighteenth resolution).

The number of free shares that may be awarded by the Board of Directors pursuant to this authorisation may not represent more than 10% of the share capital at the date of the above-mentioned Annual General Meeting.

The authorisation granted at the Annual General Meeting of 25 June 2019 was used on 1 January 2020 to award 21,500 shares, leaving a residual 378,500 shares.

On 18 December 2020, the Board of Directors used the 25 June 2019 authorisation again, for the purpose of awarding up to 10,000 free shares to two employees, without any performance conditions attached but subject to a service condition.
The shares have a two-year vesting period, expiring on 20 December 2022 at midnight. However, they are not subject to a one-year lock-up period.
The free shares awarded to the beneficiaries will be existing ordinary shares.

No free shares were awarded in 2021.

The authorisation granted at the Annual General Meeting of 25 June 2019 was therefore used to award 31,500 shares, leaving a residual 368,500 shares.

The main features of the free share plans are summarised below:

Overview	**2020-1 Plan**
Movements in 2020	
Date of AGM	25 June 2019
Total number of shares that may be awarded	10% of the share capital at the date of the AGM
Total number of shares actually awarded	10,000
Date of Board of Directors' decision	18 Dec. 2020
Period during which the condition for awarding shares was assessed	Service condition assessed at the vesting date only
	2 years
Post-vesting lock-up period	None
Movements in 2020	
Number of shares subject to a service condition awarded during the year	10,000
Number of shares forfeited or cancelled during the year	0
Number of shares vested during the year	0
Share price at the award date	€22.20
Number of shares at 31 December 2020	10,000
Expense recognised during the year	€2.8K
Amount recognised in liabilities	€2.8K
Movements in 2021	
Number of shares subject to a service condition awarded during the year	0
Number of shares forfeited or cancelled during the year	0
Number of shares vested during the year	0
Share price at the award date	0
Number of shares at 31 December 2021	10,000
Expense recognised during the year	€47K
Amount recognised in liabilities	€50K

2.5. Debt

Payables at 31 December 2021 can be analysed by maturity as follows:

In € thousands	31 Dec. 2021	1 year or less	More than 1 year and less than 5 years	More than 5 years
Borrowings and debt – originally due within 1 year	5	5	-	-
Borrowings and debt – originally due after 1 year	16,265	4,720	11,545	-
Other borrowings and debt	17	17	-	-
Advances and downpayments received	2,674	2,674	-	-
Trade payables	12,163	12,064	100	-
Employee-related receivables	388	388	-	-
Social security and other payables	541	541	-	-
Income tax payables	661	661	-	-
VAT payables	210	210	-	-
Taxes, duties and similar levies payable	117	117	-	-
Other payables	233	233	-	-
Deferred income	569	289	280	-
TOTAL	**33,844**	**21,919**	**11,925**	**-**
Borrowings taken out during the year	174			
Borrowings repaid during the year	2,655			

Borrowings due after one year relate to:

- three French government-backed loans ("PGE") for €10.6 million;
- three bank loans for €5 million, with a final maturity in 2024, bearing fixed-rate interest of between 0.95% and 1%, taken out for the purposes of financing the acquisition of RTG;
- three bank loans for €599K, with a final maturity in 2027, bearing fixed-rate interest at between 0.52% and 1.15% and taken out in connection with financing for fixtures and fittings for the new headquarters.

Deferred income relates to revenue earned on extended warranties sold for the residual warranty period and relating to future years.

2.6. Accrued expenses

Accrued expenses at 31 December 2021 can be analysed by statement of financial position caption as follows:

In € thousands	31 Dec. 2021
Trade payables	5,630
Tax and social security liabilities	630
Accrued interest	22
TOTAL	**6,282**

2.7. Translation gains and losses

Foreign currency income and expenses are recognised at their equivalent value in euros at the transaction date, or at the hedged rate for hedged transactions in US dollars, with the associated foreign exchange gains and losses reclassified in other operating income and expenses.

Receivables and payables denominated in foreign currencies are carried in the statement of financial position at their equivalent value in euros at the exchange rate prevailing at the reporting date. Any resulting differences are recognised as unrealised translation gains or losses in the statement of financial position.

A provision for contingencies is set aside for any unrealised foreign exchange losses.

Translation differences arising on current bank accounts and petty cash in foreign currencies are included within foreign exchange gains and losses.

