



Exosens
a French *société anonyme à conseil d'administration* (limited company) with share capital of
€1,949,656.32
Registered office: Domaine de Pelus, 18 Avenue de Pythagore, Axis Business Park Bat 5e,
33700 Mérignac
Bordeaux Trade and Companies Register (RCS) No. 895 395 101

SUPPLEMENT TO THE REGISTRATION DOCUMENT



This Supplement to the Registration Document has been approved by the *Autorité des marchés financiers* (the “AMF”) on 31 May 2024 under number I.24-011.

It supplements the registration document approved by the AMF, as competent authority under Regulation (EU) 2017/1129 under no. I.24-010 dated 22 May 2024.

The AMF has approved this Supplement to the Registration Document after having verified that the information it contains is complete, coherent and comprehensible.

This approval should not be considered as a favorable opinion about the Company referring to in this Supplement to the Registration Document.

The registration document may be used for the purposes of a public offering of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and its supplement(s). The whole document is approved by the AMF in accordance with regulation (EU) n°2017/1129. It is valid until 22 May 2025 and, during this period and at the latest at the same time as the securities note and under the conditions of articles 10 and 23 of regulation (EU) 2017/1129, must be supplemented by a supplement in the event of significant new facts or substantial errors or inaccuracies.

DISCLAIMER

By accepting this document, you acknowledge, and agree to be bound by, the following statements. This document is a translation of Exosens’s *supplément au document d’enregistrement* dated 31 May 2024 (the “**Supplement to the Registration Document**”). The Supplement to the Registration Document, in its original French version, is publicly available at www.amf-france.org. This translation (the “**Translation**”) is provided for your convenience only and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part for any purpose. This Translation has not been prepared for use in connection with any offering of securities. It does not contain all of the information that an offering document would contain.

IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN THE CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED HEREIN, THE FRENCH LANGUAGE SUPPLEMENT TO THE REGISTRATION DOCUMENT SHALL PREVAIL.

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Copies of this supplement to the registration document are available free of charge from Exosens, Domaine de Pelus, 18 Avenue de Pythagore, Axis Business Park Bat 5e, 33700 Mérignac, as well as on the websites of Exosens (www.exosens.com) and the *Autorité des Marchés Financiers* (AMF) (www.amf-france.org).

GENERAL COMMENTS

*The numbering of the chapters and paragraphs in this supplement to the registration document follows the numbering of the chapters and paragraphs of the registration document approved by the AMF under approval number I.24-010 on 22 May 2024 (the “**registration document**”), which are updated in this supplement.*

Exosens, a French société anonyme, with a share capital of €1,949,656.32, with its registered office at Domaine de Pelus, 18 Avenue de Pythagore, Axis Business Park Bat 5e, 33700 Mérignac, France, immatriculée sous le numéro d’identification 895 395 101 (RCS Bordeaux) is referred to as the “Company” in this supplement to the registration document. Unless expressly stated otherwise, the “Group” refers to the Company and its direct and indirect subsidiaries and affiliates. “HLD” means together HLD Europe SCA, Invest Prince Henri SCA and Invest Gamma S.à.r.l., all entities managed by HLD Associés Europe S.A., acting in concert in relation to the Company.

Investors are invited to carefully consider the risk factors described in Chapter 3 “Risk factors” of the registration document. The occurrence of all or some of these risks could have an adverse impact on the Group's business, financial position, or results. In addition, other risks, either not yet identified or considered immaterial by the Group, could have the same negative effect.

Certain calculated figures (including figures expressed in thousands or millions) and percentages presented in this supplement to the registration document have been rounded. If applicable, the totals provided in this registration document may present immaterial variances from the totals that would have been obtained by adding the exact amounts (not rounded) for these calculated figures.

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1. PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION AND EXPERT REPORTS

1.1 Person responsible for the supplement to the registration document

Mr. Jérôme Cerisier, Chief Executive Officer.

1.2 Statement of the person responsible for the supplement to the registration document

“I hereby certify that the information contained in this supplement to the registration document is, to my knowledge, accurate and contains no omission that might alter its scope.”

Mérignac, 31 May 2024

Jérôme Cerisier

Chief Executive Officer

12. MANAGEMENT AND SUPERVISORY BODIES

Paragraph 12.1 “Composition and operation of the management and supervisory bodies” of the registration document is amended and completed as follows:

The table below sets out the proposed composition of the Board of Directors as of the date of settlement-delivery of the Company’s shares in connection with their admission to trading on the Euronext Paris regulated market, which will comprise eight members, as well as the terms of office of the members of the Company’s Board of Directors over the last five years:

Full name	Nationality	Expiry date of term of office	Main position held in the Company	Number of current positions held in listed companies	Independent director (within the meaning of the AFEP-MEDEF Code)	Committees			Main appointments and positions held outside the Company during the last five years
						Audit Committee	Appointments and Remuneration Committee	CSR Committee	
Jean-Hubert Vial ¹	French	At the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2027	Chairman of the Board of Directors	N/A	No		X		<p><u>Appointments and positions held at the date of this registration document:</u></p> <p><i>Within the Group:</i> Exosens, Chairman of the Board of Directors</p> <p><i>Outside the Group:</i> HLD, Chairman and Director Co invest Dentressangle, Chief Executive Officer Tessi, Chairman and member of the Supervisory Board Kiloutou, Member of the Supervisory Board Aresia, Member of the Supervisory Board Arcelle Investissements, Manager</p> <p><u>Appointments and positions held over the past five years and now discontinued:</u></p> <p><i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> None</p>
Jérôme Cerisier	French	At the close of the General Meeting	Chief Executive Officer and director	N/A	No				<p><u>Appointments and positions held at the date of this</u></p>

Full name	Nationality	Expiry date of term of office	Main position held in the Company	Number of current positions held in listed companies	Independent director (within the meaning of the AFEP-MEDEF Code)	Committees			Main appointments and positions held outside the Company during the last five years
						Audit Committee	Appointments and Remuneration Committee	CSR Committee	
		called to approve the financial statements for the fiscal year ending 31 December 2027							<u>registration document:</u> <i>Within the Group:</i> Kanji Management SAS, Chairman Xenics NV, Director Photonis Defense, Director Sinfrared Pte Ltd, Director Telops Inc., Director Xenics USA, Director Telops USA, Chairman Exosens UK Ltd, Director Photonis Asia Pacific Pte Ltd, Director Photonis Technologies Co. Ltd, Director <i>Outside the Group:</i> Kanji Management SASU, Chairman SCI Kanji & Co, Managing Director SARL Kanji Gestion, Managing Director <u>Appointments and positions held over the past five years and now discontinued:</u> <i>Within the Group:</i> 14841981 Canada Inc., Chairman and Chief Executive Officer

Full name	Nationality	Expiry date of term of office	Main position held in the Company	Number of current positions held in listed companies	Independent director (within the meaning of the AFEP-MEDEF Code)	Committees			Main appointments and positions held outside the Company during the last five years
						Audit Committee	Appointments and Remuneration Committee	CSR Committee	
									<i>Outside the Group:</i> None
Christophe Bernardini ¹	French	At the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2027	Director	N/A	No			X	<u>Appointments and positions held at the date of this registration document:</u> <i>Within the Group:</i> None <i>Outside the Group:</i> Pebble Street SAS, Chairman SCI Berman, Gérant SCI Amuredda, Managing Director ESTACA, Member of the supervisory board <u>Appointments and positions held over the past five years and now discontinued:</u> <i>Within the Group:</i> None <i>Outside the Group:</i> None
HLD Europe represented by Mr. Salim Helou ¹	French	At the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2027	Director	N/A	No	X			<u>Appointments and positions held at the date of this registration document:</u> <i>Within the Group:</i> None <i>Outside the Group:</i> Rainbow holding, Member of the supervisory board Aresia, Member of the supervisory board Murex Group, permanent representative of Indium SARL, Directors Société Générale de Presse et d'Éditions, Director

Full name	Nationality	Expiry date of term of office	Main position held in the Company	Number of current positions held in listed companies	Independent director (within the meaning of the AFEP-MEDEF Code)	Committees			Main appointments and positions held outside the Company during the last five years
						Audit Committee	Appointments and Remuneration Committee	CSR Committee	
									<p>Sierra Fox Aviation, Chief Executive Officer</p> <p>Sierra Juliet Advisory, Chairman</p> <p><u>Appointments and positions held over the past five years and now discontinued:</u></p> <p><i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> Echo Sierra Aviation, Chairman</p>
Constance Lanèque ¹	French	At the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2027	Director	N/A	No				<p><u>Appointments and positions held at the date of this registration document:</u></p> <p><i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> Invest Coop, Managing Director</p> <p>Invest Pixel, Manager</p> <p>Muse 2, Manager</p> <p>HLD Italy Uno, Chairman</p> <p>HLD Italy Due, Chairman</p> <p>Rainbow holding, Member of the Supervisory Board</p> <p>Tessi, representative of HLD Conseils, Member of the Supervisory Board</p> <p>Butterfly I SAS, Member of the Supervisory Board</p> <p>JMBN, Managing Director</p> <p><u>Appointments and positions</u></p>

Full name	Nationality	Expiry date of term of office	Main position held in the Company	Number of current positions held in listed companies	Independent director (within the meaning of the AFEP-MEDEF Code)	Committees			Main appointments and positions held outside the Company during the last five years
						Audit Committee	Appointments and Remuneration Committee	CSR Committee	
									<p><u>held over the past five years and now discontinued:</u> <i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> Eviola, Member of the Board of Directors</p>
Michel Mariton ²	French	At the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2025	Director	N/A	Yes	X	X		<p><u>Appointments and positions held at the date of this registration document:</u> <i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> Triamon Conseil, Chairman SATT Paris-Saclay, Director</p> <p><u>Appointments and positions held over the past five years and now discontinued:</u> <i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> None</p>
Wendy Kool-Foullon ²	French and Dutch	At the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2026	Director	N/A	Yes		X	X	<p><u>Appointments and positions held at the date of this registration document:</u> <i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> Verallia Deutschland AG, Member of the Supervisory Board Kavminsteklo, Member of the executive committee Kamyshinsky Steklotary</p>

