



Annual Report

FISCAL YEAR 2024





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THE KEY ELEMENTS OF THE GROUP

Presentation of LACROIX

Convinced that technology must contribute to simple, sustainable, and safer environments, LACROIX supports its customers in developing more sustainable living ecosystems, thanks to useful, robust, and secure electronic equipment and connected technologies.

As a listed, family-owned midcap company with €635.5 million in revenue in 2024, LACROIX combines agile innovation, industrialization capacity, cutting-edge technological know-how, and a long-term vision to address environmental and societal challenges through its activities: Electronics and Environment.

Through its activity Electronics, LACROIX designs and manufactures industrial IoT solutions (hardware, software, and cloud) and electronic equipment for the automotive, industrial, home and building automation, avionics and defense, and healthcare sectors. As the Group's industrial backbone, the activity Electronics of LACROIX ranks among the world's TOP 50 and Europe's TOP 10 EMS (Electronics Manufacturing Services).

Through its activity Environment, LACROIX also supplies secure and connected electronic equipment and IoT solutions to optimize the management of water networks, heating, ventilation, and air conditioning installations, as well as smart grids and smart lighting networks

Drawing on its experience and its technological and business expertise, LACROIX works hand in hand with its customers and partners to bridge the gap between the world of today and the world of tomorrow. The Group helps them to benefit from the innovation opportunities around them, by providing them with electronic equipment and industrial IoT solutions for a more sustainable world.

€635.5_M
2024 SALES

€5.2_M
CURRENT OPERATING PROFIT

€140_M
SHAREHOLDERS' EQUITY



LACROIX: a mission driven company

Extract from the LACROIX manifesto

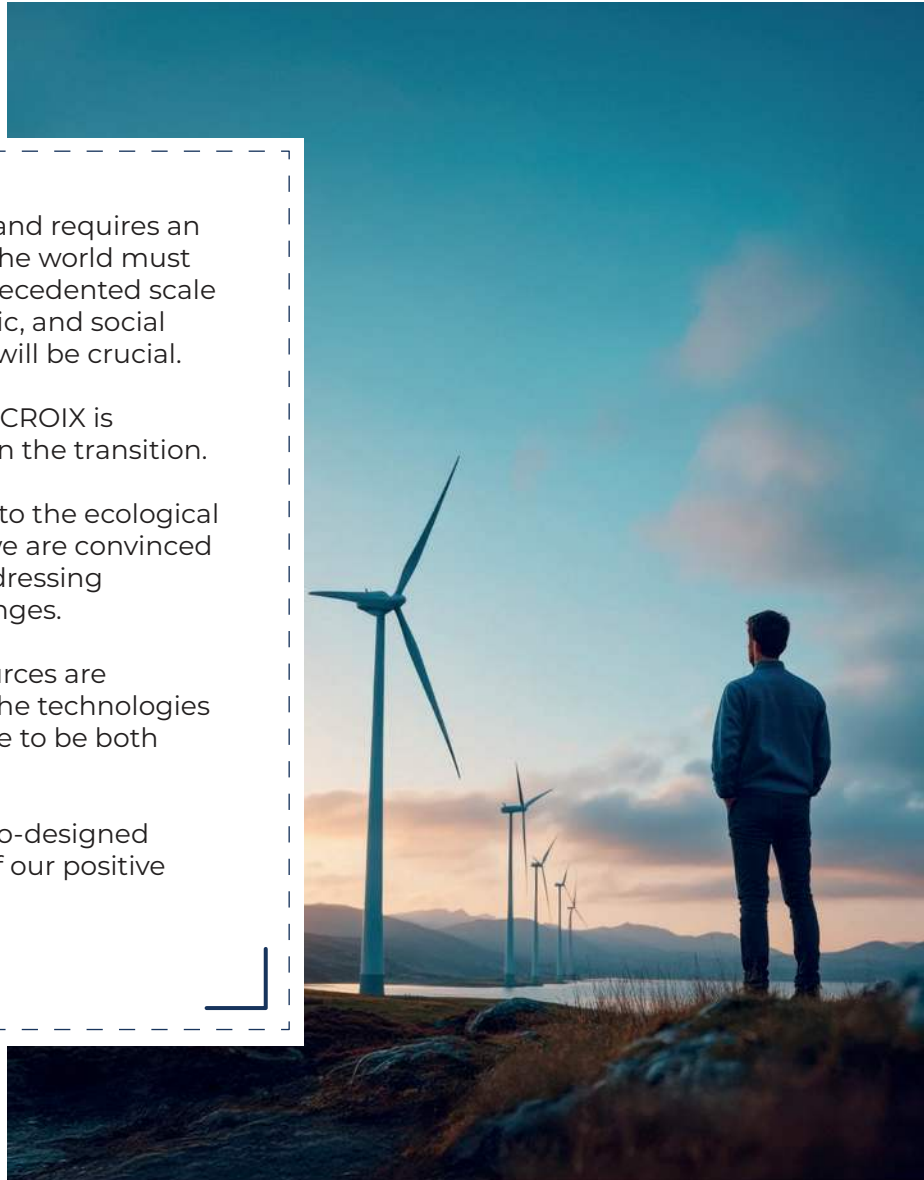
The ecological situation is serious and requires an immediate and strong response. The world must embark on a transition on an unprecedented scale in a complex geopolitical, economic, and social context, and the coming decades will be crucial.

This is a colossal challenge, and LACROIX is determined to play a leading role in the transition.

We don't believe that the solution to the ecological crisis is purely technological, but we are convinced that technology is essential for addressing environmental and societal challenges.

In a world where energy and resources are increasingly scarce and precious, the technologies we choose and develop must prove to be both useful and resource efficient.

Our commitment to useful and eco-designed technology is a core component of our positive impact strategy.



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ACCOUNTING & FINANCIAL ITEMS (ANNUAL FINANCIAL STATEMENTS)

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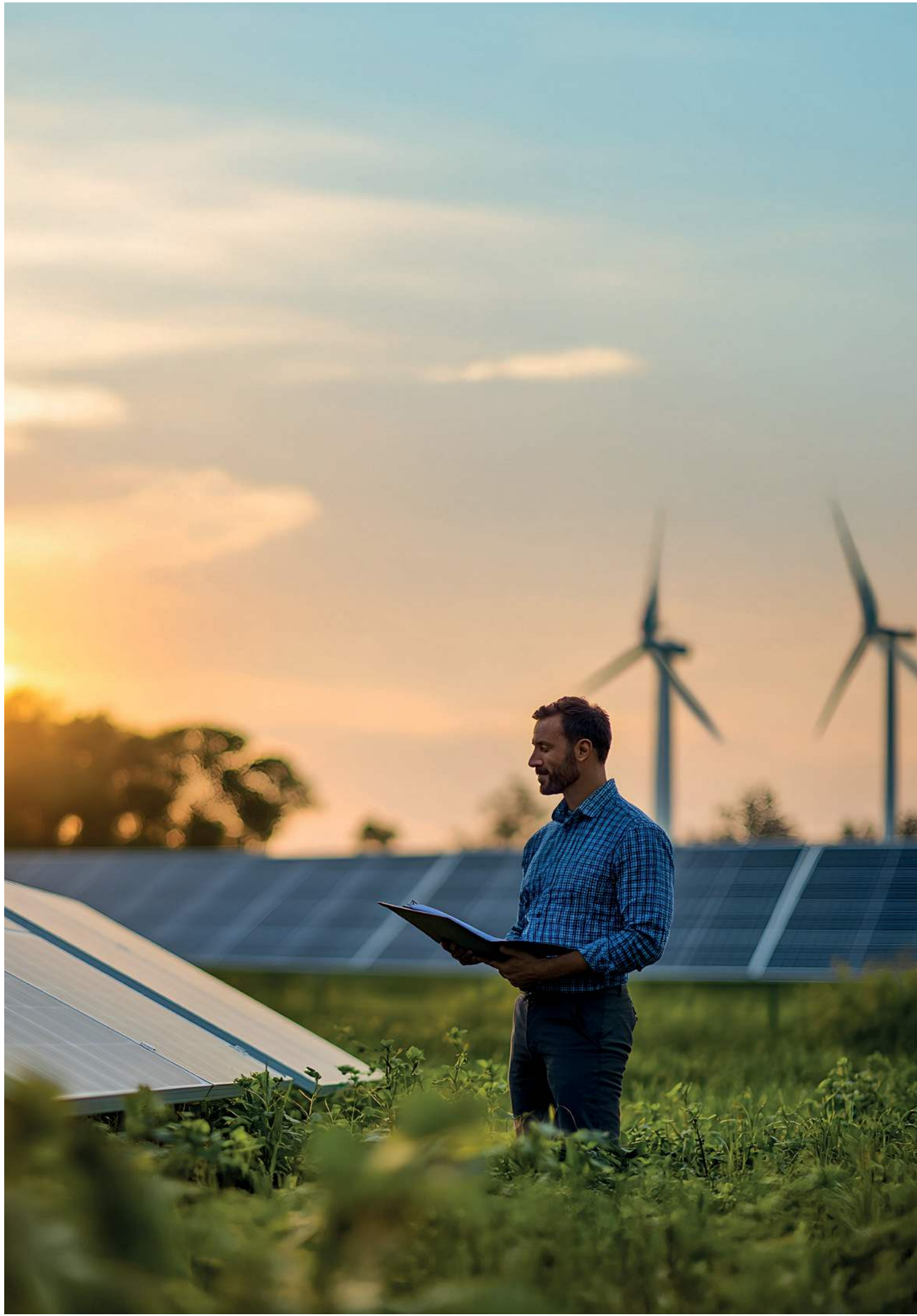
04

SHARE PRICE TREND



226 Share price trend

All amounts are expressed in thousands of euros.
Some totals in the tables below may show differences due to rounding.