Translation gains and losses can be analysed as follows:

In € thousands	Assets	Provisions for foreign exchange losses	Liabilities
	Unrealised foreign exchange losses		Unrealised foreign exchange gains
Cash instruments	3		
Operating receivables/payables	29	29	488
TOTAL	**32**	**29**	**488**

➢ Notes to the income statement

3. Operating profit (loss)

3.1. Geographic breakdown of revenue

The table below provides a breakdown of revenue by region in 2021:

In € thousands	2021	2020	% change
France	17,036	13,844	+23.1%
EU	6,485	13,399	-51.6%
Export	29,547	11,277	+162.0%
TOTAL	**53,068**	**38,521**	**+37.8%**

4. Financial profit

Financial income and expenses in 2021 can be analysed as follows:

In € thousands	2021	2020
Provision for impairment of long-term financial assets	-	-
Provision for impairment of marketable securities	(82)	(201)
Interest on borrowings and overdrafts	(101)	(90)
Foreign exchange losses	(13)	(42)
TOTAL FINANCIAL EXPENSES	**(196)**	**(332)**
Investment income	1,450	180
Interest on amounts receivable from equity investments	398	386
Other financial income	0	4
Reversal of provision for impairment of long-term financial assets	201	2
Foreign exchange gains	2	-
TOTAL FINANCIAL INCOME	**2,052**	**572**
FINANCIAL PROFIT	**1,855**	**240**

5. Non-recurring loss

Non-recurring income and expenses in 2021 can be analysed as follows:

In € thousands	2021	2020
Technical loss on buyback of treasury shares	(33)	(36)
Accelerated depreciation/amortisation	(0)	(0)
Non-deductible fines and penalties	(1)	(1)
Net carrying amount of non-current assets	(2)	(3)
Other non-recurring expenses	(12)	(1)
TOTAL NON-RECURING EXPENSES	**(48)**	**(40)**
Technical gain on disposal of treasury shares	28	22
Proceeds from disposals of non-current assets	-	-
Other non-recurring income	16	4
TOTAL NON-RECURRING INCOME	**44**	**27**
NON-RECURRING LOSS	**(4)**	**(13)**

6. Income tax

Breakdown of income tax

In € thousands	Profit (loss) before tax	Income tax	Profit (loss) after tax
Recurring profit (loss)	3,238	(233)	3,005
Short-term non-recurring profit (loss)	(4)	0	(4)
PROFIT (LOSS) FOR THE YEAR	**3,234**	**(232)**	**3,001**

Deferred tax position

In € thousands	31 Dec. 2021	31 Dec. 2020
Other:		
Unrealised translation losses	**32**	**857**
DEFERRED TAX LIABILITIES	32	857
Temporarily non-deductible expenses:	0	0
Provisions and accrued expenses	(117)	(816)
Other:	0	0
Unrealised translation gains	488	40
DEFERRED TAX ASSETS	**371**	**(776)**
NET DEFERRED TAX ASSETS (LIABILITIES)	**403**	**81**

The Company’s net deferred tax position at 31 December 2021 was calculated using a future income tax rate of 26.5% for the 2021 figures.

➢ Other disclosures

7. Related parties and related-party transactions

7.1. List of subsidiaries and equity investments

AURES Technologies SA is the parent company of the AURES consolidated group. All entities are consolidated using the full consolidation method.

Country	Subsidiaries (more than 50%-owned)	Currency	Share capital	Other equity	% interest	Gross value of shares (in €)	Net value of shares (in €)	Loans and advances	Gross revenue for the year	Profit (loss) for the year	Dividends collected during the year
	Corporate name										
United States	AGH US Holding Company	USD	1,000	2,989,999	100%	2,469,411	2,469,411	8,945,415	-	386,852	-
United Kingdom	AURES Technologies Ltd	GBP	5,000	5,331,409	100%	291,899	291,899	2,925	8,513,354	285,472	-
Germany	AURES Technologies GmH	EUR	25,000	3,670,731	90%	22,500	22,500	168,283	14,423,879	1,099,560	270,000
United Kingdom	J2 Systems Technology Ltd	GBP	42,229	37,238	100%	7,607,036	7,607,036	-	-	1,078,516	1,179,527
Australia	Aures Technologies Pty*	AUD	10	6,065,930	100%	-	-	-	12,553,134	1,249,343	-
United States	Aures Technologies Inc.*	USD	10,000	(1,471,838)	100%	-	-	-	9,124,244	(190,015)	-
United States	RTG*	USD	500	830,665	100%	-	-	-	40,750,972	2,197,441	-
France	AURES Konnect SAS	EUR	50,000	(802,062)	100%	50,000	50,000	4,523,955	-	(838,439)	-
France	Softavera SAS*	EUR	23,900	(364,976)	100%	-	-	-	2,014,927	(137,961)	-
Tunisia	LST*	TND	10,000	349,480	100%	5,500	5,500	-	2,183,290	182,735	-

* Entities indirectly wholly owned by the parent company.