Full name	Nationality	Expiry date of term of office	Main position held in the Company	Number of current positions held in listed companies	Independent director (within the meaning of the AFEP-MEDEF Code)	Committees			Main appointments and positions held outside the Company during the last five years
						Audit Committee	Appointments and Remuneration Committee	CSR Committee	
									<p>Zavod, Member of the Board of Directors</p> <p>Vidrieras de Canarias S.A., permanent representative</p> <p>Verallia Spain, S.A, Director</p> <p>Verallia Holding UK, Member of the Board of Directors</p> <p>Verallia Latitude, Chairman</p> <p>Cap Verallia, Chairman of the Board of Directors</p> <p><u>Appointments and positions held over the past five years and now discontinued:</u></p> <p><i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> Laminate Park GmbH, Member of the Board of Directors</p> <p>Tarkett Services, Gérante Somalre, Member of the Board of Directors</p> <p>Obale (France), Chairman</p> <p>Verallia USA, Member of the Board of Directors</p>
Brigitte Geny ²	French	At the close of the General Meeting called to approve the financial statements for the fiscal year ending 31 December 2025	Director	1	Yes	X		X	<p><u>Appointments and positions held at the date of this registration document:</u></p> <p><i>Within the Group:</i> None</p> <p><i>Outside the Group:</i> Association des Directeurs Financiers et de Contrôle de Gestion,</p>

Full name	Nationality	Expiry date of term of office	Main position held in the Company	Number of current positions held in listed companies	Independent director (within the meaning of the AFEP-MEDEF Code)	Committees			Main appointments and positions held outside the Company during the last five years
						Audit Committee	Appointments and Remuneration Committee	CSR Committee	
									Independent member of the board of directors Financielle Performance, President Groupe Cogelec, Independent member of the board of directors Haute Autorité de l'Audit, College member <u>Appointments and positions held over the past five years and now discontinued:</u> <i>Within the Group:</i> None <i>Outside the Group:</i> None

¹ Director nominated by HLD.

² Independent director within the meaning of the AFEP-MEDEF Code.

Brigitte Geny, 60 years, is graduated from ESCP, and is a certified public accountant and statutory auditor, and also obtained the IFA-Sciences Po certificate for company's directors in 2018. She has over 25 years' experience in auditing, acquired at Arthur Andersen and then at EY as a partner. She has worked as an auditor and consultant in numerous sectors, in particular for listed and unlisted ETIs and SMEs. She joined SYNLAB France, a medical biology group, from 2018 until the end of 2021, as Deputy Managing Director Finance, Legal, Compliance and M&A with a roadmap to structure France with a view to the Group's IPO. She is an Independent Director and Vice-Chairman of the Ile-de-France office of the *Association des Directeurs Financiers et de Contrôle de Gestion* (DFCG), an Independent Director, Chairman of the CSR Committee and member of the Strategic Committee of Group COGEELEC (listed on Euronext Growth), and a member of the *Collège de la Haute Autorité de l'Audit* (H2A), as a qualified person in the certification of sustainability information.

14. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

Paragraph 14.3 “Committees of the Board of Directors” of the registration document is amended and completed as follows:

A meeting of the Board of Directors of the Company will be held on the day of the determination of the final price of the shares offered in connection with the admission of the Company’s shares to trading on the regulated market of Euronext Paris in order to determine the composition of the Board Committees, which will be as follows –

- Audit Committee:

Mrs. Brigitte Geny (Chair and Independent Director)

Mr. Michel Mariton (Independent Director)

HLD Europe, represented by Mr. Salim Helou

- Appointments and Remuneration Committee:

Mr. Michel Mariton (Chair and Independent Director)

Mrs. Wendy Kool-Foulon (Independent Director)

Mr. Jean-Hubert Vial

- CSR Committee:

Mrs. Wendy Kool-Foulon (Chair and Independent Director)

Mrs. Brigitte Geny (Independent Director)

Mr. Christophe Bernardini

16. MAIN SHAREHOLDERS

A new paragraph 16.5 entitled “Shareholders’ agreement between HLD Europe and the Principal Individual Investors” is inserted as follows:

In connection with the Company’s IPO, HLD Europe, a shareholder which is expected to hold 49.25% of the Company’s share capital following the Global Offering (excluding the possible exercise of the Over-Allotment Option), and certain minority shareholders of the Company, comprising certain executives and senior managers of the Company, including the Company’s Chief Executive Officer, Jérôme Cerisier (directly and indirectly via his personal holding company) (the “**Principal Individual Investors**”), which are expected to hold together 4.34% of the Company’s post-IPO share capital, will enter into a shareholders’ agreement, which will come into force on the settlement-delivery date of the Global Offering, for the purpose of agreeing, in particular, on a lock-up commitment by the Principal Individual Investors in their capacity as shareholders of the Company. It should be noted that the Principal Individual Investors have also commit to lock-up agreements with respect to the shares they hold *vis-à-vis* the Underwriters, described in paragraph 8.4.2 of the securities note approved by the French *Autorité des marchés financiers*.

The above-mentioned shareholders’ agreement will provide in particular for:

- *Specific lock-up commitment granted by the Principal Individual Investors:* the Principal Individual Investors will undertake, for a period expiring on the earlier of (i) the date of the third (3rd) anniversary of the settlement-delivery of the Global Offering and (ii) the date on which HLD and its affiliated entities (together the “**HLD Entities**”) come to hold less than 10% of the share capital of the Company, not to issue, offer, sell, sell options or contracts to purchase, purchase an option or contract to sell, grant an option, right or entitlement to acquire, or transfer or assign, directly or indirectly, any shares or other equity securities or securities giving access to equity securities of the Company that they hold immediately upon settlement-delivery of the Global Offering (the “**Restricted Securities**”), or enter into any derivative or other transaction involving Restricted Securities having a similar economic effect, or publicly announce their intention to carry out any such transactions, subject to the following exceptions:
 - (i) the transfer of Restricted Securities by a Principal Individual Investor with the prior written consent of HLD;
 - (ii) the transfer of Restricted Securities by way of succession in the event of death;
 - (iii) subject to the prior written consent of HLD (which may not be unreasonably withheld or delayed), the transfer of Restricted Securities by any of the Principal Individual Investors (an individual) to a holding company;
 - (iv) a gift by a Principal Individual Investor of Restricted Securities to a spouse or descendant;
 - (v) the sale of Restricted Securities in the context of a takeover bid, exchange offer, alternative offer or combined offer; and
 - (vi) the transfer of Restricted Securities required pursuant to a legal or regulatory obligation.

it being specified that for all of these exceptions, the beneficiary of the transfer of Restricted Securities must first adhere to all of the provisions of the shareholders’ agreement in its capacity as Principal Individual Investor.

- *Breathing rights*: in the event of a transfer by an HLD Entity of some of its shares in the Company, subject to certain exceptions (including in the event of a transfer of shares in the Company between HLD Entities), the Principal Individual Investor will be free to dispose, notwithstanding the aforementioned lock-up commitment, of a percentage of their Restricted Securities equal to the percentage of the holding that would be transferred by the HLD Entities.
- *Duration of the agreement*: The shareholders' agreement is entered into until the fifth anniversary of the settlement-delivery date of the Global Offering.
- *Termination*: The shareholders' agreement will be automatically terminated (i) on the date on which HLD (together with its affiliates) directly or indirectly holds less than 5% of the share capital of the Company, (ii) on the date on which any entity (other than an HLD Entity) comes to hold more than 50% of the share capital of the Company or (iii) on any other date agreed between the parties.

This shareholders' agreement does not constitute an action in concert between the parties within the meaning of Article L. 233-10 of the French Commercial Code.

18. FINANCIAL INFORMATION RELATING TO ASSETS, FINANCIAL POSITION AND RESULTS OF THE COMPANY

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Consolidated Statement of Financial Position

At March 31, 2024

<i>(in € thousand)</i>	Note	March 31, 2024	December 31, 2023
Goodwill	13	174,344	174,344
Intangible assets	14	200,071	202,351
Property, plant and equipment	15	75,043	72,051
Right-of-use assets	16	10,924	10,759
Investments in equity-accounted companies	17	3,408	3,410
Non-current financial assets and other non-current assets		1,097	744
Deferred tax assets		35	44
NON-CURRENT ASSETS		464,921	463,703
Inventories	18	88,441	78,544
Trade receivables	19	54,593	69,189
Derivative financial instruments	23	519	152
Current financial assets and other current assets	20	33,743	29,366
Cash and cash equivalents	21	14,087	15,458
CURRENT ASSETS		191,382	192,709
TOTAL ASSETS		656,304	656,412
Share capital	22	1,950	1,948
Share premiums	22	188,050	188,052
Reserves		18,120	14,065
TOTAL EQUITY		208,120	204,065
Non-current loans and borrowings	23	295,645	300,844
Non-current lease liabilities	23	8,158	7,693
Provisions for employee benefit obligations	25	7,655	7,595
Non-current provisions and other non-current liabilities	24	8,705	8,554
Deferred tax liabilities		17,005	17,578
NON-CURRENT LIABILITIES		337,168	342,263
Current loans and borrowings	23	15,043	7,026
Current lease liabilities	23	2,278	2,360
Derivative financial instruments	23	0	0
Trade payables	26	27,085	32,304
Current provisions and other current liabilities	24	66,611	68,394
CURRENT LIABILITIES		111,016	110,084
TOTAL EQUITY AND LIABILITIES		656,304	656,412

Notes 1 to 30 are an integral part of the quarterly consolidated financial statements.