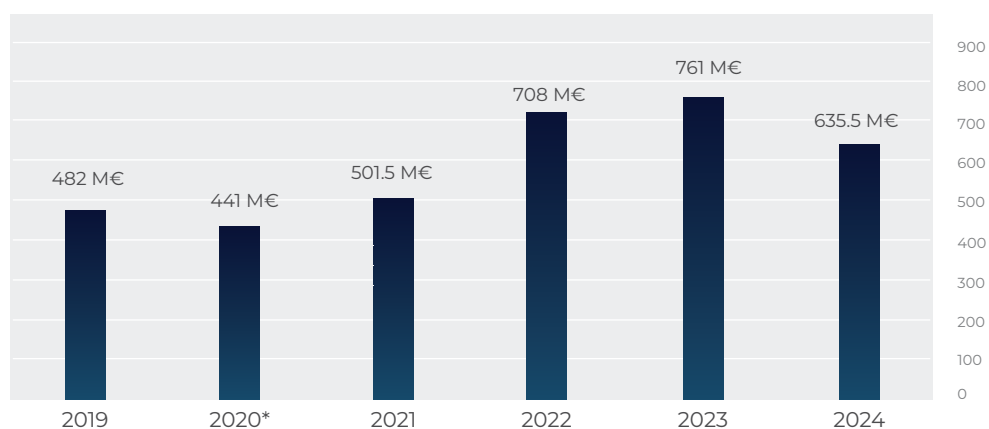


PART 01

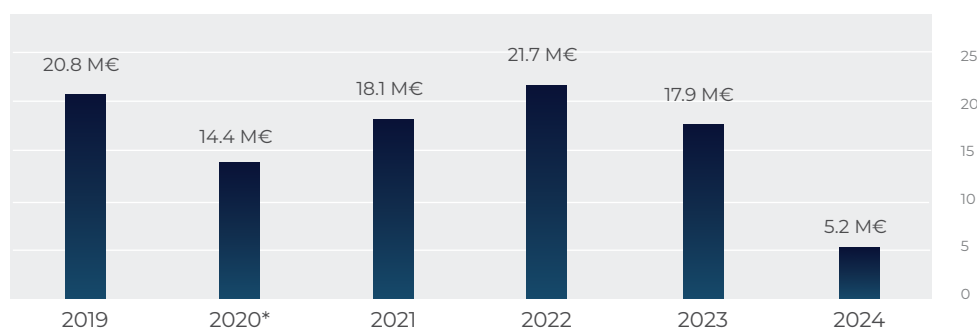
GENERAL MEETING

KEY FIGURES

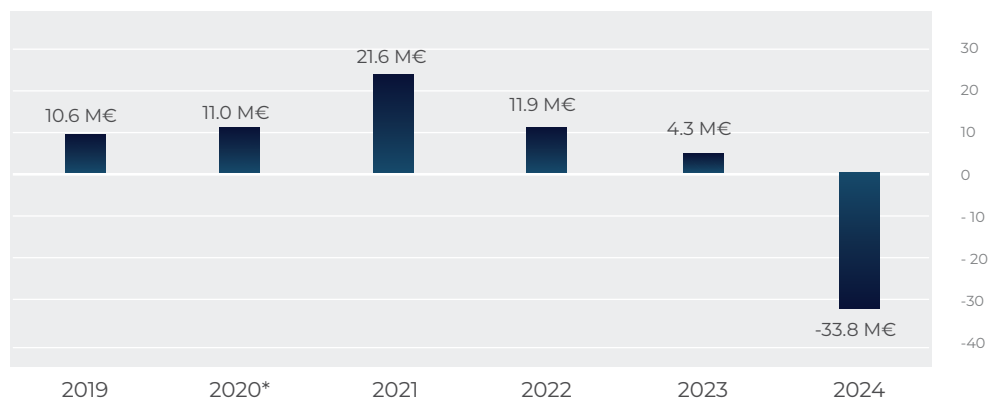
Revenue



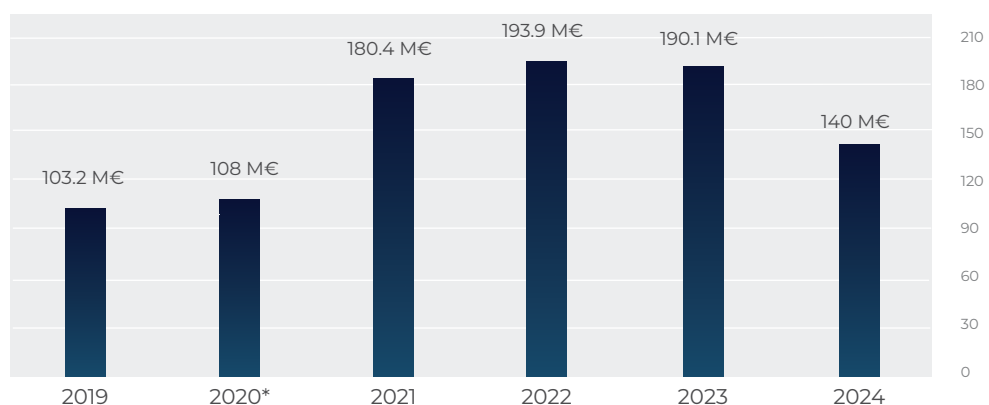
Current operating profit



Net income - Group share



Shareholders' equity



* Fiscal year 2020 pro forma for 12 months, except Net Income for 15 months

STATEMENT OF THE CORPORATE OFFICER RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

set out in accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the Financial Markets Authority

FINANCIAL STATEMENTS ENDED 31 December 2024

Vincent Bedouin,
Chairman & CEO of LACROIX Group (the "Company")

CERTIFIES

To my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a true and faithful representation of the assets, liabilities, financial position, and results of the Company and of all the companies included within the scope of consolidation, and that the management report stated on page 12 gives a true and faithful representation of the business trends, results and financial position of the Company and of all the companies included within the scope of consolidation, as well as a description of the main risks and uncertainties they face, and that it has been prepared in accordance with the applicable sustainability disclosure standards.

Vincent Bedouin

LACROIX Group

Société Anonyme (Public Limited Company) with a Board of Directors, with a share capital of €32,055,239.04

Registered office: 17 rue Océane - 44800 Saint-Herblain - France
855 802 815 RCS Nantes (trade and companies registry number)

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

YEAR ENDED 31 DECEMBER 2024

LACROIX Group

Société Anonyme (Public Limited Company)
with a Board of Directors,
with a share capital of €32,055,239.04

Registered office:
17 rue Océane - 44800 Saint-Herblain - France
855 802 815 RCS Nantes
(trade and companies registry number)
(the "Company")

1. LACROIX GROUP

LACROIX is a French industrial technology mid-sized company (ETI) with an international footprint, specializing in the conception and supply of electronic equipment and Industrial IoT solutions.

As a publicly listed family-owned group, we combine the agility needed to innovate in a constantly evolving technological environment with a long-term vision to invest and build the future.

We leverage our technological expertise to work closely with our clients and partners every day, offering efficient and eco-designed solutions with a positive impact.

Convinced that technology should help create simpler, more sustainable, and safer environments, our positive impact strategy, unveiled in December 2023, is built around four strong commitments:

- Develop our impact-driven activities and aim for 80% of the Company's revenue to come from products with a positive impact by 2030.
- Design eco-efficient solutions for 100% of new LACROIX products by 2025.
- Operate sustainably by reducing greenhouse gas emissions in our activities, minimizing waste generation, and fostering a more responsible value chain.
- Commitment to our teams and local communities.

Through our Electronics activity, we design, industrialize and manufacture electronic equipment on behalf of our customers.

Through our Environment activity, we market our own connected solutions for managing and optimizing critical infrastructure related to water and energy.

Our ambition: to become a global leader in Industrial IoT solutions and electronic equipment for critical applications.

Consolidated results

During this period, LACROIX restructured its business organization. The Smart Lighting segment, previously part of the City-mobility segment, has been integrated into the Environment activity, and the company has initiated the divestment process of its City-Mobility segment.

By doing so, LACROIX is streamlining its organization and refocusing on two core activities:

- Electronics activity, dedicated to the design and manufacturing of electronic equipment for the automotive, industrial, home automation, aerospace, defense, and medical sectors; and
- Environment activity, specializing in the supply of Industrial IoT solutions for managing critical infrastructure related to water and energy.

The evolution of the Company's activities was as follows:

- Revenue as of December 31, 2024, amounted to €635.5 million, compared to €761.2 million in the previous fiscal year. This change is primarily due to scope variations, including the divestment of the Signaling business unit on April 30 (4 months of contribution vs. 12 months in the prior year) and the classification of the City-Mobility business as a «discontinued operation.» Adjusted for these elements, revenue declined by 8.6%.
- Current EBITDA of €25.4 million, with overall performance impacted by the Electronics business in North America.
- A negative operating result, impacted by significant non-recurring items, including:
 - A significant depreciation of \$20 million on the Customer List, following changes in the operating margin of the LACROIX Electronics MI customer base (formerly Firstronic);
 - The final exit of the SRoad Sign business unit, impacting results by €3.7 million;

- Restructuring costs of €2.1 million, aimed at adjusting our facilities to match activity levels;
- An increase in financial expenses due to exchange rate effects (-€1.8 million in 2024 vs. +€2.0 million in 2023), with a stabilization of net debt costs.
- A net result from discontinued operations of -€15.5 million, including the loss for the period and the depreciation of net assets.
- A net result (Group share) of -€33.8 million, after accounting for minority interests.
- A strongly positive Free Cash Flow of €15.2 million, driven by improvements in working capital requirements (WCR).

Major events by activity

Electronics Activity

Connected technologies for smarter industries

Ranked among the world's TOP 50 and Europe's TOP 10 electronic subcontractors, LACROIX's Electronics business designs and manufactures Industrial IoT solutions and electronic equipment for its clients, leveraging advanced expertise in design and Industry 4.0 production.

Operating in the automotive, industrial, smart home & building, aerospace & defense, and healthcare sectors, the Electronics business includes a design center (Impulse) and six production plants, enabling it to serve markets in Europe, North America, and North Africa.

With nearly 4,000 employees across six countries, the Electronics business generated €511 million in revenue in 2024, including intra-group sales, representing approximately 80% of the Group's revenue and nearly 90% of its workforce.

In this context, the key events of the 2024 fiscal year were as follows:

- A decline in activity of 12.1%, reaching €494.2 million, compared to €562.1 million the previous year. This decrease is partly due to a high comparative base in H1 2023 (+18.8% growth driven by sales recovery following the end of electronic component shortages).
- Contrasting market dynamics with a 11% decline in EMEA, reflecting the contraction of the Automotive segment and the downturn in the HBAS division, which faced a crisis in the HVAC (heat pump) market. Meanwhile, Aerospace experienced strong growth throughout the year. Notably, this decline would have been limited to -4.9%, excluding the low-margin contracts discontinued in 2024, in line with the company's portfolio optimization strategy. In North America, sales also declined in 2024 (-14.7%) due to local market conditions and exposure to underperforming programs.

- Current EBITDA of €1.3 million, compared to €19.6 million in 2023, significantly impacted by operational challenges in North America, where a sharp deterioration in performance and quality led to numerous additional costs, resulting in a negative EBITDA of -€13.5 million.
- Operating profit (ROC) of -€15.9 million, compared to +€1.9 million in 2023.
- A significantly negative net result, further weighed down by a one-time depreciation of the Customer List recognized at the time of the Firstronic acquisition, amounting to \$20 million.

In a more uncertain environment (market dynamics, geopolitics), activity levels are expected to stabilize, while current operating profitability should improve, particularly in North America, benefiting from the first effects of action plans implemented to restore performance.

The key financial indicators for the Electronics business (on a contributory basis) are as follows:

| in M€ | N (12 months) | N - 1 (12 months) |
|----------------------------|------------------|----------------------|
| Sales | 494.2 | 562.1 |
| Current EBITDA | 1.3 | 19.6 |
| Operating income recurring | (15.9) | 1.9 |
| Net income | (48.6) | (17.4) |
| Cash flow | (15.3) | 7.7 |
| Net investments* | 12.8 | 13.5 |

(*) Net investments excluding M&A-related investments

Environment Activity

Connected technologies for smarter water & energies

The Environment activity offers a comprehensive range of connected and secure equipment and solutions, enabling public and private operators to optimize the control, operation, and performance of critical infrastructure such as water networks, heating, ventilation, and air conditioning (HVAC) systems, electrical grids, and public lighting.

The activity is driven by strong structural, regulatory, and technological trends. The growing population and the scarcity of resources in the context of climate change have made water and energy management key global concerns.

As a highly profitable segment, the Environment activity accounted for 20% of the Group's revenue in 2024, amounting to €123.4 million, with an annual growth rate of 8% to 10% since 2021. Across its four segments, the activity is supported by nearly 400 employees in seven countries, distributing its products in over 30 countries. More than 25% of sales come through its international network of over 50 distributors.

In this context, the key highlights of the 2024 fiscal year were as follows:

- A third consecutive year of strong revenue growth (+8.8% in 2024, following +8.1% in 2023 and +9.1% in 2022), reaching €123.4 million.
- A positive contribution from all segments (Water, Energy, Smart Lighting).
- Current EBITDA of €24.1 million, compared to €22.1 million in 2023.
- Operating profit (ROC) remains at a high level, reaching €21.7 million, compared to €19.9 million in 2023, despite ongoing investments in R&D (expensed) and human resources to support and strengthen growth.

The outlook for the activity remains positive, with continued strong market momentum. Profitability levels are expected to remain excellent.

The key financial indicators for the Environment activity (on a contributory basis) are as follows:

| in M€ | N (12 months) | N - 1 (12 months) |
|----------------------------|------------------|----------------------|
| Sales | 123.4 | 113.5 |
| Current EBITDA | 24.1 | 22.1 |
| Operating income recurring | 21.7 | 19.9 |
| Net income | 14.7 | 14.4 |
| Cash flow | 16.1 | 15.7 |
| Net investments* | 3.2 | 2.4 |

(*) Net investments excluding M&A-related investments

Research and Development Activity

R&D activities cover all areas of the Group's operations and are recorded as operating expenses. For the fiscal year ended December 31, 2024, these activities generated a Research Tax Credit (CIR) of €3.1 million.

As a reminder, the Group was awarded funding under the France Relance plan in 2021 for three collaborative projects related to 5G, executed over the 2021-2024 period. These projects are now in their closing phase.

In 2022, the Group joined three new collaborative and innovative projects as part of the France 2030 plan. These projects, carried out over the 2024-2028 period, focus on leveraging Artificial Intelligence for improved public lighting management and better control of critical resources such as water. These projects lead to the recognition of operating grants, which provide partial funding for R&D efforts.

Financial Situation

The gross operating cash flow from continuing operations amounted to €10.2 million, compared to €30.6 million in the previous year. The operational cash flows from discontinued operations had a negative impact of €4.6 million.