7.2. Related companies and equity investments

All transactions with related parties concern transactions with subsidiaries more than 90%-owned by AURES Technologies SA and are carried out at arm's length.

8. Off-balance sheet commitments

The table below shows the main commitments directly or indirectly given by the Company:

In € thousands	31 Dec. 2021	Less than 1 year	1-5 years	More than 5 years	31 Dec. 2020
Leases (a)	3,027	671	1,756	600	3,172
Forward purchases of foreign currencies (b)	5,332	5,332	-	-	6,682
Employee benefit obligations (c)	596	-	-	596	560
Pledge of business goodwill (d)	5,410	5,410	-	-	5,410
Guarantees (e)	506	506	-	-	1,094
French government-backed loan ("PGE") (f)	10,500	-	10,500	-	10,500
TOTAL	**25,371**	**11,919**	**12,256**	**1,196**	**27,418**

- Leases (a)

Leases concern:

  - property leases relating to the Company's headquarters.

These correspond to (i) an initial nine-year lease that commenced in 2017, and (ii) a second nine-year lease that commenced in 2020;

  - three- or four-year vehicle leases;
  - five-year industrial and IT equipment leases.

- Financial instruments (b)

As part of managing its currency risk, AURES Technologies SA takes out currency forwards.

These foreign currency instruments primarily consist of forward commitments to purchase USD at six months or one year. They are quoted on organised or over-the-counter markets and their counterparty risk is deemed to be low.

Gains and losses on financial instruments are recognised symmetrically with gains and losses on the hedged items.

- Employee benefit obligations (c)

The Company has no pension obligations. Its only employee benefit obligations concern termination benefits payable upon retirement, pursuant to the collective bargaining agreement.

The actuarial method used to measure these benefits is the projected unit credit method.

To reflect the impact of increases in benefit entitlement based on seniority, benefits are allocated on a straight-line basis over the employee's active working life.

The portion of the benefit obligation allocated to reporting periods prior to the measurement date (defined benefit obligation) corresponds to the Company's obligation for services provided. The actuarial liability corresponds to the amount of the benefit obligation for which a provision should be set aside in the financial statements.

The portion of the benefit obligation allocated to the reporting period following the measurement date (service cost) reflects the likely increase in the obligation owing to the additional year of service provided by the employee at the end of that period.

The future off-balance sheet obligation is shown in the table indicating the Company's various commitments. It is calculated on a case-by-case basis in accordance with the recommendations of the International Accounting Standards Board (IASB) (revised IAS 19).

The assumptions used to calculate the benefit obligation at 31 December 2021 and 31 December 2020 are as follows:

	31 Dec. 2021	**31 Dec. 2020**
Mortality rate	TD/TV 2015-2017	TD/TV 2014-2016
Discount rate	1.00%	0.35%
Rate of future salary increases	2.00%	1.50%
Theoretical retirement age for managerial-grade employees (*cadres*)	65 years	65 years
Theoretical retirement age for other employees	63 years	63 years
Employee turnover rate	2.60%	2.30%
Employer payroll tax rate	33.72%-47.15%	47.15%

- Pledge of business goodwill (d)

On 31 December 2012, business goodwill was pledged to Crédit du Nord and BNP Paribas in an amount of €5,060,000 in connection with ten-year financing set up for the J2 Systems Technology acquisition on 20 December 2012.

On 10 January 2017, business goodwill was pledged to BPI France in an amount of €350,000 in connection with financing set up in relation to fixtures and fittings for the new headquarters.

- Guarantees (e)

Within the scope of the RTG acquisition on 16 October 2018, AURES Technologies SA provided a parent company guarantee to its subsidiary AGH US Holding Company Inc. It remains liable for the amounts due until 2022, i.e., €506K (USD 573K based on the exchange rate at 31 December 2021).

- French government-backed loan (“PGE”) (f)

When the Company obtained its French government-backed loan (“PGE”), it was granted a €10.5 million guarantee by BPI.

- Bank covenants

Other commitments given by the Company relate to bank covenants agreed at the time of arranging financing for the acquisition of RTG on 16 October 2018.