Consolidated Income Statement

For the period ended March 31, 2024

<i>(in € thousand)</i>	Note	3 months ended March 31, 2024	3 months ended March 31, 2023
Revenue	5	86,675	57,923
Cost of sales		(20,515)	(15,554)
Other purchases and external expenses	6	(18,106)	(11,192)
Taxes and duties other than income tax		(947)	(682)
Employee benefits expense	7	(25,774)	(19,191)
Other operating income		965	668
Other operating expenses		(1,210)	(45)
Depreciation, amortization and charges to provisions	8	(7,718)	(5,660)
RECURRING OPERATING PROFIT		13,370	6,268
Other income	9	5	0
Other expenses	9	(1,459)	(244)
OPERATING PROFIT		11,917	6,024
Cost of net debt		(8,492)	(5,825)
Net gains (losses) on derivative instruments		1,170	(904)
Other		109	124
Net financial expense	10	(7,213)	(6,605)
NET PROFIT (LOSS) BEFORE TAX		4,703	(581)
Income tax	11	(1,209)	172
NET PROFIT (LOSS), ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		3,494	(409)
EARNINGS (LOSS) PER SHARE			
Basic	12	0.01	(0.04)
Diluted	12	0.01	(0.04)

Notes 1 to 30 are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the period ended March 31, 2024

<i>(in € thousand)</i>	3 months ended March 31, 2024	3 months ended March 31, 2023
NET PROFIT (LOSS) FOR THE PERIOD	3,494	(409)
Actuarial gains (losses) on retirement benefit commitments and equivalent, before tax	(20)	(20)
Deferred tax on retirement benefit commitments and equivalent	5	5
<i>Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss</i>	(15)	(15)
Fair value gains on hedging instruments, before tax	0	66
Deferred tax on fair value gains (losses) on hedging instruments	0	(16)
Translation adjustments	275	(35)
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>	275	14
Other comprehensive income (expense)	260	(1)
TOTAL COMPREHENSIVE INCOME (EXPENSE)	3,754	(411)
Attributable to the shareholders of the Company	3,754	(411)

Notes 1 to 30 are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

For the period ended March 31, 2024

<i>(in € thousand)</i>	Note	3 months ended March 31, 2024	3 months ended March 31, 2023
Net profit (loss) for the period		3,494	(409)
Adjustments			
• Cost of net debt	10	7,687	5,421
• Other financial income and expenses	10	(473)	1,182
• Income tax	11	1,209	(172)
• Additions net of reversals to depreciation/amortization	8	7,718	5,660
• Other income and expenses	9	283	550
Income tax received/(paid)		(610)	(1,912)
Change in working capital, net of impairment		(1,814)	(3,396)
Net cash from operating activities		17,493	6,924
Acquisition of intangible assets and PP&E	14/15/16	(9,173)	(6,275)
Proceeds on disposal of intangible assets and PP&E		-	-
Acquisition of equity investments, net of cash acquired		(909)	(500)
Proceeds on disposal of equity investments, net of cash divested		-	-
Investment grants received		-	-
Cash flows relating to other financial assets		(184)	30
Net cash used in investing activities		(10,266)	(6,745)
Share capital increases/(decreases)		-	-
Interest paid on convertible bonds	23	-	-
Refinancing of non-current borrowings	23	-	-
Repayment of non-current borrowings	23	-	-
Refinancing of current borrowings	23	-	-
Repayment of current borrowings	23	(3,804)	(1,707)
Financial expenses with cash impact related to borrowings*		(1,159)	(683)
Repayment of IFRS 16 lease liabilities	23	(549)	(414)
Financial expenses with cash impact related to IFRS 16 lease liabilities		(202)	(125)
Financial income with cash impact related to derivative instruments	10	-	-
Loan issue costs		(2,950)	(390)
Other		-	-
Net cash used in financing activities		(8,665)	(3,319)
Effect of changes in exchange rates		67	(46)
Increase/(decrease) in cash and cash equivalents		(1,371)	(3,186)
Opening cash and cash equivalents	21	15,458	28,955
Closing cash and cash equivalents	21	14,087	25,767

*Financial expenses with a cash impact include the change in accrued interest for €6,326 thousand at March 31, 2024 and €4,612 thousand at March 31, 2023.

Notes 1 to 30 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

<i>(in € thousand)</i>	Share capital (Note 22)	Share premiums (Note 22)	Reserves			Total
			Translation adjustments	Other reserves	Retained earnings	
At January 1, 2023	1,941	188,059	206	(14,961)	7,808	183,053
Changes in cash flow hedges				49		49
Actuarial gain (loss) on post-employment benefits				(15)		(15)
Translation adjustments			(35)			(35)
Other comprehensive income	-	-	(35)	34	-	(2)
Loss for the period					(409)	(409)
Total comprehensive loss for the period	-	-	(35)	34	(409)	(411)
Share capital increase						0
Other				413		413
At March 31, 2023	1,941	188,059	171	(14,514)	7,399	183,055
At December 31, 2023	1,948	188,052	768	(12,917)	26,214	204,065
Changes in cash flow hedges						0
Actuarial gain (loss) on post-employment benefits				(15)		(15)
Translation adjustments			275			275
Other comprehensive income	0	0	275	(15)	0	260
Profit for the period					3,494	3,494
Total comprehensive income for the period	0	0	275	(15)	3,494	3,754
Share capital increase	2	(2)				0
Other				301		301
At March 31, 2024	1,950	188,050	1,043	(12,631)	29,708	208,120

Notes 1 to 30 are an integral part of the consolidated financial statements.

Note 1 - General information

Exosens (“the Company”) and its subsidiaries (together “the Group” or “the Exosens Group”) are a high-tech group specializing in the innovation, development, manufacturing and sale of technology for the detection, photo detection and imaging sectors. Accompanied by the European HLD investment group since 2021, Exosens offers its customers detectors and imaging solutions, such as image intensifier tubes, digital cameras, ion, electron, neutron and gamma detectors and traveling wave tubes. Exosens responds to complex issues in extremely demanding environments by offering tailor-made solutions to its customers in the defense and surveillance, life sciences, nuclear and industrial control sectors. Thanks to sustained and constant investment in R&D, the Group is internationally recognized as a major innovator in optoelectronics, with nine production sites in Europe and North America and over 1,500 employees. The Exosens Group also manufactures components for high-tech digital cameras and scientific detectors for use, for example, in space exploration and the nuclear industry. The Group is present in over 50 countries.

Exosens is a simplified joint stock company (*société par actions simplifiée*) governed by French law. Its registered office is located at Domaine de Pelus, Axis Business Park, Bloc E, 18 avenue Pythagore, Mérignac, France. Photonis Group was incorporated on March 16, 2021 and changed its name to Exosens on October 5, 2023.

The condensed quarterly consolidated financial statements for the period ended March 31, 2024 were prepared in the context of the planned initial public offering and listing of its shares on Euronext Paris. They were prepared specifically for the purposes of the approval of the Exosens registration document and prospectus by the financial markets authority.

The condensed quarterly consolidated financial statements for the three-month period from January 1, 2024 to March 31, 2024 were authorized by the Chairman on May 30, 2024.

These condensed quarterly consolidated financial statements are presented in thousands of euros and all values are rounded to the nearest thousand, except where otherwise stated. Accordingly, certain rows and columns may not add up precisely due to rounding.

Note 2 - Basis of preparation

2.1 Accounting policies

The accounting policies applied at March 31, 2024 are consistent with those adopted for the preparation of the consolidated financial statements for the year ended December 31, 2023, except for the standards and/or amendments adopted by the European Union and of mandatory application from January 1, 2024.

The Group condensed quarterly consolidated financial statements for the period ended March 31, 2024 which have been prepared in accordance with IAS 34, *Interim Financial Reporting*. As they are condensed consolidated financial statements, they do not include all the information required under the IFRS for full annual financial statements and should be read in conjunction with the Group consolidated financial statements for the year ended December 31, 2023.

The following consolidated financial statements are presented in thousands of euros and all values are rounded to the nearest thousand, except where otherwise stated. Numbers may not therefore sum up precisely due to rounding.

2.2 New standards, amendments to existing standards and interpretations adopted by the European Union and of mandatory application for fiscal periods beginning on or after January 1, 2024

The new standards, amendments and interpretations of mandatory application for fiscal periods beginning on or after January 1, 2024 have no material impact for the Group, and primarily concern:

- Amendment to IFRS 16, *Leases*: recognition of lease liabilities in a sale and leaseback;
- Amendments to IAS 1, *Presentation of Financial Statements*: classification of liabilities as current or non-current and classification of non-current liabilities with covenants;
- Amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures: Supplier Finance Arrangements*.

2.3 New standards, amendments to existing standards and interpretations that are not yet of mandatory application at January 1, 2024

The Group has not early adopted any of the following new standards and interpretations that could concern it and which are not of mandatory application at January 1, 2024:

- Amendments to IAS 21, *Lack of Exchangeability*;
- IFRS 18, *Presentation and Disclosure in Financial Statements*.

We are currently studying the impacts and practical consequences of these amendments. Nonetheless, they do not present any provisions contrary to the current accounting practices of the Group.

2.4 Climate risk

The Group incorporates climate risks, to the best of its knowledge, in closing assumptions and integrates their potential impacts in the financial statements.