Over the fiscal year, the change in Working Capital Requirement contributed positively by €23.6 million, benefiting from the decline in activity at the end of the year and the action plans implemented over the past two years to return to more normalized levels.

Investments remained at a normative level, totaling €17.0 million (2.6% of revenue). Additionally, asset disposals and cash variations from scope exits contributed positively by €2.0 million.

As a result, Free Cash Flow remained positive at €15.2 million, compared to €22.6 million in the previous year.

In addition, the following special items have an impact on cash flow:

- New loans issued for €16.9 million (to finance CAPEX),
- Loan repayments totaling €21.4 million,
- IFRS 16 lease debt repayments of €3.5 million,
- Dividend distribution of €3.7 million,
- Neutralization of the treasury adjustment as of December 31, 2023, related to the treatment of assets held for sale, amounting to €5 million..

As of December 31, 2024, the Group's net debt (excluding lease liabilities and acquisition-related debt) stood at €113.3 million, compared to €112.9 million at the end of 2023. Cash on hand at closing amounted to €41.6 million.

The Net Debt-to-Equity ratio (Gearing) stood at 0.81, compared to 0.59 as of December 31, 2023.

Perspectives

Following the definitive disposals of the Road Sign BU (April 2024) and then City-Mobility (February 2025), LACROIX is entering this new fiscal year with a refocused and simplified scope centered around two distinct activities: Electronics and Environment.

The Environment activity, which has recorded an average annual growth of 12% since 2016 (+7% organically), will continue to benefit from highly favorable structural trends. These trends are driven by regulatory developments (Cybersecurity ACT, BACS decree in Europe...) and technological changes (the gradual phase-out of 2G/3G networks), as well as growing attention to CSR issues. This context will continue to fuel demand for remote management solutions in the addressed markets over the medium term.

For the current fiscal year, the Environment activity is experiencing favorable momentum, allowing for the anticipation of sustained revenue growth and profitability close to its historical levels by 2025. In the coming years, the Group aims to strengthen the strategic positioning of the Environment activity. It also plans to prepare its portfolio for the rise of recurring digital services (SaaS, AI...) and accelerate its international expansion.

The Electronics activity, on the other hand, operates in a demanding competitive environment with mixed market conditions, shaped by the profound transformation of the automotive industry, the temporary downturn of the HBAS market, and favorable prospects in the European aerospace/defense sector.

In this context, regarding the Electronics activity in EMEA, LACROIX remains focused on growing order intake for more value-contributing programs (expanding the commercial pipeline, developing services) and maintaining operational efficiency, notably through cost control and better margin protection (currencies, inflation, etc.). The Group is therefore confident in the resilience of Electronics EMEA in 2025.

The priority is the recovery of Electronics North America. Following an initial wave of measures at the end of 2023 and then in 2024, LACROIX intends to intensify its actions in 2025 to eliminate losses in Electronics North America by 2026.

LACROIX Group

Company activity

As the parent company of the Group, it manages assets primarily consisting of shares in the parent companies of the three activities and certain country subsidiaries, while ensuring control and coordination functions for each of them, including executive management, finance, legal & compliance, human resources, R&D, IT, communication, and CSR.

LACROIX Group also oversees a number of shared resources across the activities, such as the CSP Payroll team, cross-functional project managers (IT, Finance,

HR, etc.), and central R&D teams working on common platforms for future offerings. Revenue, excluding dividends, is generated through fees charged to subsidiaries in exchange for the above-mentioned services.

As of December 31, 2024, revenue amounted to €15,887K, compared to €13,291K in the previous year, reflecting, among other things, the strengthening of central teams in cybersecurity and CSR.

Operating income slightly decreased to -€1,934K, compared to €1,805K in the previous year.

Financial income stood at -€24,964K, consisting of tax income related to tax consolidation and dividends paid by subsidiaries, as well as a net depreciation of shares amounting to €38,615K.

As a result, net income came to -€22,997K, compared to €13,706K in the previous year.

Non tax-deductible expenses

At year-end, non-deductible expenses and charges totalled 45,403 euros.

This amount corresponds to the non-deductible portion of lease payments on the passenger vehicles used by the Company in the amount of 33,546 euros, and to corporate vehicle tax charges (TVS) in the amount of 11,857 euros, which generated a tax charge of 11,728 euros.

Information on payment terms

In accordance with Articles L.441-14 and D.441-6 of the French Commercial Code, we hereby inform you that at the end of the financial year, the balance of trade receivables and payables by due date was as follows:

| | Received invoices, not settled by the end of the financial year and due | | | | | | Issued invoices, not settled by the end of the financial year and due | | | | | |
|---|---|--|---------------|---------------|-----------------|-----------------------|---|--|---------------|---------------|-----------------|-----------------------|
| | 0 days | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days or more | Total (1 day or more) | 0 days | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days or more | Total (1 day or more) |
| (A) Late payment periods | | | | | | | | | | | | |
| Number of invoices concerned | 163 | 67 | 32 | 14 | 214 | 327 | 159 | 11 | 10 | 7 | 53 | 81 |
| Total amount, including tax, of invoices in question | 849 996,00 € | 334 756,91 € | 34 375,15 € | (2 292,03 €) | 83 442,66 € | 450 282,69 € | 4 545 578,57 € | 670 123,88 € | 636 691,55 € | 113 845,03 € | 157 727,49 € | 1 578 387,95 € |
| Percentage of total purchases amount for the year, including tax | 7,32% | 2,88% | 0,30% | (0,02%) | 0,72% | 3,88% | | | | | | |
| Percentage of revenue for the year, including tax | | | | | | | 30,81% | 4,54% | 4,32% | 0,77% | 1,07% | 10,70% |
| (B) Invoices excluded from (A) relating to written-off or unrecorded debts and receivables | | | | | | | | | | | | |
| Number of invoices | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total amount of excluded invoices, including tax | | - | - | - | - | - | | - | - | - | - | - |
| (C) Reference payment terms used (contract or legal terms) | | | | | | | | | | | | |
| Payment terms used for calculation of payment delays | | The average delayed payment term for suppliers is 79.61 days | | | | | | 30 days end of month, by the 15th of the following month | | | | |

2. FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A TAKEOVER

In compliance with Articles L. 233-13 and L. 22-10-11 of the French Commercial Code, we hereby inform you of the following:

Company share capital structure

At December 31, 2024, the Company's share capital stood at 32,055,239.04 euros, divided into 4,829,096 shares.

The structure of the share capital is as follows

| | % of capital | % of voting rights* |
|----------------------|--------------|---------------------|
| Bedouin family Group | 62,36 % | 76,33 % |
| Treasury shares** | 3,04 % | - |
| Public | 34,60 % | 23,67 % |

(*) Exercisable voting rights.

(**) Of which shares held under the liquidity agreement.

Disclosure thresholds

In accordance with Articles L.233-7 and R.233-1 of the French Commercial Code, any individual or legal entity acting alone or in concert who comes to own, directly or indirectly, a number of shares representing more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, three-tenths, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the capital or voting rights must inform the Company of this fact.

During the year ended December 31, 2024, no crossing of legal thresholds was declared.

Significant registered shareholdings

With the exception of the holdings of the BEDOUIN family group, there were no significant registered shareholdings at year-end.

Double voting rights

Article 10 of the bylaws grants double voting rights to all fully paid-up shares that have been registered in the shareholder's name for at least three years.

Control mechanisms

With the exception of the double voting right, there are no securities with special prerogatives.

Nor are there any control mechanisms provided for in an employee shareholding system, or any agreements between shareholders of which the Company is aware and which could lead to restrictions on the transfer of shares.

Board of Directors' powers regarding share buy-back

Regarding the powers of the Board of Directors in matters of share issuance and buyback, please refer to the section «Summary Table of Delegations of Authority and Powers Granted by the General Meeting to the Board of Directors for Capital Increases» in this management report.

Treasury shares

In 2005, the Company entrusted the brokerage firm PORTZAMPARC with the implementation of a liquidity contract that complies with the AMAFI Code of Ethics approved by the AMF instruction of March 22, 2005.

At December 31, 2024, the Company held 138,800 treasury shares and 7,994 shares under the liquidity contract, representing a total of 146,794 treasury shares or 3.04% of the share capital.

Subsidiaries

| | Share capital (3) | Other equity (3) | Share of capital held | Book value of securities held | | Loans and advances granted and not repaid | Amount of guarantees and investments given | Revenue before taxes for the last financial year | Income for the last financial year | Dividends received during the financial year |
|--|----------------------|---------------------|-----------------------|-------------------------------|---------------|---|--|--|------------------------------------|--|
| | | | | Gross | Net | | | | | |
| 1. Subsidiaries held at more than 50% | | | | | | | | | | |
| LACROIX ENVIRONMENT | 13 575 | 11 223 | 100% | 13 575 | 13 575 | | | 1 140 | 9 683 | 8 688 |
| LACROIX ELECTRONICS | 15 000 | (13 967) | 100% | 46 427 | 46 427 | 46 389 | | 9 581 | (1 624) | |
| LACROIX CITY | 9 373 | (47 560) | 100% | 14 999 | 14 999 | 65 857 | | 10 346 | (35 181) | |
| LACROIX VI | 5 | (1) | 100% | 5 | 5 | | | | | |
| LACROIX NORTH AMERICA INC ⁽¹⁾ | 53 900 | (11 185) | 100% | 48 615 | | 44 161 | | | (3 378) | |
| LACROIX II | 5 | | 100% | 5 | 5 | | | | | |
| LACROIX SINGAPORE ⁽²⁾ | 610 | (417) | 100% | 406 | 406 | | | | (92) | |
| LACROIX ENVIRONMENT GmbH | 25 | 7 371 | 100% | 10 387 | 10 387 | 10 882 | | | 2 794 | |
| 2. Shares between 10 and 50% | | | | | | | | | | |
| None | | | | | | | | | | |
| 3. Shares less than 10% | | | | | | | | | | |
| Other shares | | | | | | | | | | |
| TOTAL | | | | 134 419 | 85 804 | 167 290 | | | | 8 688 |

(1) Results of the subsidiary in USD have been converted at the closing rate in €.

(2) Results of the subsidiary in SGD have been converted at the closing rate in €.

(3) In local currency.

Equity investments

In accordance with Article L. 233-6 of the French Commercial Code, we hereby specify that no investments or acquisitions have been made in relation to companies having their registered office in France.

Companies controlled

During the year ending 31 December 2024, the Company controlled the following companies:

- LACROIX ELECTRONICS (France - 100 %)
- LACROIX ELECTRONICS BEAUPREAU (France - LACROIX ELECTRONICS subsidiary - 75%)
- LACROIX ELECTRONICS TUNIS (France - LACROIX ELECTRONICS BEAUPREAU subsidiary - 99,9 %)
- LACROIX ELECTRONICS TUNISIE (Tunisia - LACROIX ELECTRONICS subsidiary - 100 %)
- LACROIX ELECTRONICS GmbH (Germany - LACROIX ELECTRONICS subsidiary - 100 %)
- LACROIX ELECTRONICS SP. ZO.O. (Poland - LACROIX ELECTRONICS subsidiary - 100 %)
- LACROIX ELECTRONICS CESSON (France - LACROIX ELECTRONICS subsidiary - 100 %)
- LACROIX ENVIRONMENT (France - 100 %)
- LACROIX SOFREL (France - LACROIX ENVIRONMENT subsidiary- 98,4 %)
- LACROIX SOFREL ESPAÑA S.L.U. (Spain - LACROIX SOFREL subsidiary- 98,4 %)
- LACROIX SOFREL S.R.L. (Italia - LACROIX SOFREL subsidiary - 98,4 %)
- LACROIX CITY (France - 100 %)
- LACROIX CITY Carros (France - LACROIX CITY subsidiary- 100 %)
- LACROIX CITY MADRID SAU (Spain - Lacroix City Carros subsidiary - 100 %)
- LACROIX CITY Les Chères (France - LACROIX CITY subsidiary - 100 %)
- LACROIX CITY BELGIUM (Belgium - LACROIX CITY Les Chères subsidiary - 100 %)
- LACROIX CITY PLOUFRAGAN (France - LACROIX CITY subsidiary- 100 %)
- LACROIX SINGAPORE PTE. LTD. (Singapour - 100 %)
- LACROIX NORTH AMERICA (United States - 100 %)
- LACROIX ELECTRONICS MI (United States - LACROIX North America subsidiary- 62,2 %)
- LACROIX GmbH (Germany - 100%)
- SAE-IT SYSTEMS GmbH & Co KG (Germany – LACROIX GmbH subsidiary - 100%)
- SAE-IT VERWALTUNGS GmbH (Germany – LACROIX GmbH subsidiary- 100%)
- LACROIX VI (France – 100%)
- LACROIX II (France – 100%)

For the period from January 1, 2024 to April 30, 2024 (date of disposal of the Signaling segment), the Company also controlled the following companies:

- LACROIX CITY SAINT HERBLAIN (France - LACROIX CITY subsidiary - 99,9 %)
- LACROIX OCEAN INDIEN (France - LACROIX CITY SAINT HERBLAIN subsidiary - 99,9 %)
- LACROIX MAYOTTE (France - LACROIX OCEAN INDIEN subsidiary - 99,9 %)
- LACROIX PACIFIC (France - LACROIX CITY SAINT HERBLAIN subsidiary - 99,9 %)
- LACROIX CITY NORTE SA (Spain - LACROIX CITY SAINT HERBLAIN subsidiary - 99,9 %)
- LACROIX CITY CENTRO, S.A.U. (Spain - LACROIX CITY Norte subsidiary - 99,9 %)
- LACROIX VII (France - LACROIX CITY SAINT-HERBLAIN subsidiary - 100%)
- LACROIX III (France - LACROIX CITY SAINT-HERBLAIN subsidiary - 100%)

Inter-company loans

During the year ended December 31, 2024, the Company did not grant any loans within the meaning of Article L. 511-6, 3 bis of the French Monetary and Financial Code.