The Company undertook to comply with three covenant ratios defined in the loan agreement with BNP Paribas and CIC.

These three ratios, based on the consolidated financial statements, are:

  - Net debt/equity;
  - Free cash flow/interest expense;
  - Consolidated net debt/consolidated gross operating profit + finance lease payments.

The covenant ratios that had to be respected at 31 December 2021 were as follows:

  - Stable net debt/equity: 1 or less;
  - Free cash flow/interest expense: more than 1;
  - Consolidated net debt/consolidated gross operating profit + finance lease payments: 3 or less.

At 31 December 2021, one of the ratios (free cash flow/ interest expense) was not met.

9. Stock options

There were no stock option plans in force at 31 December 2021.

10. Executive remuneration

Remuneration paid to members of managing bodies totalled €524K in 2021 (2020: €492K).
No advances were granted during the year.
The above amount concerns remuneration payable to the Chairman and Chief Executive Officer.

Remuneration payable to other corporate officers is not disclosed for confidentiality reasons, given the Company’s scale and operating methods.

11. Average headcount

	2021	2020
Headcount	**Employees on the payroll**	**Employees on the payroll**
Managerial-grade employees (*cadres*)	27.80	25.21
Other employees	28.91	31.34
TOTAL	**56.71**	**56.55**

FIVE-YEAR FINANCIAL SUMMARY (€ THOUSANDS) (DISCLOSED IN ACCORDANCE WITH ARTICLE R. 225-102 OF THE FRENCH COMMERCIAL CODE)

Reporting date	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	31 Dec. 2018	31 Dec. 2017
Duration of reporting period (months)	12	12	12	12	12
CAPITAL AT 31 DECEMBER					
Share capital	1,000	1,000	1,000	1,000	1,000
Number of shares outstanding	-	-	-	-	-
- ordinary shares	4,000	4,000	4,000	4,000	4,000
- preferred shares					
Maximum number of shares to be created:	-	-	-	-	-
- by converting bonds	-	-	-	-	-
- through subscription rights	-	-	-	-	-
RESULTS OF OPERATIONS					
Revenue excluding VAT	53,068	38,520	59,837	71,132	67,323
Profit before tax, profit-sharing,	-	-	-	-	-
depreciation, amortisation and provisions	2,875	787	5,955	10,035	8,099
Income tax benefit (expense)	232	(150)	1,760	2,756	2,142
Employee profit-sharing	-	-	-	-	-
Depreciation, amortisation and provisions	(358)	862	502	175	256
Net profit for the year	3,001	74	3,693	7,104	5,701
Profit distributed	-	-	3,925	1,589	1,904
EARNINGS PER SHARE (€)					
Earnings per share after tax and profit-sharing,	-	-	-	-	-
but before depreciation, amortisation and provisions	1	0	1	2	1
Earnings per share after tax, profit-sharing,	-	-	-	-	-
depreciation, amortisation and provisions	1	0	1	2	1
Dividends per share	-	-	1	0	0
EMPLOYEES					
Average headcount	57	57	53	49	48
Total payroll	3,993	3,526	3,796	3,891	3,637
Employee benefits paid	-	-	-	-	-
(social security, charities, etc.)	1,776	1,354	1,705	1,929	1,668

STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all of the entities included in the consolidated group, and that the management report, presented on pages 3 to 36, includes a fair description of the business performance, results and financial position of the Company and all of the entities included in the consolidated group, along with a description of the principal risks and uncertainties they face.

Patrick Cathala
Chairman and Chief Executive Officer

STATUTORY AUDITORS’ REPORTS

AURES Technologies SA

Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

F.-M. RICHARD & Associés
1, place d'Estienne
d'Orves 75009 Paris

Statutory Auditors' report on the consolidated financial statements

(For the year ended 31 December 2021)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

AURES Technologies SA
24 bis, rue Léonard de Vinci
91090 Lisses

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of AURES Technologies SA for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Board of Directors meeting in its capacity as the Audit Committee.

Basis for opinion

Audit framework

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

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) no. 537/2014.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the matter set out in Note 5.1.1 to the consolidated financial statements regarding the acquisition of Softavera and LST and their trademarks and associated software.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill

<u>Description of risk</u>

As part of its business development, AURES Technologies acquired J2 Systems Technology in 2013, Retail Technology Group Inc. (RTG) in 2018 and Softavera and LST in 2021, and accordingly recognised goodwill and intangible assets.