The process implemented and described in the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022 in Note 2.5, “Climate risk”, is unchanged at March 31, 2024.

2.5 Critical accounting assumptions and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to use assumptions and estimates to calculate the value of assets and liabilities at the date of the consolidated statement of financial position and the amount of income and expenses for the period. Actual results could differ from those estimates.

The key assumptions and main sources of estimates are consistent with those used by the Group to prepare the consolidated financial statements for the year ended December 31, 2023.

The main sources of uncertainty relating to key assumptions and judgments concern:

- the capitalization of development costs – Note 17, “Intangible assets”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022;

- impairment of non-financial assets – Note 16, “Goodwill”, to the consolidated financial statements for the year ended December 31, 2023;
- employee benefits – Note 30, “Post-employment benefit obligations”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022;
- recognition and measurement of deferred tax – Note 21, “Taxes”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022;
- goodwill – Note 16, “Goodwill”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022;
- intangible assets acquired in business combinations and the assets’ estimated useful lives – Note 17, “Intangible assets”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022;
- definition of the enforceable period of a lease – Note 19, “Right-of-use assets”;
- disputes and litigation – Note 28, “Provisions and other liabilities”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022.

2.6 Specific measurement rules and methods adopted by the Group for interim closures

Business seasonality

Group revenue is impacted by the seasonal nature of products sold to its customers. Order levels are generally higher at the end of the year – in particular for Amplification products, primarily delivered to the defense sector – due to the close-out of budgets. They are usually lowest in the first quarter of the year. Revenue recognized by the Group in the final quarter of the year is therefore significantly higher and revenue recognized in the first quarter, generally lower than the other quarters of the year. It is therefore not possible to extrapolate revenue over the full fiscal year.

The impact of seasonal factors was not corrected in the Group’s quarterly consolidated financial statements.

Ordinary income and expenses received or incurred by the Group on a seasonal, cyclical or occasional basis are recognized in accordance with the same rules applied at the year end. They are not anticipated or deferred at the end of the quarter. Income and expenses invoiced on an annual basis (e.g., patent royalties and licenses) are recognized based on an annual estimate in proportion to the period of time elapsed.

Risks arising during the quarter are provided in the financial statements for the period. In the case of onerous contracts in particular, a full provision is recorded for losses on completion identified in the first quarter.

Measurement of the income tax expense

The income tax expense recognized in respect of the first quarter is based on the best estimate of the expected average annual tax rate for the fiscal year. This rate may be adjusted for the tax impacts of unusual items during the period.

Retirement benefit commitments

No new comprehensive actuarial calculation is performed at the quarterly closing. The retirement benefit expense is equal to one quarter of the 2023 annual expense based on actuarial assumptions at December 31, 2023. Where applicable, the impact of changes in assumptions in the first quarter of 2024 on post-employment benefits (discount rate and long-term inflation rate) is recognized in profit or loss for the period.

Note 3 - Changes in consolidation scope and major events

3.1 Changes in consolidation scope

3.1.1 Transactions in 2024

On January 26, 2024, the Group entered into an agreement for the acquisition of Centronic in the United Kingdom, for consideration of £20.2 million. Centronic mainly specializes in the design and manufacture of nuclear instrumentation components, such as neutron detectors, Geiger-Müller tubes and silicon photodiodes, used primarily to detect light or X-rays.

Centronic reported revenue of £11.0 million for the period ended January 4, 2024 (unaudited UK GAAP figures).

This acquisition will be finalized in the second quarter of 2024, following which the Group will consolidate the company and implement the purchase price allocation process.

3.1.2 Changes in consolidation scope in prior periods

ProxiVision

On June 30, 2023, the Group finalized the acquisition of the entire share capital of ProxiVision, a specialist developer and manufacturer of ultra-violet image intensifier tubes used in missile launch detection, semi-conductor inspection and high-voltage power line maintenance systems. The acquisition strengthened the Group's ultra-violet technology offering and production capacity.

The company was fully consolidated and changed its name to Photonis Germany in the second half of 2023.

At December 31, 2023, the provisional allocation of the purchase price led to the recognition of goodwill of €1.6 million, as presented in the following table:

<i>(in € thousand)</i>	At the acquisition date
Fair value of the consideration transferred	6,750
Less: fair value of net assets acquired	5,128
Goodwill after deferred tax	1,622

This goodwill was allocated to the Detection and Imaging CGU.

The identification and fair value measurement of the identifiable assets acquired and liabilities assumed began in the second half of 2023 and will be completed within 12 months of the acquisition date, i.e., no later than June 30, 2024.

El-Mul

On July 18, 2023, the Group finalized the acquisition of the entire share capital of El-Mul, a specialist supplier of advanced, high-performance particle detectors for electron microscopy and mass spectrometry. Through this acquisition the Group furthers its diversification, strengthens its access to electron microscopy and semi-conductor inspection markets and supplements its service offering.

This company was fully consolidated in the second half of 2023.

At December 31, 2023, the provisional allocation of the purchase price led to the recognition of goodwill of €11.6 million, as presented in the following table:

<i>(in € thousand)</i>	At the acquisition date
Fair value of the consideration transferred	24,011
Less: fair value of net assets acquired	12,428
<i>Goodwill after deferred tax</i>	11,583

This goodwill was allocated to the Detection and Imaging CGU.

The identification and fair value measurement of the identifiable assets acquired and liabilities assumed began in the second half of 2023 and will be completed within 12 months of the acquisition date, i.e., no later than July 18, 2024.

Telops

On October 13, 2023, the Group finalized the acquisition of the entire share capital of Telops, a specialist developer and manufacturer of high-performance hyperspectral imaging systems and infrared cameras. The integration of Telops will enable the Group to provide unique high-end imaging products to their business-to-business customers.

This company was fully consolidated in the second half of 2023.

At December 31, 2023, following the fair value remeasurement of identifiable assets acquired and liabilities assumed, the provisional allocation of the purchase price led to the recognition of goodwill of €21.5 million, as indicated below:

<i>(in € thousand)</i>	At the acquisition date
Fair value of the consideration transferred	39,137
Less: fair value of net assets acquired	17,645
<i>Goodwill after deferred tax</i>	21,492

This goodwill was allocated to the Detection and Imaging CGU.

The identification and fair value measurement of the identifiable assets acquired and liabilities assumed began in the second half of 2023 and will be completed within 12 months of the acquisition date, i.e., no later than October 13, 2024.

3.2 Major events

▪ Share capital increase

Exosens performed a share capital increase during the first quarter of 2024 pursuant to its free share grant plan:

- March 15, 2024: share capital increase by capitalizing share premiums of €2,057.95;

Following this share capital increase, the share capital is €1,949,656.32.

▪ Financing

In the first quarter of 2024, Exosens secured the following new debt to finance its acquisitions:

- 2024 Additional Bonds totaling €130.0 million with a 4-year term and paying interest ranging from 6.25% to 6.75% + 6-month Euribor, repayable on maturity and undrawn at March 31, 2024;
- a 2024 A3 Facility of €35.0 million with a 4-year term and paying interest ranging from 2.60% to 3.60% + 3-month Euribor, undrawn at March 31, 2024;
- increase in the maximum amount of the revolving credit facility (RCF) from €10.0 million at December 31, 2023 to €25.0 million at March 31, 2024, undrawn at March 31, 2024

Note 4 - Segment reporting

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to Group Management.

The Chief Executive Officer regularly examines segment gross margin to assess segment performance. He has therefore been identified as the Group's chief operating decision-maker.

Segment information is presented for the following two operating segments:

- Amplification, comprising systems using electron or electromagnetic wave amplification to produce images or a power source;
- Detection and Imaging, comprising systems to detect signals (optical or electronic) or create images across different wavelengths of the optical spectrum (from ultra-violet to infrared);

Operating segment performance is measured primarily based on sales and segment gross margin, calculated according to the same measurement principles used in the Group consolidated income statement.

The gross margin (adjusted), presented below by segment, is equal to the difference between the selling price and the cost price of products and services (including notably employee benefits).

The Group defines EBITDA (adjusted) as operating profit, less (i) additions net of reversals to depreciation, amortization and impairment of non-current assets; (ii) non-recurring income and expenses as presented in the Group's consolidated income statement within "Other income" and "Other expenses", and (iii) the impact of items that do not reflect ordinary operating performance (especially business reorganization, acquisition and external growth-related costs, as well as IFRS 2 share-based payment expense).

	3 months ended March 31, 2024			
(in € million)	Amplification	Detection and Imaging	Other, eliminations and not allocated	Total
Sales	63.3	24.2	(0.8)	86.7
Contribution (% of total sales)	73.1%	27.9%	-1.0%	
Gross margin (adjusted)	29.2	11.8	0.0	41.1
As a percentage of sales	46.2%	48.9%		

EBITDA (adjusted)	23.1
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	3 months ended March 31, 2023			
(in € million)	Amplification	Detection and Imaging	Other, eliminations and not allocated	Total
Sales	43.8	14.3	(0.2)	57.9
Contribution (% of total sales)	75.6%	24.7%	-0.3%	
Gross margin (adjusted)	18.4	6.5	0.0	24.9
As a percentage of sales	42.1%	45.5%		

EBITDA (adjusted)	12.8
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Revenue included within "Other, eliminations and not allocated" mainly concerns the elimination of inter-segment flows.

Gross margin (adjusted) not allocated includes Corporate activities that cannot be allocated to the segments and the elimination of inter-segment flows.