Employee shareholding

In accordance with the provisions of paragraph 1 of Article L. 225-102 of the French Commercial Code, we inform you that the proportion of capital represented by shares held by employees as part of a corporate mutual fund was 1.01% at December 31, 2024.

3. MAIN RISK FACTORS FACED BY THE COMPANY

Pursuant to the provisions of Articles L22-10-35 and L232-1 of the French Commercial Code, we hereby provide you with the following information:

Strategic and operational risks

The nature of the strategic risks to which the Company is exposed is not likely to seriously jeopardize the long-term viability of the Group's activities.

However, due to the nature of its businesses, the Group is exposed to the following operating risks:

Risks related to raw materials and shortages of electronic components

Raw materials represent a significant share of the Group's purchases and account for a substantial portion of its revenue. Purchases represent more than 70% of total revenue, with raw materials making up over 85% of these purchases. This is particularly true for the Electronics activity, where procurement costs amount to nearly 70% of revenue. The Group is exposed to both price fluctuations and availability risks in the market. Any sustained increase in purchase prices and/or variability in input availability could disrupt the economic balance of contracts, negatively impacting the Group's activity by increasing costs and reducing profitability.

The Group's contracts generally include price indexation mechanisms based on input cost variations. This is especially the case for the Electronics activity, where certain component prices are even managed by customers, allowing price variations to be passed on—both increases and decreases. However, these mechanisms do not always fully cover costs, as there may be a lag between input price increases and their reflection in selling prices, but they help significantly mitigate the impact.

To further limit these effects, the Group may also hedge certain raw materials (such as aluminum, tin, etc.) through suppliers or financial markets.

Information system risk

The Group's management pays close attention to its information system, and a comprehensive set of measures has been implemented to ensure its security and availability. This includes regular upgrade projects for the Group's solutions, technical architecture, and security framework.

The Group also conducts regular audits and penetration tests performed by third-party experts, contributing to continuous improvement. Additionally, to mitigate major risks, crisis management plans have been established for each activity and were audited during the year.

Risks related to the alignment between the Group's offerings and customer expectations, and the development of new products.

The Group's growth is partly driven by its ability to integrate new technologies into its products to deliver optimal performance tailored to customer needs. More broadly, it is essential for the Company to anticipate customer needs and usage trends to develop the right products and technologies accordingly.

To this end, the Group allocates a significant share of its expenses and workforce to research and development, focusing on creating new products, services, and technologies, as well as enhancing existing solutions where necessary. The quality and success of the Group's R&D efforts are key factors in its commercial success.

To mitigate risks in a context of increasing R&D investments, LACROIX has:

i) Strengthened its innovation capabilities by staying closely connected with customers to anticipate evolving needs; ii) Created a key account management function to reinforce relationships with strategic clients; iii) Expanded its marketing teams to improve market monitoring and refine customer need specifications; iv) Bolstered its R&D teams to enhance technological expertise and align product launches with market demands (delivering the right product at the right time); v) Implemented a structured process between marketing and R&D teams to ensure alignment between market needs and development priorities.

Industrial and Environmental Risks

The significance of industrial investment programs enables the Group to maintain modern and secure equipment, reducing the risk of major failures that could disrupt manufacturing activities. As a result, the main industrial risks are those that could impact or halt production at key sites (such as fire, technical failure, etc.) and compromise product quality. To mitigate these risks, quality control processes are in place to identify, correct, limit, or even prevent malfunctions.

Legal, tax and social risks

The Group conducts legal, tax, and social monitoring to ensure compliance in the management of its operations and to anticipate the impact of new regulations. A review of key risks is carried out for each activity to ensure that all potential risks are accounted for in the financial statements. Based on currently available information, the Group considers it unlikely that ongoing amicable or contentious proceedings will have a significant impact on the consolidated financial statements.

Financial risks

The following table shows the Group's exposure to financial risks.

Foreign exchange risk

Apart from the Electronics activity, the Group has limited exposure to foreign exchange risks.

Within Electronics, the Group faces currency risk primarily due to component purchases, often made in USD or JPY, as well as personnel costs and service purchases invoiced in TND, MXN, and PLN.

For purchases in USD and JPY, the Group has contracts with its main clients that allow for price adjustments based on EUR/USD exchange rate fluctuations. As a result, this currency risk is controlled. For the remaining exposure, the Group uses partial hedging strategies to secure a target exchange rate set in each budget cycle. Annual USD and JPY purchases amount to approximately €70 million, of which 80% is passed on to customers through contracts. The remaining 20% is hedged using financial instruments to secure a budgeted exchange rate.

For expenses in TND, MXN, and PLN (around €72 million), these primarily consist of salaries and social charges for employees at Tunisian, Mexican, and Polish sites, along with some local purchases. The Group's policy is to use forward contracts based on forecasted needs, securing a budgeted exchange rate over a one-year horizon. Additionally, labor cost variations are factored into new commercial offers.

Overall, the Group strictly uses financial instruments only to meet operational needs, excluding any speculative approach. Furthermore, in financing activities, the Group implemented Cross Currency Swaps (CCS) in USD at the end of 2021 for a €30 million loan.

Interest rate risk

A significant portion of the Group's debt is at a variable interest rate.

To mitigate this risk, the Group implements financial instruments with various maturities. As of December 2024, approximately 58% of variable-rate financing is covered through CAP, SWAP, and COLLAR instruments. In total, 75% of the Group's debt (both variable and fixed rate) is hedged.

Liquidity risk

The Group's gross debt amounts to €156,122,000. None of the Group's financing arrangements is subject to covenants.

Available cash amounts to 41,648 €k.

As a result, the Group considers its exposure to this risk to be low.

Counterparty risk

Counterparty risk corresponds to the risk of financial loss for the Group in the event of a customer defaulting on its contractual obligations.

The typology of customers by business sector is as follows:

| Activities | Typology of main customers |
|---------------------|---|
| LACROIX Environment | Public bodies and major players in the management of water, heating, energy networks, and public lighting infrastructure. |
| LACROIX Electronics | French and foreign companies operating internationally |

As such, customer typology itself is a limiting factor in this risk.

In addition, each of the Group's businesses has set up its own customer risk monitoring and management system, in some cases backed up by credit insurance contracts, enabling it to hedge against potentially risky customers.

POST-CLOSING EVENTS

On December 12, 2024, LACROIX announced that it had entered into exclusive discussions with SWARCO AG for the sale of its Mobility segment to SWARCO AG. This transaction is effective from February 28, 2025.

STOCK MARKET INFORMATION

Changes in share price over the 2024 financial year

LACROIX Group shares are listed on Euronext Paris, compartment C.

During fiscal year 2024, 613,110 shares were traded, representing capital of 10,766,083.52 euros at an average price of 17.55 euros.

The closing share price on December 31, 2024 was 9.40 euros.

Purchase by the company of its own shares

Share buyback program

We propose that you renew the authorization given to the Board of Directors by the Annual General Meeting of May 17, 2024, to purchase the Company's shares on the stock market, under the conditions and within the limits defined by Articles L. 22-10-62 et seq. of the French Commercial Code and with those of European Regulation no. 596/2014 of April 16, 2014.

The objectives of the share buyback program are unchanged from the previous year:

- Maintain a liquid market for the Company's shares under a liquidity contract that complies with current best practice,
- Purchase shares with a view to holding them for subsequent use in exchange or as consideration for acquisitions, it being stipulated that shares acquired for this purpose may not exceed 5% of the Company's capital, and that the Company may not directly or indirectly hold more than 10% of its capital,
- To cover bonus share or stock option plans, and more generally any shareholding plans for Group employees and officers,
- To hedge securities giving entitlement to shares in the Company, in accordance with applicable regulations,
- To allow the cancellation of all or part of the repurchased shares, pursuant to the authorization granted by the Company's General Meeting on May 17, 2024, in its twenty-third extraordinary resolution.

This buyback program is also intended to enable the Company to carry out transactions for any other purpose that is or may become authorized by the applicable laws and regulations, in particular in order to implement any market practice that may be approved by the «Autorité des Marchés Financiers». In such a case, the Company would inform its shareholders by means of a press release.

The authorization is given for a maximum period of eighteen (18) months, subject to the following conditions:

- The maximum number of shares that may be bought back may not exceed 482,909; or 10% of the share capital.
- The maximum purchase price per share is set at 60 euros. In the event of a capital transaction, notably a stock split or reverse stock split, or the allocation of bonus shares, the above-mentioned amount will be adjusted in the same proportions (multiplier coefficient equal to the ratio between the number of shares making up the capital before the transaction and the number of shares after the transaction).

- The total amount allocated to this program is set at 28,974,540 euros.

The shares will be purchased through market transactions or through the acquisition of blocks of shares, in accordance with applicable laws and regulations. Block purchases may cover the entire program.

The number of shares held under the present authorization may not exceed 10% of the share capital, i.e. 482,909 shares, adjusted where necessary to take into account any capital increases or reductions that may take place during the program.

Previous share buyback programs

Under the programs authorized by the General Meetings of May 11, 2021, and May 6, 2022, applicable to the financial year ended December 31, 2023, the Company carried out the following transaction involving its own shares: Sale of 2,091 shares, aimed at covering free share allocation plans or stock option plans, and more broadly, all employee and executive shareholding plans within the Group. Furthermore, as part of the liquidity contract 100% owned by LACROIX Group:

- 14,780 shares were acquired at an average price of 18.38 euros;
- 10,959 shares were sold at an average price of 19.44 euros.

At year-end, shares held under the buyback program were allocated to the following purposes:

- Covering stock option plans for employees and officers of LACROIX Group: 58,440 shares,
- Subsequent exchange or payment in connection with acquisitions: 80,334 shares,
- Market-making by a service provider: 8,020 shares,

A total of 146,794 treasury shares, representing 3.04% of the share capital, with a net book value of 1,875,684 euros and a market value of 1,379,864 euros, based on the share price on December 31, 2024.

REGULATED AGREEMENTS

Regulated agreements entered into during the year

None

Previous agreements continued during the year

In accordance with legal requirements, the Board of Directors reviewed the following prior agreements:

Loan agreement with LACROIX North America

Person concerned: Nicolas BEDOUIN (Executive Vice-President of LACROIX Group and Vice-President of LACROIX North America at the date of signature of the agreement).

Nature and purpose: Conclusion of a loan agreement between the Company and LACROIX North America, dated June 8, 2023.

Amount: The amount of the loan is USD 5,277,463, with an interest rate of 8%.

However, as LACROIX North America is 100% owned by the Company, the above-mentioned loan agreement could be qualified as an unrestricted agreement at the time it was entered into, in accordance with article L.225-39 of the French Commercial Code.