Goodwill, which is described in Note 5.1 to the consolidated financial statements, represents the difference between the cost of acquiring the companies and the fair value of their net identifiable assets at the date of acquisition. At 31 December 2021, consolidated non-current assets therefore included goodwill of €9,707 thousand arising on these acquisitions.

AURES Technologies management performs annual impairment tests, as explained in Notes 1.2.2 and 1.3.1 to the consolidated financial statements, by allocating goodwill and non-current assets to cash-generating units ("CGUs").

Given (i) their materiality in the consolidated financial statements and (ii) the measurement methods used in annual impairment tests, which rely in particular on projected future cash flows and for which purpose management must rely on assumptions and make estimates, we deemed the measurement of non-current assets to be a key audit matter.

The methods used to perform the impairment test and details about the assumptions used are described in Note 5.1.2 to the consolidated financial statements.

<u>How our audit addressed this risk</u>

We analysed the method used by management to determine the recoverable amount of each CGU in order to assess its compliance with IAS 36 and we verified the accuracy of the base data used in the impairment test with regard to the medium-term forecasts prepared by management.

With the support of our valuation experts, we assessed the reasonableness of the main estimations used, in particular:

- the consistency of projected revenue and margins amid the global health and economic crisis, the Group's past performance and the business development initiatives implemented;
- the consistency of inputs making up the discount rates applied to the projected cash flow with external benchmarks.

We reviewed the valuation model and the sensitivity analyses carried out on the recoverable amount of these assets compared to the main assumptions used.

Lastly, we ensured that the notes to the financial statements provided appropriate disclosures.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairman and Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation no. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the consolidated financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of AURES Technologies SA by the Annual General Meetings held on 20 May 2005 for F.-M. Richard & Associés and on 21 May 2008 for PricewaterhouseCoopers Audit.

At 31 December 2021, F.-M. Richard & Associés and PricewaterhouseCoopers Audit were in the seventeenth and fourteenth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Board of Directors meeting in its capacity as the Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.
They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Board of Directors meeting in its capacity as the Audit Committee

We submit a report to the Board of Directors meeting in its capacity as the Audit Committee, which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Board of Directors meeting in its capacity as the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Board of Directors meeting in its capacity as the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Board of Directors meeting in its capacity as the Audit Committee.

Neuilly-sur-Seine and Paris, 16 May 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	F.-M. RICHARD & Associés
Emilie Reboux	Julie GALOPHE

AURES Technologies SA

Statutory Auditors' report on the financial statements

(For the year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

F.-M. RICHARD & Associés
1, place d'Estienne d'Orves
75009 Paris

Statutory Auditors' report on the financial statements

(For the year ended 31 December 2021)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

AURES Technologies SA
24 bis rue Léonard de Vinci
91090 Lisses

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of AURES Technologies SA for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2021 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 Board of Directors meeting in its capacity as the Audit Committee.

Basis for opinion

Audit framework

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

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of this report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2021 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) no. 537/2014.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the Note "Accounting policies and methods" to the financial statements, which describes the change of accounting method for termination benefit obligations arising from the update of recommendation no. 2013-02 of French accounting standards-setter ANC and its effects on the Company's financial statements.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of equity investments and associated receivables

Description of risk

Equity investments and associated receivables amounted to €11,397 thousand and €12,912 thousand respectively at 31 December 2021, representing one of the largest items on the balance sheet. As described in Note 1.3 to the financial statements, they are carried at cost and may be written down based on their estimated recoverable amount taking into account the share in net assets of the relevant investments, adjusted where necessary for any unrealised capital gains and profitability outlook.

In order to estimate this recoverable amount, management is required to exercise judgement to decide which inputs to use for each investee. These inputs either correspond to historical data or forecast data.

Accordingly, we deemed the measurement of equity investments and associated receivables to be a key audit matter, due to the inherent risk of certain inputs, in particular the likelihood of achieving projections.

How our audit addressed this risk

In order to assess the reasonableness of the estimated recoverable values of the equity investments and associated receivables, based on the information provided to us, our audit work consisted primarily in verifying that the estimated recoverable values determined by management were based on the appropriate measurement method and underlying data.

For measurements based on historical data, we verified that the equity values used were consistent with the financial statements of the entities concerned.

For measurements based on forecast data, we obtained the assumptions used by management in the analyses on the profitability outlook of these entities. We verified the consistency of the assumptions used with the economic environment and with the health crisis situation at the reporting date and at the date on which the financial statements were prepared.