Reconciliation with the consolidated financial statements

	3 months ended March 31, 2024	3 months ended March 31, 2023
EBITDA (adjusted)	23.1	12.8
Depreciation, amortization and impairment	(7.7)	(5.7)
Other income and expenses (Note 9)	(1.4)	(0.3)
Other *	(2.1)	(0.8)
OPERATING PROFIT (LOSS)	11.9	6.0

* For the 3-month period ended March 31, 2024, the "Other" caption mainly comprises non-recurring advisory and strategy fees for €1.2 million relating to the Group's external growth policy (recorded in "Other operating expenses"), as well as the IFRS 2 share-based payment expense and the neutralization of the full-year impact of the land tax and C3S contribution (IFRIC 21) payable on January 1.

For the 3-month period ended March 31, 2023, the "Other" caption mainly comprises the IFRS 2 share-based payment expense and the neutralization of the full-year impact of the land tax and C3S contribution (IFRIC 21) payable on January 1.

Non-current assets break down by geographic area as follows:

<i>(in € million)</i>	At March 31, 2024				At December 31, 2023			
	France	Europe excluding France	North America	Other	France	Europe excluding France	North America	Other
Goodwill, intangible assets, property, plant and equipment and right-of-use assets	289.4	94.0	63.6	13.4	289.9	93.3	62.9	13.4

Note 5 - Revenue

Group revenue breaks down as follows:

<i>(in € thousand)</i>	3 months ended March 31, 2024	%	3 months ended March 31, 2023	%
Sales of goods	85,828	99%	52,813	91%
Sales of services and License rights	847	1%	5,110	9%
Total revenue	86,675	100%	57,923	100%

Group revenue breaks down by geographic area as follows:

<i>(in € thousand)</i>	3 months ended March 31, 2024	%	3 months ended March 31, 2023	%
Europe	50,322	58%	35,142	61%
<i>Of which Greece</i>	30,265	35%	12,897	22%
<i>Of which France</i>	3,878	4%	5,982	10%
North America	13,018	15%	10,642	18%
<i>Of which USA</i>	11,130	13%	8,874	15%
Asia	22,947	26%	12,097	21%
Oceania	367	0%	2	0%
Africa	11	0%	12	0%
Other	9	0%	27	0%
Total revenue	86,675	100%	57,923	100%

Sales recognized on the transfer of control of the goods or services to the customer represented 99.1% of Group sales in the first three months of the year (2023 – 3-month period: 99.2%) and totaled €85.9 million (2023 – 3-month period: €57.5 million).

In 2024, sales recognized on the progressive satisfaction of performance obligations totaled €0.8 million and represented 0.9% of total sales in the first three months of the year (2023 – 3-month period: €0.5 million and 0.8%).

The Group estimates that around 80% of its revenue is linked to the sale of dual-use goods. Dual-use goods are products, software and technologies which can be used for both civil and military applications.

Note 6 - Other purchases and external expenses

<i>(in € thousand)</i>	3 months ended March 31, 2024	3 months ended March 31, 2023
Temporary employees	(6,340)	(3,466)
Professional fees	(3,313)	(2,336)
Travel and entertaining	(786)	(722)
Sub-contracting	(1,730)	(1,656)
Rent	(532)	(386)
Maintenance	(2,049)	(1,346)
Advertising, publications, public relations	(629)	(289)
Insurance premiums	(430)	(263)
Transport of goods and collective passenger transport	(252)	(150)
Postal and telecommunication costs	(155)	(160)
Bank services & equivalent	(169)	(111)
Other services - miscellaneous	(600)	79
Studies and research	(901)	(250)
Other (sundry external services, building charges, rent)	(220)	(134)
Other purchases and external expenses	(18,106)	(11,192)

Note 7 - Employee benefits expense

<i>(in € thousand)</i>	3 months ended March 31, 2024	3 months ended March 31, 2023
Wages and salaries	(17,773)	(13,182)
Social security contributions	(5,706)	(4,955)
Post-employment benefits	(45)	(46)
Other employee costs	(2,250)	(1,009)
Employee benefits expense	(25,774)	(19,191)

Other employee costs mainly comprise statutory profit sharing and incentive payments of €2,073 thousand at March 31, 2024, compared to €891 thousand in the first three months of 2023.

Note 8 - Depreciation, amortization and additions to provisions

Depreciation, amortization and additions to provisions break down as follows:

<i>(in € thousand)</i>	<i>Note</i>	3 months ended March 31, 2024	3 months ended March 31, 2023
On other non-current assets (excluding IFRS 16)	14/15	(6,928)	(5,238)
On other non-current assets (IFRS 16 restatement)	16	(760)	(467)
On impairment of current assets		165	(371)
On provisions		(195)	417
Total additions and reversals		(7,718)	(5,660)

Note 9 - Other income and expenses

Other operating income and expenses correspond to items that are not taken into account by management when measuring the performance of the operating segments due to their nature or their significant or unusual characteristics.

Other income and expenses totaled €1,454 thousand at March 31, 2024 (2023 – 3-month period: €244 thousand) and mainly comprised fees of €1.54 million relating to the planned initial public offering. In the first quarter of 2023, other income and expenses mainly comprised company acquisition costs and non-recurring advisory and strategy fees of individual non-material amounts.

<i>(in € thousand)</i>	3 months ended March 31, 2024	3 months ended March 31, 2023
Company acquisition costs*	0	137
Other	1,454	106
Other income and expenses	1,454	244

* Including acquisition costs for projects abandoned or in progress.

Note 10 - Net financial expense

The cost of net debt and other financial income and expenses break down as follows:

<i>(in € thousand)</i>	3 months ended March 31, 2024	3 months ended March 31, 2023
Interest expense on bank borrowings	(8,290)	(5,700)
Interest expense on leases	(202)	(125)
Other financial expenses	0	0
Cost of net debt	(8,492)	(5,825)
Foreign exchange gains and losses	470	(659)
Financial income from derivative instruments	326	956
Other financial gains/(losses) on derivative instruments	374	(1,202)
Net financial gains/(losses) on derivative instruments	1,170	(905)
Other	109	124
Net financial expense	(7,213)	(6,605)

Foreign exchange gains and losses consist of the currency impact on loans.

Financial income/(expenses) on derivative instruments mainly reflects the impact of caps, floors and cross-currency swaps recognized in profit or loss for the period.

Note 11 - Income tax

The income tax expense for the first quarter of 2024 is €1,209 thousand, compared to an income tax benefit of €172 thousand for the first quarter of 2023 following the capitalization of losses.

Note 12 - Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period, excluding shares bought back by the Group and held as treasury shares.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to take account of the potentially dilutive effect of all equity instruments issued by the Company and particularly unvested performance shares.

	3 months ended March 31, 2024			3 months ended March 31, 2023		
	Average number of shares	Net profit (in €k)	Earnings per share (in €)	Average number of shares	Net profit (in €k)	Earnings per share (in €)
Ordinary shares	75,968,360			75,968,360		
Net profit (loss) before dilution	75,968,360	633	0.01	75,968,360	(3,010)	(0.04)
Preferred shares	0			0		
Net profit (loss) after dilution	75,968,360	633	0.01	75,968,360	(3,010)	(0.04)

At March 31, 2024, preferred shares granted by the Company and described in Note 29 to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022, do not meet the conditions for conversion to ordinary shares and have no dilutive impact on the earnings per share calculation.

(in € thousand)	3 months ended March 31, 2024	3 months ended March 31, 2023
Net profit (loss) for the period (A)	3,494	(409)
Preferential dividend attributable to A preferred shares (B)	2,861	2,601
Net profit (loss) attributable to the Company (A-B)	633	(3,010)

Note 13 - Goodwill

Pursuant to IAS 36, Impairment of Assets, an entity must assess at each reporting date the existence of any indication that an asset has suffered a loss in value.

The recoverable amount is determined based on the value in use. In this context, the Group verified that the business plans prepared at the 2023 annual closing, based on management assumptions in line with macro-economic forecasts, had not been materially called into question.

At March 31, 2024, the Group did not identify any indication of a loss in value of the cash-generating units (CGUs) requiring the performance of specific impairment tests.

The methodologies applied by the Group and additional disclosures are presented in Note 16, "Goodwill", to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022.

Goodwill breaks down as follows:

<i>(in € thousand)</i>	Gross value	Impairment	Total
Amount at December 31, 2023	174,344	0	174,344
Translation adjustments			0
Changes in consolidation scope			0
Impairment, net			0
Other			0
Amount at March 31, 2024	174,344	0	174,344

At March 31, 2024, goodwill is allocated to the CGUs as follows:

<i>(in € thousand)</i>	March 31, 2024	December 31, 2023
Amplification	94,042	94,041
Detection and Imaging	80,302	80,302
Goodwill	174,344	174,344

Note 14 - Intangible assets

Group intangible assets break down as follows:

<i>(in € thousand)</i>	Development costs	Software, concessions, patents	Customer relationships and brands	Other intangible assets	TOTAL
Gross amount at December 31, 2023	77,827	4,064	146,123	8,722	236,737
Changes in consolidation scope	0		0	0	0
Additions	1,908	218	0	218	2,344
Disposals			0	0	0
Translation adjustments	41	102	30	(3)	171
Transfers and other	0	0	0	0	0
Gross amount at March 31, 2024	79,777	4,385	146,154	8,937	239,252
Amortization and impairment at December 31, 2023	(17,067)	(1,388)	(16,044)	112	(34,387)
Changes in consolidation scope					0
Amortization	(2,266)	(214)	(2,200)	(16)	(4,697)
Impairment, net	0				0
Disposals	0	0	0	0	0
Translation adjustments	(19)	(76)	(6)	3	(98)
Transfers and other	0	0	0	0	0
Amortization and impairment at March 31, 2024	(19,354)	(1,679)	(18,249)	100	(39,181)
Net amount at March 31, 2024	60,423	2,706	127,905	9,037	200,071
Net amount at December 31, 2023	60,760	2,676	130,080	8,834	202,351

Development costs:

At March 31, 2024, research and development costs are recognized in the consolidated statement of financial position in the net amount of €60,423 thousand (December 31, 2023: €60,760 thousand) and relate to development projects for new products and services. Research and development costs not capitalized total €4,540 thousand in the first quarter of 2024 (December 31, 2023: €7,691 thousand).