Management and coordination agreement concluded with VINILA INVESTISSEMENTS

Persons concerned: Vincent BEDOUIN (Chairman and CEO of LACROIX Group and Chairman of VINILA INVESTISSEMENTS), Nicolas BEDOUIN (Managing Director of LACROIX Group and member of the Supervisory Board of VINILA INVESTISSEMENTS), and Marie-Reine BEDOUIN (member of the Board of Directors of LACROIX Group and Chairman of the Supervisory Board of VINILA INVESTISSEMENTS).

Nature and purpose: Conclusion of a service agreement on January 4, 2021, ratified by the Shareholders' Meeting of May 6, 2022, under the terms of which VINILA INVESTISSEMENTS undertakes to provide the Company with premises at 5 rue de la Pérouse, 75016 Paris.

Amount: The annual lump-sum fee for this service is 20,000 euros (excl. VAT).

Amendment to the loan agreement entered into with LACROIX North America on December 22, 2021

Person concerned: Nicolas BEDOUIN (Chief Operating Officer of LACROIX Group and Chairman of LACROIX North America at the date of signature of the agreement).

Nature and purpose: Amendment dated January 25, 2022 to the loan agreement dated December 22, 2021 to help finance the acquisition of 49.7% of the shares of Firstronic, LLC.

Amount: The amount of the loan granted by LACROIX Group to LACROIX North America, following the above-mentioned amendment, is USD 33,957,000.00. Repayments are still due.

However, as LACROIX North America is 100% owned by the Company, the above-mentioned loan agreement could be qualified as an unrestricted agreement at the time it was entered into, in accordance with article L.225-39 of the French Commercial Code.

Management and coordination agreement concluded with the company

Persons concerned: Vincent BEDOUIN (Chairman and CEO of LACROIX Group and Chairman of VINILA INVESTISSEMENTS), Nicolas BEDOUIN (Managing Director of LACROIX Group and member of the Supervisory Board of VINILA INVESTISSEMENTS), and Marie-Reine BEDOUIN (member of the Board of Directors of LACROIX Group and Chairman of the Supervisory Board of VINILA INVESTISSEMENTS).

Nature and purpose: Continuation of the animation agreement authorized by the Supervisory Board on December 29, 2009

Terms and conditions: The expense recognized in respect of the year ended December 31, 2023 amounted to 140,000 euros.

The statement of agreements has been sent to the Statutory Auditors for presentation in their special report to the Annual General Meeting.

REPORT ON CORPORATE GOVERNANCE

AGREEMENTS WITHIN THE MEANING OF ARTICLE L. 225-37-4, 2° OF THE FRENCH COMMERCIAL CODE

No agreements within the meaning of Article L. 225-37-4, 2 of the French Commercial Code were entered into during fiscal year 2024.

MIDDLENEXT CODE

In view of its size, and in order to base its corporate governance on simple, consistent principles, the Company refers to the Middelnext Code of Corporate Governance (hereinafter the "Middelnext Code", which can be consulted at the following URL: <https://www.middelnext.com/>). As part of its adoption of the principles set out in the Middelnext Code, the Board of Directors took note of the "points of vigilance" mentioned therein, considered the issues arising therefrom, and confirmed that the Company is committed to complying with each of these points. The present management report also details the Company's compliance with the recommendations of the Middelnext Code and explains, where applicable, the reasons why some of these recommendations had not been implemented by the date of the present management report.

In accordance with Article L.22-10-10 of the French Commercial Code, the Company discloses below the recommendations that have been rejected and the reasons why:

- R1 - Board members attend the Annual General Meeting: as the attendance rate of minority shareholders at Annual General Meetings is virtually nil, the compulsory attendance of Board members is not justified.
- R2 - entrust services other than the certification of accounts (SACC) to a firm other than that of the statutory auditor: as the value of SACC remains low in relation to their business volume, with reasonable service amounts, the independence of statutory auditors is not called into question.
- R5 - Setting up a three-year training plan for directors: the panel of directors is made up on the basis of their past training and experience, which they continue to acquire during their term of office. The introduction of a training plan should provide real added value, and will therefore be the subject of further reflection.
- R7 - Specialized committees are chaired by independent members, except in very specific, duly justified cases: Vincent BEDOUIN, as Chairman and Chief Executive Officer of the Company, is the most suitable person to lead the strategic committee.
- R9 and R17 - setting up a succession plan for the manager and key people: before being formalized, this subject needs to be given some thought
- R11 - staggered terms of office for Board members: the staggered terms of office have not been in place since the changeover to monist mode. A review of this issue will be undertaken when a new director joins the Board.

Composition and operation of administrative and management bodies

Composition and operation of the Board of Directors

The Board of Directors is the collegial body which determines the Company's orientations and ensures that they are implemented, defines the Company's strategy, appoints the corporate officers and, through its deliberations, settles all matters concerning the smooth running of the Company, in accordance with the powers vested in it by law, the Articles of Association and the Board's internal regulations.

The Board of Directors comprises a minimum of three (3) and a maximum of eighteen (18) members, to which may be added, where appropriate, appointed employee representatives.

The number of directors over the age of 70 may not exceed one-third of the members of the Board of Directors in office.

Directors are appointed for three (3) years.

At December 31, 2024, LACROIX Group's Board of Directors comprised seven (7) members:

| Name | Independence | Appointment | Term of office | Committees | Experience/expertise |
|---|--------------|--|--------------------------------------|--|---|
| Vincent BEDOUIN, Chair | No | 2018 renewed in 2021. Renewed in 2024 | AGM 2027 ruling on the 2026 accounts | Chairman of the Strategy Committee, Member of the CSR Committee | |
| Pierre TIERS, Member | Yes | 2018, renewed in 2021 and then in 2024. | AGM 2027 ruling on the 2026 accounts | Chairman of the Audit and Compliance Committee, Member of the Compensation Committee, Member of the Strategy Committee, Member of the Development Committee | Managing Director of PRO.POSITIONS, former Chairman of NOVAPULS, former Managing Director of IPO (private equity). |
| Hugues MEILI, Member | Yes | 2018, renewed in 2021 and then in 2024. | AGM 2027 ruling on the 2026 accounts | Member of the Strategy Committee, Chairman of the Development Committee | Founder and former Chairman and CEO of Niji (consulting and technologies for the digital transformation of companies) Chairman of Niji Digital SAS |
| Hubert ALEFSEN de BOISREDON d'ASSIER, Member | No | 2018, renewed in 2021 and then in 2024. | AGM 2027 ruling on the 2026 accounts | Member of the Strategy Committee, Member of the Development Committee | Chairman and CEO of the Armor group, world specialist in ink chemistry and printing technologies. |
| Muriel BARNEOUD, Member | Yes | 2018, renewed in 2021 and then in 2024. | AGM 2027 ruling on the 2026 accounts | Member of the Strategy Committee Chairwoman, CSR Committee Member of the Development Committee | Director of Corporate Social Responsibility for the EMEIS Group. |
| Ariane MALBAT, Member | Yes | 2018, renewed in 2021 and then in 2024. | AGM 2027 ruling on the 2026 accounts | Member of the Compensation Committee, Member of the Strategy Committee, Member of the Development Committee | Director of Human Resources |
| Christine LIORET Member | Yes | 2024 | | Member of the Audit and Compliance Committee, Member of the Strategy Committee, Member of the Development Committee | 30 years' experience in corporate finance, including over 20 years as CFO, in a wide range of sectors, with diverse holdings (listed groups, groups under LBO, fast-growing start-ups) and strong international exposure. |

Independence of Board members

Taking into account the criteria recommended by the Middlednext Code for qualifying a director as independent, a review of the situation of each director shows that Mr Hugues MEILI, Mrs Ariane MALBAT, Mrs Muriel BARNEOUD, Mr Pierre TIERS and Mrs Christine LIORET qualify as independent directors.

Representation of women on the Board of Directors

In accordance with Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code, relating to balanced representation of women and men on boards of directors and professional equality, we hereby inform you that the gender distribution within the Company's Board of Directors as of December 31, 2024, is 57% men / 43% women.

Currently, three women are appointed among the seven members of the Board of Directors.

Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors organizes and directs the work of the Board, on which he reports to the Annual General Meeting of Shareholders.

The Chairman of the Board of Directors ensures that the Company's governing bodies, and in particular the Board's committees, operate smoothly.

Directors' information

The directors have received, in a timely manner for their review, all the necessary documents and information required for the fulfillment of their duties.

The Chairman has regularly provided the directors with all relevant information concerning the Company.

Internal rules of the Board of Directors

The Internal Rules of the Board of Directors were adopted on July 26, 2018, and subsequently updated on December 16, 2019, September 19, 2022, and March 20, 2023, and finally on September 24, 2024, to incorporate new responsibilities of the Audit and Compliance Committee following the entry into force of the CSRD directive.

These by-laws also define the Board's operating rules in terms of ethics (shareholding, confidentiality, conflicts of interest, etc.).

Work of the Board of Directors

The Board of Directors meets as often as the Company's interests require. Work is organized through committees.

During the fiscal year ended December 31, 2024, the following sixteen (16) meetings were held:

- Three (3) Board of Directors meetings, with a 90% attendance rate, primarily to review the annual and half-year financial statements,
- Six (6) meetings of the Audit and Compliance Committee,
- One (1) meeting of the Compensation Committee,
- One (1) meeting of the Strategic Committee,
- Three (3) meetings of the Development Committee,
- Two (2) meetings of the CSR Committee.

Specialized committees of the Board of Directors

The Board of Directors has set up five standing committees:

- An Audit and Compliance Committee
- A Compensation Committee
- Strategy Committee
- Development Committee
- CSR Committee

Its mission is to provide in-depth analysis and reflection ahead of Board discussions, and to help prepare the Board's decisions.

Audit and Compliance Committee

Reporting to the Board of Directors, the Audit and Compliance Committee is primarily responsible for reviewing the accounts and monitoring issues relating to the preparation and control of accounting and financial information. He oversees the financial information preparation process and, if necessary, makes recommendations to ensure its integrity. He also ensures the definition and monitoring of the Company's compliance program.

In this capacity, he is responsible for :

- To monitor the process of preparing financial information;
- To oversee the process of preparing sustainability-related information;
- To monitor the effectiveness of internal control and risk management systems, as well as the effectiveness of the compliance program;
- To issue recommendations on statutory auditors proposed to the General Meeting;
- To oversee the performance of the statutory auditors in carrying out their duties;
- To ensure compliance by the statutory auditors with independence requirements;
- To approve non-audit services (NAS);
- To report on its findings.

The Audit and Compliance Committee immediately informs the Board of Directors of any difficulties encountered. These reports are either included in the minutes of the Board meetings concerned, or appended to these minutes.

The Audit and Compliance Committee comprises two (2) members: Pierre TIERS and Christine LIORET.

Compensation Committee

The role of the Remuneration Committee is to make recommendations and proposals to the Board of Directors concerning, for those members of the Board of Directors who would be beneficiaries :

- Allocation of directors' annual remuneration;
- All other components of remuneration, including the conditions applicable at the end of their term of office;
- Compensation of non-voting directors, if any;
- Potential changes to the pension and welfare scheme;
- Benefits in kind and other pecuniary entitlements; and
- Where applicable:
 - The granting of stock options; and
 - Free allocation of shares.

More generally, the Remuneration Committee is also responsible for making recommendations to the Board of Directors concerning :

- Executive compensation policy, and
- Profit-sharing mechanisms, by any means, for employees of the Company and, more broadly, of Group companies, including :
 - Employee savings plans ;
 - Supplementary pension schemes;
 - Reserved issues of securities giving access to the capital;
 - The granting of stock options; and
 - Allocation of bonus shares.

The role of the Remuneration Committee is to make recommendations to the Board of Directors on the performance criteria to be applied, where applicable, to the granting or exercise of stock options, as well as to the granting of free shares.

The Remuneration Committee has two (2) members: Pierre TIERS and Ariane MALBAT.

Strategic Committee

The Strategic Committee analyses, studies and gives its opinion on :

- The major strategic orientations of the Company and the Group,
- The Group's development policy, and
- Major industrial product development projects or programs planned by the Company or a Group company.

The Strategy Committee studies and examines :

- Proposed strategic agreements and partnerships;
- External growth operations and those affecting the Group's structures; and more generally,
- any significant project of any kind.