Where the recoverable amount was lower than the acquisition value of equity investments and associated receivables, we verified that the appropriate write-down was made.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D. 441-6 of the French Commercial Code.

Report on corporate governance

In accordance with French law, we inform you that:

- the information concerning the remuneration and benefits paid to corporate officers other than the Chairman and Chief Executive Officer and any other commitments made to such officers provided for in Article L. 22-10-9 of the French Commercial Code has not been disclosed in the Board of Directors' report on corporate governance;

- year-on-year changes in remuneration, the Company's performance, the FTE-basis average remuneration of the Company's employees other than its senior executives and the ratios referred to in Article L. 22-10-9(6°) have only been disclosed for 2019, 2020 and 2021 and not for the last five years as provided for in Article L. 22-10-9(6°).

Accordingly, we are not in a position to attest to the presence of the information required by Article L. 22-10-9 of the French Commercial Code in the report nor to the accuracy and fair presentation of the information on remuneration and benefits paid or commitments made to corporate officers.

Concerning the information given in accordance with the requirements of Article L. 22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chairman and Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation no. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements to be included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of AURES Technologies SA by the Annual General Meetings held on 20 May 2005 for F.-M. Richard & Associés and on 21 May 2008 for PricewaterhouseCoopers Audit.

At 31 December 2021, F.-M. Richard & Associés and PricewaterhouseCoopers Audit were in the seventeenth and fourteenth consecutive year of their engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Board of Directors meeting in its capacity as the Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Board of Directors meeting in its capacity as the Audit Committee

We submit a report to the Board of Directors meeting in its capacity as the Audit Committee, which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Board of Directors meeting in its capacity as the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Board of Directors meeting in its capacity as the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Board of Directors meeting in its capacity as the Audit Committee.

Neuilly-sur-Seine and Paris, 16 May 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	F.-M. RICHARD & Associés
Emilie Reboux	Julie GALOPHE

AURES Technologies SA

Statutory Auditors’ special report on related-party agreements and commitments

(Annual General Meeting held to approve the financial statements for the year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers 92208
Neuilly-sur-Seine

F.-M. RICHARD & Associés
1, place d'Estienne d'Orves
75009 Paris

Statutory Auditors' special report on related-party agreements and commitments

(Annual General Meeting for the approval of the financial statements for the year ended 31 December 2021)

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

AURES Technologies SA
24 bis rue Léonard de Vinci
91090 Lisses

To the Shareholders,

In our capacity as Statutory Auditors of AURES Technologies, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R. 225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorised and entered into during the year

We were not informed of any agreements or commitments authorised and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved in previous years

In accordance with Article R. 225-30 of the French Commercial Code, we were informed of the following agreements and commitments, approved by the Annual General Meeting in previous years, which were implemented during the year.

Commercial leases for Le Cristal Un SCI

Related party:

Patrick Cathala, Legal Manager (*Gérant*) of Le Cristal Un SCI and Chairman of the AURES Technologies SA Board of Directors.

- Nature and purpose:

Le Cristal Un SCI rents offices and business and storage facilities located at ZAC des Folies – 24 bis, rue Léonard de Vinci, 91090 Lisses, France, to AURES Technologies SA under a commercial lease.

Terms and conditions:

On 28 September 2020, the Board of Directors authorised the signature of a commercial lease for these premises, to be used by the Company from 1 January 2021, in return for an annual rent plus the reimbursement of certain charges, with the storage facilities made available as from 1 October 2020.

The amount paid by the Company in 2021 came to €189,374 and breaks down as follows:

– Rent and insurance	€175,689
– Taxes	€13,685

- Nature and purpose:

Le Cristal Un SCI rents offices and business and storage facilities located at ZAC des Folies – 24 bis, rue Léonard de Vinci, 91090 Lisses, France, to AURES Technologies SA under a commercial lease.

Terms and conditions:

On 20 September 2016, the Board of Directors authorised the signature of a commercial lease for these premises, which have been used by the Company since 1 January 2017, in return for an annual rent plus the reimbursement of certain charges.

The amount paid by the Company in 2021 came to €317,686 and breaks down as follows:

- Rent and insurance €221,628
- Taxes €96,058

Neuilly-sur-Seine and Paris, 16 May 2022

The Statutory Auditors

PricewaterhouseCoopers Audit	F.-M. RICHARD & Associés
Emilie Reboux	Julie Galophe

AURES Technologies
Touch the difference

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