Brands:

At March 31, 2024, brands are recognized in the consolidated statement of financial position in the net amount of €28,431 thousand (December 31, 2023: €28,431 thousand) and comprise brands with an indefinite useful life. They mainly consist of brands recognized as part of business combinations, particularly Exosens International.

Customer relationships:

At March 31, 2024, customer relationships are recognized in the consolidated statement of financial position in the net amount of €99,344 thousand (December 31, 2023: €101,215 thousand). They mainly consist of the value of customer lists recognized as part of business combinations, and in particular Exosens International, Xenics, Telops and El-Mul.

Note 15 - Property, plant and equipment

The Group's main categories of property, plant and equipment at March 31, 2024 are as follows:

(in € thousand)	Land	Buildings	Technical installations	Other	PP&E under construction	Total
Gross amount at December 31, 2023	2,772	16,419	43,741	4,235	19,886	87,053
Changes in consolidation scope	0	0	0	0	0	0
Additions	0	174	195	132	4,601	5,103
Disposals	0	0	0	0		0
Translation adjustments	0	35	332	67	52	486
Transfers and other	0	0	38	0	(38)	0
Gross amount at March 31, 2024	2,772	16,628	44,307	4,434	24,501	92,642
Depreciation and impairment at December 31, 2023	0	(2,629)	(11,246)	(1,127)	0	(15,002)
Changes in consolidation scope						0
Depreciation		(133)	(1,894)	(204)		(2,231)
Impairment, net						0
Disposals		0	0	0		0
Translation adjustments		(21)	(284)	(61)		(366)
Transfers and other		0	0	0		0
Depreciation and impairment at March 31, 2024	0	(2,783)	(13,424)	(1,392)	0	(17,598)
Net amount at March 31, 2024	2,772	13,845	30,883	3,043	24,501	75,043
Net amount at December 31, 2023	2,772	13,790	32,495	3,108	19,886	72,051

Note 16 - Right-of-use assets

Right-of-use assets break down as follows:

	IFRS 16 Right-of use assets			
(in € thousand)	Buildings	Technological installations	Other	Total
Gross amount at December 31, 2023	11,017	3,658	48	14,723
Changes in consolidation scope	0	0	0	0
Additions	847	0	0	847
Disposals	(426)	0	0	(426)
Translation adjustments	168	6	0	174
Transfers and other	0	0	0	0
Gross amount at March 31, 2024	11,605	3,664	49	15,318
Depreciation and impairment at December 31, 2023	(2,709)	(1,227)	(28)	(3,964)
Changes in consolidation scope				
Depreciation	(489)	(267)	(4)	(760)
Impairment, net				0
Disposals	426	0	0	426
Translation adjustments	(91)	(4)	(0)	(96)
Transfers and other	0	0	0	0
Depreciation and impairment at March 31, 2024	(2,863)	(1,499)	(32)	(4,394)
Net right-of use assets at March 31, 2024	8,742	2,165	17	10,924
Net right-of use assets at December 31, 2023	8,307	2,432	20	10,759

Note 17 - Investments in equity-accounted companies

The joint venture in which the Group holds an interest is structured as a separate company. Under the joint arrangement agreement, unanimous consent is required from all parties to the agreement for all relevant activities. The Group and its partner have rights to the net assets of the company in accordance with the terms of the contractual agreements.

(in € thousand)	Total
At December 31, 2023	3,410
Changes in consolidation scope	-
Acquisitions of equity investments	-
Net profit (loss) of equity-accounted companies	-
Translation adjustments	(2)
Impairment	-
At March 31, 2024	3,408

At March 31, 2024, investments in associates and joint ventures comprise a 49% stake in IGG Photonics Night Vision Electronics and Equipment Repairs and Testing LLC (“IGG”), an 11% stake in FBGS Technologies GmbH and a 10% stake in Think Deep AI SAS.

IGG, FBGS Technologies GmbH and Think Deep AI SAS were dormant in the first quarter of 2024.

Note 18 - Inventories

Inventory breaks down as follows:

<i>(in € thousand)</i>	March 31, 2024	December 31, 2023
Raw materials	38,435	36,497
Work in progress	45,290	41,197
Finished goods	16,297	12,887
Bought-in-goods	752	513
Inventories – gross value	100,774	91,094
Provision for obsolescence	(12,333)	(12,549)
Inventories – net value	88,441	78,544

Note 19 - Trade receivables

The carrying amount of trade receivables breaks down as follows:

<i>(in € thousand)</i>	March 31, 2024	December 31, 2023
Trade receivables and related accounts – gross	51,183	62,692
Trade receivables – sales invoice accruals	3,848	6,883
Provision for impairment of trade receivables	(438)	(386)
Trade receivables – net	54,593	69,189

The provision for impairment of trade receivables is €438 thousand at March 31, 2024 (€386 thousand at December 31, 2023).

Note 20 - Current financial assets and other current assets

Current financial assets and other current assets break down as follows:

<i>(in € thousand)</i>	March 31, 2024	December 31, 2023
VAT and other tax receivables	11,069	8,478
Income tax	10,498	10,141
Other receivables	11,974	8,351
Tax and employee-related receivables	117	2,326
Current financial assets	85	70
Current financial assets and other current assets	33,743	29,366

Note 21 - Cash and cash equivalents

Cash and cash equivalents break down as follows:

<i>(in € thousand)</i>	March 31, 2024	December 31, 2023
Cash and cash equivalents	14,087	15,444
Bank deposits subject to a notice period of up to three months	0	14
Cash and cash equivalents	14,087	15,458
Cash and cash equivalents net of bank overdrafts	14,087	15,458

Note 22 - Share capital and share premiums

Issued capital

The Company's issued share capital amounts to €1,949,656.32 and consists of 194,965,632 shares with a par value of €0.01, subscribed and paid up in full, as follows:

- 75,968,360 ordinary shares (OS);
- 113,952,540 A preferred shares (APS);
- 50,000 R2 preferred shares (R2PS);
- 39,000 R3 preferred shares (R3PS);
- 2,975,732 R1 preferred shares (R1PS);
- 792,000 O' preferred shares (O'PS);
- 1,188,000 A' preferred shares (A'PS).

These issues include total share premiums of €188,050 thousand.

HLD Europe is the majority shareholder.

Three classes of additional preferred shares created in the bylaws with a par value of €0.01 each and granted in fiscal 2021, 2022 and 2023, were partially issued to the relevant beneficiaries in 2022, 2023 and 2024.

These three classes of preferred share were granted subject to the following limits defined in 2021:

- O' preferred shares – 1,000,000 maximum;
- A' preferred shares – 1,500,000 maximum;
- R1 preferred shares – 3,950,000 maximum.

Rights, preferences and restrictions on each share class

A and A' preferred shares confer entitlement to a priority, cumulative and exclusive amount of distributions and liquidation net assets. The A priority amount is equal to 9% per year of the subscription price calculated from the issue date on a daily basis and capitalized at each issue date anniversary.

R and O' preferred shares confer entitlement to a specific share in distributions and liquidation net assets.

The following table presents outstanding ordinary and preferred shares:

(thousands of shares)	Ordinary shares	A preferred shares	R2 preferred shares	R3 preferred shares	R1 preferred shares	O' preferred shares	A' preferred shares	Total
At December 31, 2023	75,968	113,953	50	39	2,770	792	1,188	194,760
Capital subscription								0
Increase					206			206
Decrease								0
At March 31, 2024	75,968	113,953	50	39	2,976	792	1,188	194,966

Note 23 - Financial liabilities

The carrying amount of financial liabilities breaks down as follows:

(in € thousand)	Note	March 31, 2024			December 31, 2023		
		Total	Current	Non-current	Total	Current	Non-current
A Bonds	1	185,381		185,381	185,111		185,111
B Bonds	2	9,860		9,860	9,840		9,840
2023 Bonds	3	33,766		33,766	33,712		33,712
Senior debt	4	69,887	6,363	63,524	71,924	4,334	67,590
Lease liabilities		10,435	2,278	8,158	10,043	2,360	7,683
Other financial liabilities	5	4,341	1,227	3,114	6,166	1,565	4,601
Accrued interest	6	7,453	7,453	0	1,127	1,127	
Financial liabilities		321,123	17,320	303,803	317,923	9,386	308,537
Derivative financial instruments (liabilities)	Note 28	0			0		
Derivative financial instruments (assets)	Note 28	(519)			(152)	(152)	
Derivative financial instruments (net)		(519)	0	0	(152)	(152)	
Cash at bank and in hand	Note 21	(14,087)	(14,087)		(15,444)	(15,444)	
Bank deposits subject to a notice period of up to three months	Note 21	0	0		(14)	(14)	
Cash and cash equivalents		(14,087)	(14,087)	0	(15,458)	(15,458)	
Total financial liabilities, net		306,517	3,233	303,803	302,313	(6,224)	308,537

- (1) A bonds, paying interest ranging from 6.25% to 6.75%, comprising in March 2024 a gross amount of €190 million, less loan issuance costs of €4.6 million.
- (2) B bonds, paying interest ranging from 6.25% to 6.75%, comprising in March 2024 a gross amount of €10.0 million, less loan issuance costs of €0.1 million.
- (3) 2023 bonds, paying interest ranging from 6.5% to 7.00%, comprising in March 2024 a gross amount of €35 million, less loan issuance costs of €1.2 million.
- (4) Senior debt breaks down as follows at March 31, 2024:
 - o €12.4 million: A1 Senior Debt Facility, including €3.7 million falling due in less than one year, paying interest ranging from 1.75% to 2.75%
 - o €27.8 million: A2 Senior Debt Facility, paying interest ranging from 3.50% to 4.25%
 - o €29.7 million: A3 Senior Debt Acquisition Facility, paying interest ranging from 2.6% to 3.60%.