The Strategy Committee comprises seven (7) members: Vincent BEDOUIN, Pierre TIERS, Hugues MEILLI, Hubert de BOISREDON, Ariane MALBAT, Muriel BARNEOUD and Christine LIORET.

Development Committee

The role of the Development Committee is to consider the Group's major strategic orientations and the development policy to be implemented.

The Development Committee comprises six (6) members: Pierre TIERS, Hugues MEILLI, Hubert de BOISREDON, Ariane MALBAT, Muriel BARNEOUD and Christine LIORET.

The Development Committee may also call on outside speakers to provide further information or to lead certain thematic meetings.

CSR Committee

The main tasks of the CSR Committee are to:

- Review of the Company's mandatory CSR publications (Sustainability Report),
- Definition and monitoring of a CSR strategy or "roadmap", sometimes including specific themes such as sustainable development, climate, diversity, risks, etc, and
- Determining the criteria for the variable non-financial remuneration of executives ("KPIs"), and
- Anticipating and forecasting major environmental, social and societal issues.

The CSR Committee is made up of two (2) permanent members, Mrs Muriel BARNEOUD and Mr Vincent BEDOUIN, and draws on external expertise with the participation of Mrs Elisabeth GROSDHOMME.

LIST OF TERMS OF OFFICE AND JOB ROLES DURING THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

In accordance with the provisions of Article L. 225-37-4, 1° of the French Commercial Code, the following is a list of all the offices and positions held in any company by each of the Company's corporate officers.

Board of Directors

| Name | Term of office | Company |
|-----------------|---|--|
| Vincent BEDOUIN | Chair & CEO | LACROIX Group |
| | Chair | VINILA INVESTISSEMENTS |
| | Chair | LACROIX ELECTRONICS |
| | Chair | LACROIX ELECTRONICS CESSON |
| | Co-managing Director | LACROIX ELECTRONICS GmbH |
| | Chair of the Board of Directors | LACROIX ELECTRONICS BEAUPREAU |
| | Chair | LACROIX CITY (since 06/24/2024) |
| | Chair | WE Network (until 12/04/2024) |
| | Vice-Chair | Electronics Industry Strategic Committee |
| | Managing Director | LACROIX VI |
| | Managing Director | LACROIX II |
| | Managing Director | SCI LTI SUD EST |
| | Managing Director | SCI MAJE |
| Pierre TIERS | Member of the Board of Directors | LACROIX Group |
| | Member and Vice-Chair of the Board of Directors | 60000 Rebonds Grand-Ouest association |
| | Managing Director | PRO.POSITIONS |
| | Member of the Strategic Committee | SAS VECTURA |
| | Member of the Strategic Committee | SAS REEVERSE SYSTEMS |
| | Chair of a Division | Nantes Commercial Court |
| Hugues MEILLI | Member of the Board of Directors | LACROIX Group |
| | Chair | NIJI DIGITAL SAS |
| | Chair | BAMBARA I SAS |
| | Chair | BORDILLA II SAS |
| | Chair | Kurmi Software SAS |
| | Chairman of the Executive Board | Bretagne Développement Innovation |

| | | |
|--------------------------------------|--|--|
| Marie-Reine BEDOUIN | Member of the Board of Directors | LACROIX Group (until 05/17/2024) |
| | Chairman of the Supervisory Board | VINILA INVESTISSEMENTS |
| Hubert ALEFSEN de BOISREDON d'ASSIER | Member of the Board of Directors | LACROIX Group |
| | Chair | ALSENS |
| | Chair | EOTEKUM |
| | Member of the Strategy Committee | KIPLI |
| | Managing Director | SCI ALRE |
| | Managing Director | ALSOL |
| | Managing Director | ALPER |
| | Managing Director | SCI BUROO |
| | Chairman and Chief Executive Officer | ARMOR |
| | Vice-Chairman | Les entrepreneurs pour la Cité association |
| | Member of the Supervisory Board | HOLOSOLIS |
| | College Council member | Collège des Bernardins |
| | Member of the Governance Committee | MEDEF National |
| Ariane MALBAT | Member of the Board of Directors | LACROIX Group |
| | Chair | SASU MA DRH |
| | CEO | SAS COLLON & CO |
| | Chair | SAS MALBAT & CO |
| | CEO | SAS HOLDING COLLON MALBAT |
| | Member of the Board of Directors | SOCIETE DES CONCOURS HIPPIQUES DE LA BAULE |
| Muriel BARNEOUD | Member of the Board of Directors | LACROIX Group |
| | Member of the Board of Directors | EASYVISTA |
| | Member of the Board of Directors | CIR ILE DE FRANCE |
| | Member of the Board of Directors | HEC |
| | Member of the Board of Directors | ESCP |
| | Member of the Supervisory Board | ESSEC |
| Christine LIORET | Member of the Board of Directors | LACROIX Group |
| | Member of the Board of Directors Chairman of the Audit Committee | LNA SANTE SA |
| | Chair | SAS IM Partenaires |
| | Chair | SAS Muuta Partners |

Executive Management

| Nom | Mandat | Société |
|-----------------|--------------------------------------|--|
| Vincent BEDOUIN | Chairman and Chief Executive Officer | LACROIX Group |
| | Chair | VINILA INVESTISSEMENTS |
| | Chair | LACROIX ELECTRONICS |
| | Chair | LACROIX ELECTRONICS CESSON |
| | Co-Managing Director | LACROIX ELECTRONICS GmbH |
| | Chairman of the Board of Directors | LACROIX ELECTRONICS BEAUPREAU |
| | Chair | LACROIX CITY (since 06/24/2024) |
| | Chair | WE Network (until 04/12/2024) |
| | Vice-Chairman | Electronics Industry Strategic Committee |
| | Managing Director | LACROIX VI |
| | Managing Director | LACROIX II |
| | Managing Director | SCI LTI SUD EST |
| | Managing Director | SCI MAJE |
| Nicolas BEDOUIN | Executive Vice-President | LACROIX Group |
| | Member of the Supervisory Board | VINILA INVESTISSEMENTS |
| | Member of the Board of Directors | LACROIX ELECTRONICS BEAUPREAU |
| | Chair | LACROIX NORTH AMERICA INC. |
| | Chair | SAS HUMAN |
| | Managing Director | SCI MAJE |
| | Chair | SAS les Cristaux |

Compensation and benefits received by executive directors (ex-post vote)

In accordance with Article L. 22-10-9 of the French Commercial Code, the total remuneration and benefits paid during the fiscal year ending December 31, 2024, to executive corporate officers by the Company and the entities included in the consolidation scope as defined in Article L. 233-16 of the French Commercial Code, along with other related information, are detailed below.

The Board of Directors will submit a resolution regarding this information to the General Meeting convened to approve the financial statements for the fiscal year ending December 31, 2024.

It should be noted that the General Meeting of May 17, 2024, approved, by a vote of 94.03%, the information provided for the 2023 fiscal year in accordance with Article L. 22-10-9 of the French Commercial Code.

These payments and allocations were made in compliance with the remuneration policy approved by the General Meeting of May 17, 2024.

In accordance with the recommendations of the Middlednext Code, the remuneration of executive corporate officers during the fiscal year was as follows:

Summary table of compensation paid to executive directors

| | Period 2024 | | Period 2023 | |
|---|-----------------|-----------------|------------------|------------------|
| Vincent BEDOUIN Chair and Chief Executive Officer | Allocated | Paid | Allocated | Paid |
| Fixed compensation | 262,100 € | 262,100 € | 252,100 € | 252,100 € |
| Variable annual compensation | 0 € | 36,392 € | 36,392 € | 73,334 € |
| Exceptional compensation | 42,000 € | 0 € | 0 € | 0 € |
| Remuneration for membership of the Board of Directors | 0 € | 0 € | 0 € | 0 € |
| Benefits in kind | 10,932 € | 10,932 € | 10,932 € | 10,932 € |
| Stock-options | 0 € | 0 € | 0 € | 0 € |
| Bonus shares* granted | 0 € | 0 € | 56,250 € | 0 € |
| TOTAL | 315,032€ | 309,424€ | 355,674 € | 336,366 € |

* Provisioned but not paid under the multi-year remuneration scheme, subject to achieving 2025 targets.

Fixed Remuneration

In 2024, the fixed remuneration paid by the Company to Mr. Vincent BEDOUIN for his mandate amounted to €240,000 compared to €230,000 in 2023.

Additionally, VINILA Investissements, a company included in the consolidation scope as defined in Article L. 233-16 of the French Commercial Code, paid €22,100 in remuneration to Mr. Vincent BEDOUIN in 2024 for his duties within the company.

Annual Variable Remuneration

In accordance with the remuneration policy approved by the General Meeting on May 17, 2024, Mr. Vincent BEDOUIN's variable remuneration for the 2024 financial year was calculated based on the Group's Current Operating Income («ROC»), compared to the higher of the ROC from the plan or the budget set for the year.

The variable portion to be paid was capped at 1.5 times the allocated variable portion, and no variable remuneration could be granted if the achieved ROC was below 50% of the set target.

The variable portion to be paid is determined by the following formula: $R * (V/P) * (R/P)$,
Where:

- P represents the ROC set in the plan
- R represents the actual ROC achieved at the end of the reference period
- V represents the allocated variable remuneration amount

For the 2024 financial year, Mr. Vincent BEDOUIN's variable remuneration was calculated based on a gross amount of €140,000.

This variable remuneration was directly linked to performance levels achieved.

Given that the 2024 results were significantly impacted by the performance of the Electronics activity in North America, and considering the current operating income for the year, no variable remuneration will be paid to Mr. Vincent BEDOUIN for 2024.

Long-Term Remuneration in Performance-Based Free Shares

As part of the performance-based free share allocation plan related to the execution of the Leadership 2025 plan, and given the progress of this plan, the provisions made in previous financial years fully cover the achievement of the set objectives by the end of 2024.

Remuneration for Board Duties

Mr. Vincent BEDOUIN does not receive any remuneration for his roles as Board Member and Chairman of the Board of Directors during the financial year.

Benefits in Kind

A total amount of €10,932 in benefits in kind corresponds to the provision of a company car.

| | Period 2024 | | Period 2023 | |
|--|-----------------|-----------------|------------------|------------------|
| Nicolas BEDOUIN Chief Operating Officer | Allocated | Paid | Allocated | Paid |
| Fixed compensation | 191,250 € | 191,145 € | 181,250 € | 181,250 € |
| Variable annual compensation | 0€ | 25,195 € | 25,195 € | 50,770 € |
| Exceptional compensation | 30,000 € | 0 € | 0 € | 0 € |
| Benefits in kind | 5,270 € | 5,270 € | 3,821 € | 3,821 € |
| Stock options | 0 € | 0 € | 0 € | 0 € |
| Bonus shares* granted | 0 € | | 42,188 € | |
| TOTAL | 226,520€ | 221,610€ | 252,454 € | 235,841 € |

* Provisioned but not paid under the multi-year remuneration scheme, subject to achieving 2025 targets.

Fixed Remuneration

In 2024, the fixed remuneration paid to Mr. Nicolas BEDOUIN amounted to €175,000, compared to €165,000 in 2023.

Additionally, VINILA Investissements, a company included in the consolidation scope under Article L. 233-16 of the French Commercial Code, paid Mr. Nicolas BEDOUIN €16,250 in 2024 for his duties within the company.

Annual Variable Remuneration

In accordance with the remuneration policy approved by the General Meeting of May 17, 2024, the variable remuneration for Mr. Nicolas BEDOUIN for the 2024 financial year was calculated based on the Current Operating Income («ROC») generated by the Group, compared to the higher of the ROC from the plan or the budget set for the year.

The variable portion was capped at 1.5 times the allocated variable remuneration, and no variable remuneration could be granted if the actual ROC was below 50% of the target.

The amount of variable remuneration to be paid was determined by the formula: $R * (V/P) * (R/P)$,
Where:

- P represents the ROC set in the plan
- R represents the actual ROC achieved at the end of the financial year
- V represents the allocated variable remuneration

Mr. Nicolas BEDOUIN's variable remuneration was based on a gross amount of €100,000 for the 2024 financial year.

This variable portion was directly linked to performance levels.

Given the significant impact of the Electronics activity situation in North America on the 2024 results, and considering the current operating income for 2024, no variable remuneration will be paid to Mr. Nicolas BEDOUIN for the 2024 financial year.

Long-Term Performance-Based Share Compensation

As part of the performance-based free share allocation plan linked to the Leadership 2025 Plan, and considering the progress of this plan, the provisions set aside in previous years are sufficient to cover the achievement of the targets set for the end of 2024.

Benefits in Kind

A total of €5,270 in benefits in kind corresponds to the provision of a company vehicle.

Stock Subscription or Purchase Options Granted During the Year

No stock subscription or purchase options were granted to the executive directors during the past financial year.

Stock Subscription or Purchase Options Exercised During the Year

No stock subscription or purchase options were exercised by the executive directors during the financial year.

The members of the Board of Directors do not receive any additional compensation and are not granted stock options.

Free Shares Granted During the Year to Each Executive Director

No free shares were granted to the executive directors during the past financial year.

Summary Table of Compensation or Benefits for Executive Directors

| Executive directors | Employment contracts | Supplementary pension plans | Non-competition indemnities | Severance pay |
|---|----------------------|-----------------------------|-----------------------------|---------------|
| Vincent BEDOUIN Chairman and Chief Executive Officer <u>Appointment:</u> 07/26/2018 <u>Expiry date:</u> AGM 2027 convened to approve the 2026 financial statements | NO | YES | NO | NO |
| Nicolas BEDOUIN Chief Operating Officer <u>Appointment:</u> 07/26/2018 <u>Expiry date:</u> AGM 2027 convened to approve the 2026 financial statements | YES* | YES | NO | NO |

*Nicolas BEDOUIN's main task is to monitor and coordinate the financial activities of each of the Group's entities. On a day-to-day basis, therefore, his duties are distinct from those of his corporate office.

Equity ratio

| Compensation ratio for the Chairman and Chief Executive Officer | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|--------|--------|--------|---------|---------|
| Change (in%) in compensation of Chairman and Chief Executive Officer | (8.0%) | (6.1%) | 52.1% | (43.7%) | 22.9% |
| Change (in%) in average employee compensation* | 6.2% | 6.3% | 12.9% | na | na |
| Ratio to average employee compensation* | 3.58 | 3.41 | 3.16 | 3.09 | 3.77 |
| Change in ratio (in%) versus previous year | 5.0% | 7.9% | 2.3% | (18.0%) | (25.6%) |
| Ratio to median employee compensation* | 4.61 | 4.53 | 4.18 | 4.21 | 7.97 |
| Change in ratio (in%) versus previous year | 1.8% | 8.4% | (0.7%) | (47.2%) | 18.1% |

| Executive Vice-President's remuneration ratio | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|--------|--------|-------|---------|---------|
| Change (in%) in remuneration of the Managing Director | (6.0%) | (2.1%) | 50.7% | (41%) | 28.0% |
| Change (in%) in average employee compensation* | 6.2% | 6.3% | 12.9% | na | na |
| Ratio to average employee compensation* | 2.48 | 2.45 | 2.23 | 2.10 | 2.42 |
| Change in ratio (in%) versus previous year | 1.2% | 9.9% | 6.2% | (13.2%) | (24.1%) |
| Ratio to median employee compensation* | 3.19 | 3.26 | 2.96 | 2.87 | 5.09 |
| Change in ratio (in%) versus previous year | (2.1%) | 10.1% | 3.1% | (43.6%) | 21.5% |

* on a full-time equivalent basis for Company employees

Compensation policy for the members of the Board of Directors

The Board of Directors, on the recommendation of the Remuneration Committee, has set the total amount of remuneration awarded to directors in respect of their office for the year ending December 31, 2024 at 75,000 euros, broken down as follows.

| Muriel BARNEOUD | Amounts awarded in 2024 | Amounts paid in 2024 | Amounts awarded in 2023 | Amounts paid in 2023 |
|---|-------------------------|----------------------|-------------------------|----------------------|
| Remuneration for membership of the Board of Directors | 13,000 € | 15,250 € | 15,250 € | 12,500 € |
| Other compensation | | | | |
| TOTAL | 13,000 € | 15,250 € | 15,250 € | 12,500 € |
| Hubert DE BOISREDON | Amounts awarded in 2024 | Amounts paid in 2024 | Amounts awarded in 2023 | Amounts paid in 2023 |
| Remuneration for membership of the Board of Directors | 10,000 € | 10,000 € | 10,000 € | 7,500 € |
| Other compensation | | | | |
| TOTAL | 10,000 € | 10,000 € | 10,000 € | 7,500 € |
| Ariane MALBAT | Amounts awarded in 2024 | Amounts paid in 2024 | Amounts awarded in 2023 | Amounts paid in 2023 |
| Remuneration for membership of the Board of Directors | 11,500 € | 12,000 € | 12,000 € | 14,500 € |
| Other compensation | | | | |
| TOTAL | 11,500 € | 12,000 € | 12,000 € | 14,500 € |
| Hugues MEILI | Amounts awarded in 2024 | Amounts paid in 2024 | Amounts awarded in 2023 | Amounts paid in 2023 |
| Remuneration for membership of the Board of Directors | 17,500 € | 12,000 € | 12,000 € | 14,500 € |
| Other compensation | | | | |
| TOTAL | 17,500 € | 12,000 € | 12,000 € | 14,500 € |
| Pierre TIERS | Amounts awarded in 2024 | Amounts paid in 2024 | Amounts awarded in 2023 | Amounts paid in 2023 |
| Remuneration for membership of the Board of Directors | 17,500 € | 17,000 € | 17,000 € | 14,500 € |
| Other compensation | | | | |
| TOTAL | 17,500 € | 17,000 € | 17,000 € | 14,500 € |

| Christine LIORET | Amounts awarded in 2024 | Amounts paid in 2024 | Amounts awarded in 2023 | Amounts paid in 2023 |
|---|-------------------------|----------------------|-------------------------|----------------------|
| Remuneration for membership of the Board of Directors | 5,500 € | | | |
| Other compensation | | | | |
| TOTAL | 5,500 € | | | |
| Marie-Reine BEDOUIN | Amounts awarded in 2024 | Amounts paid in 2024 | Amounts awarded in 2023 | Amounts paid in 2023 |
| Remuneration for membership of the Board of Directors | | | | |
| Other remuneration* | 12,000€ | 24,000€ | 12,000€ | |
| TOTAL | 12,000€ | 24,000€ | 12,000€ | |

*In her capacity as Chairman of the Supervisory Board of VINILA Investissements

Compensation Policy (Ex-Ante Vote)

Compensation is determined by the Board of Directors based on recommendations from the Compensation Committee

Allocation Criteria for the Fixed Annual Amount Granted by the General Meeting to Directors

In accordance with Article L. 225-45 of the French Commercial Code, the Board of Directors, based on the Compensation Committee's proposal, determines the compensation conditions for directors, within the limits of a fixed annual amount set by the General Meeting, as per Article L. 22-10-8 of the French Commercial Code.

In this context, the Board of Directors will propose to the General Meeting, called to approve the financial statements for the year ended December 31, 2024, an increase in the annual fixed amount allocated to directors, raising the cap to €90,000.

The compensation due to directors for their mandate is distributed based on their contribution and attendance at various committees.

Furthermore, in accordance with Article L. 225-46 of the French Commercial Code, the Board of Directors reserves the right to grant exceptional compensation to non-executive Board members for specific assignments or mandates. Such exceptional compensation would also be subject to the regulated agreements procedure.

Executive Compensation

The total compensation of executives takes into account the company's overall interest, market practices, and the levels of responsibility and contribution to the Group's development

Compensation of Vincent BEDOUIN – Chairman and Chief Executive Officer

Fixed Compensation

Mr. Vincent BEDOUIN will receive a fixed annual compensation, determined based on market practices and the responsibilities assumed.

Furthermore, considering the current context, his fixed annual compensation for the 2025 fiscal year has been set at €243,600 gross per year, effective January 1, 2025. This decision constitutes a derogation from the resolution on executive compensation evolution, presented at the General Meeting on May 17, 2024, which initially proposed increasing his compensation to €250,000 per year.

Mr. Vincent BEDOUIN's compensation for the 2026 and 2027 fiscal years will be decided following the presentation of the 2027 plan, which is scheduled for later in 2025.

Additional Elements

- A supplementary pension plan, with contributions made by the Company.
- A company health insurance plan (as part of the corporate group health scheme).
- A benefit in kind, consisting of a company car.
- A supplementary pension scheme

Annual Variable Compensation of Mr. Vincent BEDOUIN for the Year 2025

In 2025, reducing losses in the Electronics activity in North America is a critical and strategic priority. Furthermore, the consolidated result is directly linked to the performance of the Electronics activity, which does not adequately reflect the achievements of the Environment activity. As a result, the latter is not fairly rewarded.

For these reasons, based on the recommendation of the Compensation Committee, the Board of Directors has approved the adjustment of Mr. Vincent BEDOUIN's variable compensation as follows:

- 30% of the variable compensation will be calculated based on the Current Operating Income (ROC) of the Environment activity, using the formula: $R * (30\%V/P) * (R/P)$,
Where:
 - P represents the ROC for Environment as defined in the plan.
 - R represents the actual ROC for Environment at the end of the reference period.
 - V represents the allocated variable compensation amount.

No variable compensation will be granted if the actual ROC for Environment is less than 50% of the target.

- 30% of the variable compensation will be calculated based on the Current Operating Income (ROC) of the Electronics EMEA activity, using the formula: $R * (30\%V/P) * (R/P)$,
Where:
 - P represents the ROC for Electronics as defined in the plan.
 - R represents the actual ROC for Electronics at the end of the reference period.
 - V represents the allocated variable compensation amount.

No variable compensation will be granted if the actual ROC for Electronics is less than 50% of the target.

- 40% of the variable compensation will be based on the recovery actions undertaken to turn around the situation of LACROIX Electronics in North America, with a focus on loss reduction.

In any case, the total variable compensation to be paid will remain capped at 1.5 times the reference variable compensation.

Mr. Vincent BEDOUIN's variable compensation for the 2025 financial year will be calculated based on a gross amount of €140,000, representing 36% of the total compensation.

Long-Term Compensation in Performance-Based Free Shares

The Group's Leadership 2025 strategic plan sets ambitious growth and performance objectives.

As a reminder, Mr. Vincent BEDOUIN is directly incentivized to achieve these objectives through a performance-based free share allocation plan. Under this plan, the total number of shares granted may reach a maximum of 10,000 shares by the end of Leadership 2025.

Over the 2022 to 2025 period, the free share allocation plan will be subject to provisions, provided that the results achieved align with the Leadership 2025 plan objectives. This provision will be established based on the progress made toward each of the defined objectives.

The performance criteria for the free share allocation plan are as follows:

- 25%: Revenue growth in million euros, with a 2025 target of €800M
- 25%: Profitability, measured as a percentage of current EBITDA, with a 2025 target of 6%
- 25%: Balance sheet stability, measured by the gearing ratio, with a 2025 target of <0.8

- 25% The CSR dynamic will be assessed in particular by the implementation of the company's impact measurement system, with an expected improvement in the 2025 score compared with 2023, the formalization of the decarbonization strategy associated with approved targets, the roll-out of a training program covering 100% of the top 130 management and 75% of executives, and the roll-out of the Great Place to Work employee satisfaction survey with a 2025 performance index higher than 2023.

Given the progress made on each long-term incentive criterion and the results achieved in 2024, no additional provisions will be set aside. The provisions from previous years already cover the achievement of the 2024 targets.

The shares will be definitively allocated at the end of the 2025 fiscal year.

Exceptional Compensation Granted to Mr. Vincent BEDOUIN for the Year 2024

The Board of Directors reserves the right, upon the recommendation of the Compensation Committee, to grant exceptional compensation in the event of highly specific and justified circumstances (such as a major transaction for the Company).

In 2024, the Environment division achieved operational performance exceeding budget expectations. Additionally, the successful divestment of the Signaling and Mobility Business Units led to the introduction of new key shareholders while ensuring the preservation of jobs.

Due to these specific circumstances and following the Compensation Committee's recommendation, the Board of Directors has granted Mr. Vincent BEDOUIN an exceptional compensation of €42,000 gross for the year 2024.