In March 2024, the senior debt includes a gross amount of €71.6 million, less loan issuance costs of €1.7 million.

- (5) Other financial liabilities mainly comprise several loans subscribed by Xenics (€2.8 million), Photonis Germany (€0.8 million) and Photonis Infrared France (€0.6 million).
- (6) Accrued interest at March 31, 2024 mainly concerns A bonds for €5,164 thousand, B bonds for €267 thousand, 2023 bonds for €935 thousand, the A1 Senior Debt Facility for €139 thousand, the A2 Senior Debt Facility for €374 thousand and the A3 Senior Debt Facility for €390 thousand. Interest is accrued and payable according to the contractual debt schedule.

Changes in financial liabilities and derivative instruments are detailed by flow in the table below:

<i>(in € thousand)</i>	Cash flows			"Non-cash" movements			03/31/2024
	Opening balance at January 1, 2024	Inflows	Outflows	Accrued interest	Other changes	Total "non-cash"	
Bonds, loans and other	300,843				(5,198)	(5,198)	295,645
Lease liabilities	7,694				464	464	8,158
Derivative instruments	0						
Non-current loans and borrowings	308,537				(4,734)	(4,734)	303,803
Bonds, loans and other	7,026		(3,804)	6,326	5,494	11,820	15,043
Lease liabilities	2,360		(549)		467	464	2,278
Derivative instruments	0						
Current loans and borrowings	9,386		(4,353)	6,326	5,961	12,287	17,320
TOTAL FINANCIAL LIABILITIES	317,923		(4,353)	6,326	1,227	7,553	321,123
Derivative instrument assets	(152)				(367)	(367)	(519)
Net impact (inflows/outflows) in the consolidated statement of cash flows			(4,353)				

Financial covenants

Certain financing agreements contain early repayment clauses if the Company does not comply with a leverage ratio, calculated as the ratio of consolidated net debt to consolidated adjusted EBITDA.

At March 31, 2024, the leverage ratio (net debt/adjusted EBITDA) was required to be below 5.50 for senior debt facilities and 5.20 for bond issues.

At March 31, 2023, December 31, 2023 and March 31, 2024, the Group's total net debt/adjusted EBITDA ratio was 3.8x (unaudited data), 3.3x and 3.1x (unaudited data), respectively.

The Group regularly monitors changes in these financial covenants and, in an unstable macro-economic context, paid close attention to financing agreements that could present a short- or medium-term risk of not complying with financial ratios. In fiscal 2023 and the first three months of 2024, the Group did not breach these financial covenants based on the leverage ratio.

There are no financial covenants based on Group consolidated equity.

Note 24 - Provisions and other liabilities

Provisions and other liabilities total €75,316 thousand at March 31, 2024 (€76,948 thousand at December 31, 2023) and mainly comprise provisions for customer warranties, payroll tax liabilities and amounts payable to the State.

Provisions

In the ordinary course of the Group's business activities, the Company and its subsidiaries have entered into various warranty contracts that include compensation and guarantee provisions, especially in the case of product returns. The Group records a provision for these warranties, based on statistical product return rates.

<i>(in € thousand)</i>	Provisions for disputes	Customer warranties	Other provisions	Total
Opening balance at January 1, 2024	1,365	2,163	1,449	4,976
Changes in consolidation scope	0	0	0	0
Addition	0	109	314	423
Reversal	0	(114)	0	(114)
Reclassification	0	(43)	(50)	(93)
Other movements	0	0	0	0
Translation adjustments	0	6	(2)	3
At March 31, 2024	1,365	2,120	1,710	5,196

Other non-current and current liabilities

Other non-current liabilities total €4,811 thousand (€4,872 thousand at December 31, 2023) and mainly comprise research and development grants and current accounts in credit.

Other current liabilities break down as follows:

<i>(in € thousand)</i>	March 31, 2024	December 31, 2023
Payroll tax liabilities	24,862	21,448
VAT and other taxes	13,918	9,940
Accrued expenses	7,304	7,583
Capital expenditure payables	1,029	2,755
Advances and down-payments received on orders	12,943	19,394
Miscellaneous liabilities	5,253	5,979
Other current liabilities	65,309	67,099

At March 31, 2024, the decrease in other current liabilities is mainly due to lower advances and down-payments received on orders, partially offset by higher amounts payable to the State and payroll tax liabilities.

At December 31, 2023, the increase in other current liabilities is mainly due to the increase in activity and a scope effect.

Note 25 - Post-employment benefit obligations

The Group has commitments under long-term employee benefit plans. Pursuant to IAS 19, Employee Benefits, the obligation to provide benefits under defined benefit plans is determined by independent actuaries using the projected unit credit actuarial valuation method.

At March 31, 2024, provisions for post-employment benefit obligations total €7,655 thousand (€7,595 thousand at December 31, 2023).

They include provisions for retirement benefit commitments and provisions for complementary pension commitments and primarily concern France.

The net benefit expense in respect of the first quarter of 2024 is equal to 25% of the projected 2024 expense determined based on actuarial assumptions at December 31, 2023 in accordance with IAS 19 and in the absence of material fluctuations in the market since the previous reporting date.

A breakdown of Group employee benefits is presented in Note 30, “Retirement termination payment commitments”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022.

Note 26 - Trade payables and related accounts

<i>(in € thousand)</i>	March 31, 2024	December 31, 2023
Trade payables	16,798	24,703
Purchase invoice accruals	10,240	7,531
Notes receivable	47	70
Trade payables and related accounts	27,085	32,304

Trade payables represent approximately 52 days’ purchases at March 31, 2024 (59 days at end 2023).

Note 27 - Off-balance sheet commitments

At March 31, 2024	Type of commitment	Commitment given
Exosens SAS	Pledge	Commitments given to lenders under the loan agreements of 07/20/2021
	Pledge	Commitments given to lenders on 12/22/2022 under the loan agreements of 07/20/2021
	Pledge	Commitments given to lenders on 07/18/2023 under the loan agreements of 07/20/2021
	Pledge	Guarantees given to banks (07/20/2021)
	Pledge	Guarantees given to banks (12/22/2022)
	Pledge	Guarantees given to banks (07/18/2023)
Exosens International SAS	Guarantees issued by CIC	In favor of HOLD- KEY - \$60K warranty bond (Lot 4) expiring 08/31/2024
	Guarantees issued by CIC	In favor of TWOWAY - \$44K warranty bond (Lot 5) expiring 04/30/2024
	Guarantees issued by CIC	In favor of TWOWAY - \$60K warranty bond (Extension 1000) expiring 08/10/2024
	Guarantees issued by LCL	In favor of OPNET System CO. Ltd - \$45K Minijol warranty bond, expiring 07/13/2024 - \$46K Minijol warranty bond, expiring 11/20/2024
PHOTONIS France SAS	Sureties and guarantees granted to CIC	Sureties and guarantees granted to CIC Entreprises under the Photonis Infrared France loan (formerly Device-Alab): - Direct guarantee / foreign market / holdback of €83k - Foreign market guarantee / holdback of \$72k - Foreign market guarantee / performance bond of \$129k
	Pledge	Guarantees given to banks (12/24/2021)
	Pledge	Guarantees given to banks (12/22/2022)

	Pledge	Guarantees given to banks (07/18/2023)
	Guarantees given in respect of foreign export contracts	<ul style="list-style-type: none"> - AED 4,682k performance bond (CIC) - INR 500k guarantee to EMD (CIC) - USD 38k performance bond (SG) - €1,686k mandatory performance bond (SG + CIC + LCL + BNP) - €1,306k warranty bond (CIC + LCL) - INR 12,000k performance bond (CIC) - €3,022k early payment guarantee (CIC + LCL + BNP) - €49k tailored guarantee (SG)
IMAGING SENSORS INTERNATIONAL	Guarantees given in respect of foreign export contracts	<ul style="list-style-type: none"> - €106k performance bond - €106k advance payment guarantee - INR 2,000k guarantee covering a foreign export contract
PHOTONIS Netherlands B.V.	Pledge	Guarantees given to banks (12/24/2021)
	Guarantees given in respect of foreign export contracts	Customer warranties of €439k
PHOTONIS Holding Inc.	Pledge	Extensive pledge through a wide security agreement (January 28, 2022) - not limited thereto
	Pledge	Extensive pledge through a wide security agreement - non-exhaustive
PHOTONIS Scientific Inc.	Pledge	Extensive pledge through a security agreement (01/28/2022)
PHOTONIS Defense Inc.	Pledge	Extensive pledge through a security agreement (01/28/2022)
El-Mul	Guarantee issued for a real estate lease	Bank guarantee of ILS 1,442k with counter-guarantee issued by BNP
Telops	Guarantee given to banks	Guarantee given for the bank margin (EDC) of CAD 2,000k
	Sureties given to banks	Sureties given for ATA carnets of USD 1,000k
	Pledge	Guarantees given to banks of CAD 29,122k
	Other commitments	Commitments to purchase goods from various suppliers totaling CAD 6.3 million

Note 28 - Financial risk management

Risks

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management systems

The Group uses derivative financial instruments to manage foreign exchange risk and interest rate risk on borrowings.

Most of the financial instruments subscribed by the Group are interest rate caps and swaps and forward currency purchases and sales. These derivatives are subscribed to protect the Group against both an increase in interest rates and an adverse change in exchange rates. By offsetting market risks on underlying debts with derivatives, the Group manages risk concentration on financial liabilities.

In addition, to protect against counterparty risk on derivatives, the Group enters into contracts with several banks.

For all financial instruments, the carrying amount best represents the maximum exposure to credit risk.

The financial risk management policy and procedures defined by the Group are identical to those described in Note 33.1, “Financial risk management policy”, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022.

Hedging instrument transactions entered into or unwound during the quarter do not significantly modify Exosens Group’s exposure to financial risks. The main risks (liquidity risk, foreign exchange risk, interest rate risk, credit risk and counterparty risk) are described in Notes 33.1.2, 33.1.3, 33.1.4 and 33.1.5, respectively, to the consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022.

Derivative financial instruments

Financial instruments break down as follows:

(in € thousand)	March 31, 2024		December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Current portion				
Cross-currency swaps - cash flow hedge				
Caps/Floors	519			152
TOTAL	519			152
Non-current portion				
Cross-currency swaps - cash flow hedge				
Caps/Floors				
TOTAL	0			0

The carrying amount best represents the maximum exposure to credit risk for all derivatives subscribed by the Group (no collateral held as security, etc.).

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

At March 31, 2024, derivative financial instruments used by the Group break down as follows:

Company	Instrument	Nominal amount	Maturity	Bank
Exosens Group	SWAP	€170 million	12/31/2024	BNP
Exosens Group	CAP	€40 million	12/31/2024	BNP

Financial instruments and fair value estimation

Pursuant to IFRS 13, valuation techniques used for financial assets and liabilities must be ranked.

The categories are defined as follows:

- Level 1: direct reference to quoted prices (unadjusted) in active markets, for identical assets or liabilities;
- Level 2: valuation techniques based on inputs other than quoted prices that are observable, either directly or indirectly;
- Level 3: valuation techniques based on non-observable inputs.

The fair value of financial assets and liabilities recognized at amortized cost is close to the carrying amount, except for financial debt.

The fair value of financial debt is determined for each borrowing by discounting future cash flows at a rate corresponding to the Euribor interest rate at the reporting date, adjusted for the Group credit risk (level 2).

The fair value of derivatives is measured using models commonly used to value these financial instruments (models integrating observable market inputs). The inclusion of counterparty default risk and the specific credit risk of the entity does not have a material impact on the fair value of derivatives.

Financial instruments break down as follows:

(in € thousand)	March 31, 2024						Fair value assumptions			
	Net carrying amount	Cash and cash equivalents	Loans and receivables	Other financial assets at amortized cost	Assets / Liabilities at fair value through profit and loss	Hedging financial derivatives	Fair value	Level 1(*)	Level 2(**)	Level 3(***)
Non-current financial assets	1,097		1,097				1,097	1,097		
Derivative financial instruments	519					519	519		519	
Trade receivables and related accounts	51,183		51,183				51,183	51,183		
Current financial assets	85		85				85	85		
Cash and cash equivalents	14,087	14,087					14,087	14,087		
Total assets	66,971	14,087	52,365	0	0	519	66,971	66,452	519	0
Loans and borrowings	321,123			321,123			321,123	321,123		
Derivative financial instruments	0						0			
Trade payables and related accounts	16,798			16,798			16,798	16,798		
Other current liabilities (1)	16,498			16,498			16,498	16,498		
Total liabilities	354,418	0	0	354,418	0	0	354,418	354,418	0	0

(1) "Other current liabilities" at March 31, 2024 mainly comprise purchase invoice accruals of €10.2 million, other liabilities of €5.1 million and capital expenditure payables of €1.0 million.

(*) Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(**) Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(***) Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The fair value of financial debt is not materially different from its net carrying amount as it was recently financed.

Loans and borrowings include variable-rate loans from banking institutions and fixed-rate shareholder loans which cannot be traded.

There is no material customer concentration risk.

Note 29 - Transactions with related parties

Group transactions with related parties mainly concern:

- Compensation and benefits allocated to management bodies;
- Business and financial transactions with unconsolidated subsidiaries and associates: the Group does not have any material relationships with its unconsolidated subsidiaries and has no associates in its scope of consolidation.

Transactions with related parties are performed based on market prices.

There were no significant changes in the nature of transactions between the Group and related parties during the first quarter of 2024 compared to December 31, 2023.

Note 30 - Consolidated companies

Group legal entities (“the Entities”) were fully consolidated or equity-accounted using the functional currencies presented below:

Fully consolidated companies at March 31, 2024	% interest	% control	Functional currency
Exosens (formerly Photonis Group)	Parent company		EUR
Exosens International (formerly Photonis International)	100.0%	100.0%	EUR
Photonis France	100.0%	100.0%	EUR
Photonis Netherlands B.V.	100.0%	100.0%	EUR
Imagine Sensors International	100.0%	100.0%	EUR
Photonis Infrared France	100.0%	100.0%	EUR
Photonis Holding Inc.	100.0%	100.0%	USD
Photonis Scientific Inc.	100.0%	100.0%	USD
Photonis Defense Inc.	100.0%	100.0%	USD
Photonis Asia Pacific Pte Ltd	100.0%	100.0%	SGD
Photonis Shenzhen Technologies	100.0%	100.0%	CNY
Xenics NV	100.0%	100.0%	EUR
Xenics Inc.	100.0%	100.0%	USD
SInfrared	100.0%	100.0%	EUR
Telops France	100.0%	100.0%	EUR
Telops Inc.	100.0%	100.0%	CAD
Telops USA Inc.	100.0%	100.0%	USD
El-Mul Technologies	100.0%	100.0%	ILS
Photonis Germany	100.0%	100.0%	EUR
Equity-accounted companies	% interest	% control	Functional currency
IGG Photonis night vision electronics and equipment repairs and testing LLC	49.0%	49.0%	AED

Note 31 - Post-balance sheet events

Pursuant to the Omnisco project, it was decided during the Extraordinary Shareholders’ Meeting of May 13, 2024 to increase the share capital by €12,154,937.60, by capitalizing issue premiums and increasing the par value of ordinary shares. This share capital increase will only take effect at the end

of the price-setting phase of the planned initial public offering under the Omnisco project (condition precedent).

Further to this operation, the Company's issued share capital will increase from €1,949,656.32 to €14,104,593.92.

There were no other material events between the reporting date and the date the financial statements were authorized for issue by the Chairman.

**Statutory auditors' review report on condensed interim consolidated financial statements –
Period from 1 January to 31 March 2024**

PricewaterhouseCoopers Audit

Société de commissariat aux comptes
Membre de la compagnie régionale de
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**Statutory Auditors' review report on the condensed quarterly consolidated
financial statements**

For the three months ended March 31, 2024

Exosens

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This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Chairman of Exosens,

In our capacity as Statutory Auditors of Exosens (the "Company") and in response to your request in view of the proposed public offering and admission to trading of Exosens securities on the regulated market of Euronext Paris, we conducted a review of the accompanying condensed quarterly consolidated financial statements of the Company for the period from January 1 to March 31, 2024 (the "Condensed Quarterly Consolidated Financial Statements").

As this is the first time that the Company has prepared condensed quarterly consolidated financial statements at March 31, 2024, information for the period from January 1 to March 31, 2023, presented for the purposes of comparison, has not been subject to an audit or review.

These Condensed Quarterly Consolidated Financial Statements are the responsibility of Exosens. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. A review of quarterly financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed quarterly consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

Toulouse and Nantes, May 30, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit

Baker Tilly Strego

Bertrand Cuq
Partner

Jean-Marc Binson
Partner

François Pignon-Hériard
Partner

ERRATUM

- In sub-section “Revenue” of paragraph 18.7 (page 326) of the Registration Document, the table showing the breakdown of revenue by segment for the fiscal quarter ended 31 March 2024 quarter and the fiscal quarter ended 31 March 2023 is replaced by the following:

<i>(In millions of euros)</i>	Fiscal quarter ended 31 March 2024	Change (%)	Fiscal quarter ended 31 March 2023
Amplification	63.3	44.5%	43.8
Detection and Imaging	24.2	69.2%	14.3
Other, eliminations and unallocated	(0.8)	380.3%	(0.2)
Total revenue	86.7	49.7%	57.9

- In sub-section “Amplification business revenue” of paragraph 18.7 (page 326) of the Registration Document, the percentage of 47.5% corresponding to the increase in sales generated by Amplification activities is replaced by 44.5%.

- In paragraph 18.7 (page 326) of the Registration Document, “Detection and Imaging business revenue”, the percentage of 65.9% corresponding to the increase in sales generated by the Detection and Imaging activities is replaced by 69.2%.

- Lastly, in sub-section “Adjusted gross margin” of paragraph 18.7 (page 326) of the Registration Document, the table showing the breakdown of adjusted gross margin by segment for the fiscal quarter ended 31 March 2024 quarter and the fiscal quarter ended 31 March 2023 is replaced by the following:

<i>(In millions of euros)</i>	Fiscal quarter ended 31 March 2024	Change (%)	Fiscal quarter ended 31 March 2023
Amplification	29.2 (46.1% du chiffre d'affaires)	58.9%	18.4 (42.0% du chiffre d'affaires)
Detection and Imaging	11.8 (48.8% du chiffre d'affaires)	81.7%	6.5 (45.4% du chiffre d'affaires)
Total marge brute ajustée	41.1 (47.4% du chiffre d'affaires)	64.8%	24.9 (43.0% du chiffre d'affaires)