Compensation of Nicolas BEDOUIN – Deputy Chief Executive Officer

Fixed Compensation

Mr. Nicolas BEDOUIN will receive an annual fixed salary, determined primarily based on market practices and the responsibilities assumed.

Furthermore, considering the current context, Mr. Nicolas BEDOUIN's annual fixed salary for the 2025 financial year has been set at €177,625 gross per year, effective from January 1, 2025. This decision deviates from the resolution regarding the executive compensation adjustment presented at the General Meeting of May 17, 2024, which initially proposed raising this compensation to €185,000 per year.

Mr. Nicolas BEDOUIN's compensation for the 2026 and 2027 fiscal years will be decided following the presentation of the 2027 plan, which is scheduled for later in 2025.

Additional Elements

- Mr. Nicolas BEDOUIN benefits from a supplementary retirement plan based on capitalization, with contributions made by the Company,
- He is also covered by the company's group health insurance plan,
- He receives an in-kind benefit in the form of a company car,
- Additionally, Mr. Nicolas BEDOUIN is entitled to a supplementary pension plan

Annual Variable Compensation of Mr. Nicolas BEDOUIN for the Year 2025

In 2025, reducing losses in the Electronics activity in North America is a critical and strategic priority. Additionally, the consolidated result is directly influenced by the performance of the Electronics activity, which does not fully reflect the value of the Environment activity's performance, thereby leading to an inadequate compensation for its contributions.

For these reasons, and based on the recommendation of the Compensation Committee, the Board of Directors has approved the following adjustments to Mr. Nicolas BEDOUIN's variable compensation:

- 30% of the variable compensation will be calculated based on the Current Operating Income (ROC) of the Environment activity, using the formula: $R * (30\%V/P) * (R/P)$,
Where:
 - P represents the ROC for Environment as defined in the plan.
 - R represents the actual ROC for Environment at the end of the reference period.
 - V represents the allocated variable compensation amount.

No variable compensation will be granted if the actual ROC for Environment is less than 50% of the target.

- 30% of the variable compensation will be calculated based on the Current Operating Income (ROC) of the Electronics EMEA activity, using the formula: $R * (30\%V/P) * (R/P)$,
Where:
 - P represents the ROC for Electronics as defined in the plan.
 - R represents the actual ROC for Electronics at the end of the reference period.
 - V represents the allocated variable compensation amount.

No variable compensation will be granted if the actual ROC for Electronics is less than 50% of the target.

- 40% of the variable compensation will be based on the recovery actions undertaken to turn around the situation of LACROIX Electronics in North America, with a focus on loss reduction.

In any case, the variable compensation to be paid is capped at 1.5 times the reference variable compensation.

Mr. Nicolas BEDOUIN's variable compensation will be calculated based on €100,000 gross for the 2025 fiscal year, representing 36% of total compensation.

Long-term Compensation in Performance-Based Free Shares

The Leadership 2025 strategic plan of the Group sets ambitious goals for growth and performance.

As a reminder, Mr. Nicolas BEDOUIN is directly incentivized to achieve these objectives through the implementation of a performance-based free share allocation plan, with a maximum allocation of 7,500 shares at the end of the Leadership 2025 plan.

From 2022 to 2025, this free share allocation plan will be subject to provisions, provided that results remain on track with the Leadership 2025 objectives. The provision will be assessed based on the progress of each established objective.

Performance Criteria for the Free Share Allocation Plan:

- 25%: Revenue growth in million euros, with a 2025 target of €800M
- 25%: Profitability, measured as a percentage of current EBITDA, with a 2025 target of 6%
- 25%: Balance sheet stability, measured by debt ratio, with a 2025 target of gearing <0.8
- 25% The CSR dynamic will be assessed in particular by the implementation of the company's impact measurement system, with an expected improvement in the 2025 score compared with 2023, the formalization of the decarbonization strategy associated with approved targets, the roll-out of a training program covering 100% of the top 130 management and 75% of executives, and the roll-out of the Great Place to Work employee satisfaction survey with a 2025 performance index higher than 2023.

Given the progress of each criterion related to the long-term compensation plan, and the results achieved in 2024, no additional provision will be made. The provisions recorded in previous fiscal years cover the achievement of the objectives set for the end of 2024.

The shares will be definitively allocated at the end of the 2025 fiscal year.

Exceptional Compensation Granted to Mr. Nicolas BEDOUIN for the Year 2024

The Board of Directors reserves the right, upon the recommendation of the Compensation Committee, to grant exceptional compensation in the event of highly specific and justified circumstances (such as a major operation for the Company).

In 2024, the Environment activity segment achieved an operational performance exceeding budget expectations. Additionally, the successful divestment of the Signaling and Mobility Business Units led to the integration of new key shareholders while ensuring job preservation.

Due to these exceptional circumstances, and upon the proposal of the Compensation Committee, the Board of Directors grants Mr. Nicolas BEDOUIN an exceptional compensation of €30,000 gross for the 2024 fiscal year.

Draft resolutions on Say on Pay proposed to the Annual General Meeting:

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, we hereby inform you of the draft resolutions prepared by the Board of Directors, which will be submitted to the Annual General Meeting of May 16, 2025, for approval of the remuneration components granted and attributable to the Company's corporate officers.

SIXTH RESOLUTION

Total annual compensation of the members of the Board of Directors

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, sets the total annual amount of compensation for the current financial year to be allocated to members of the Board of Directors, at €90,000.

This decision, applicable to the current year, will be maintained until a new decision is taken by the Annual General Meeting.

As the Board of Directors is composed in accordance with the first paragraph of Article L.225-18-1 of the French Commercial Code, the second paragraph of Article L.225-45 of the same Code is not applicable.

SEVENTH RESOLUTION

Approval of the compensation policy of the members of the Board of Directors

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, and pursuant to Article L. 22-10-8 II of the French Commercial Code, approves the compensation policy for the directors, as presented in the Company's 2024 annual financial report.

EIGHTH RESOLUTION

Approval of the compensation elements paid or granted in 2024 to Vincent Bedouin, Chairman & CEO

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors, and pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the set, variable, and exceptional items composing the total compensation and benefits of any kind paid or allocated for the financial year ending 31 December 2024 to Vincent Bedouin, as presented in the Company's 2024 annual financial report.

NINTH RESOLUTION

Approval of the compensation policy for Vincent BEDOUIN, Chairman & CEO

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, and pursuant to Article L. 22-10-8 II of the French Commercial Code, approves the items of the compensation policy applying to Vincent Bedouin, as presented in the Company's 2024 annual financial report.

TENTH RESOLUTION

Approval of the compensation elements paid or granted in 2024 to Nicolas Bedouin, Chief Executive Officer deputy ("Directeur general délégué"),

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors, and pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the set, variable, and exceptional items composing the total compensation and benefits of any kind paid or allocated for the financial year ending 31 December 2024 to Nicolas Bedouin, as presented in the 2024 annual financial report of the Company.

ELEVENTH RESOLUTION

Approval of the compensation policy for Nicolas BEDOUIN, Chief Executive Officer deputy ("Directeur general délégué"),

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, and pursuant to Article L. 22-10-8 II of the French Commercial Code, approves the compensation policy for the directors, as presented in the Company's 2024 annual financial report.

TWELFTH RESOLUTION

Approval of the compensation elements for the corporate officers, as referred to in Article L. 22-10-9 I of the French Commercial Code.

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of said Code, as included in the report of the Board of Directors on corporate governance, as presented in the Company's 2024 annual financial report.

Summary of delegations of authority and powers granted by the Annual General Meeting to the Board of Directors in respect of capital increases

| Nature of the delegation | Date of General Meeting | Term of authority granted | Amount authorised | Usage during the fiscal year |
|--|---------------------------------|---------------------------|--|------------------------------|
| Purchases of Company shares | 17/05/2024 (20th resolution) | 18 months | 6.93% of the capital, i.e. 334,815 shares for a maximum total amount of 20,088,900 euros | N/A |
| Cancellation of shares | 17/05/2024 (23rd resolution) | 26 months | 10% of share capital over 24 months | N/A |
| Issue of ordinary shares or securities giving access to the capital or entitling holders to debt securities, with pre-emptive subscription rights. | 17/05/2024 (22nd resolution) | 26 months | 9,960,000 euros | N/A |
| Capital increase reserved for members of a company savings plan | 17/05/2024 (24th resolution) | 26 months | 5% of share capital | N/A |

Managing conflicts of interest

Board members' obligations with regard to managing conflicts of interest are set out in the internal regulations. An annual declaration is signed by the directors attesting to the absence of any conflict of interest situation during the past financial year. Each member is required to disclose any situation (or suspicion) of conflict of interest, even potential, direct or indirect, between him or herself (or any individual or legal entity with whom he or she has a business relationship) and the Company. The Board of Directors may also carry out any investigation it deems reasonable, and may call in an independent expert if necessary.

Main features of internal control and risk management procedures

This report on the Group's internal control and risk management procedures is based on the guide to implementing the reference framework published by the AMF and applicable to VMPs (Valeurs Moyennes et Petites des marchés financiers).

The achievement of the Group's internal control objectives is made possible by the environment created within the Group and by the specific organization put in place, from which stem targeted internal audit and risk management assignments. All these elements are presented below.

Internal control objectives and players

Internal control as deployed within the Group contributes to the prevention and control of risks arising from the company's activities, including those related to the risk of error and fraud. In particular, it ensures that :

- Compliance with applicable laws and regulations;
- Reliability of financial information;
- Safeguarding and protecting assets;
- Risk prevention and control, and process optimization.

Like any control system, the internal control system cannot provide an absolute guarantee that all risks of error and fraud have been totally eliminated.

The achievement of these objectives is of course only possible through the adoption and application of rules and procedures by all the Company's employees, under the supervision of each department manager. Within the Group, however, internal control is managed centrally by the **Audit & Internal Control Department** on the one hand, and by the **Legal & Compliance Department** on the other.

The role of the **Audit & Compliance Committee** is to monitor and challenge the effectiveness of the internal control and risk management system.

Internal control environment

The Group has a number of guidelines for internal control.

Our **Values** - boldness, commitment, team spirit, openness, respect - are a benchmark that links our teams internally. They guide behavior, encourage initiative-taking and provide a benevolent sense of responsibility.

In addition, the **Ethics Charter** sets out the ethical principles applicable within the Group in terms of business conduct and individual behavior. It does not claim to answer every question of an ethical nature, but sets out the basic rules and guidelines that must govern every decision. It provides a framework for the **Anti-Corruption Code of Conduct** and the **Competition Code of Conduct**: these compliance programs contribute to employee training and awareness-raising, and make it possible to put in place appropriate mechanisms for preventing breaches, as well as detecting and dealing with them where necessary.

The **Risk & Opportunity Map**, drawn up in line with the strategic plan and whose priorities are reviewed annually by the Executive Committee, makes it possible to identify the subjects with the greatest impact and the most important levers for the long-term growth of the Group. This mapping is part of the multi-year development plan defined by Management.

Finally, the **Operating Rules** between the Group and each business define the levels of responsibility borne by the various players, as well as the issues for which they are responsible. These rules are supported by **delegations of authority**, enabling responsibility to be passed on to those with the specific skills, authority and resources required.

Internal control organization

Internal control is everyone's business. In particular, all process managers are responsible for ensuring the existence and application of procedures within their scope, and for keeping abreast of associated regulations. Nevertheless, an organization as well as control, monitoring and steering tools are in place, to provide decision-support keys for Management on the one hand, and to ensure that internal control is relayed to all levels of the Group on the other. The main elements are described below:

- The **Management Control Directors** of the business units oversee reporting to General Management. In particular, they enable monthly monitoring of budgetary commitments by subsidiary, by activity and on a cumulative basis, and also include non-financial and forward-looking information to improve subsidiary management.
- Similarly, a centralized **treasury reporting** system at head office enables weekly monitoring of cash flows and the debt situation of subsidiaries and consolidated companies.
- **Accounting managers** are responsible for the reliability of financial information, and in particular for ensuring that Group procedures are properly applied. Tax returns for Group's French subsidiaries are prepared or checked centrally by the accounting department. These returns are also regularly reviewed by external consultants.
- **The consolidation department** is centralized at head office. It prepares the financial statements in accordance with IFRS and ensures the consistency of processing and compliance with Group rules and procedures.
- **The Legal & Compliance Department** ensures overall regulatory compliance (corporate law, contracts, insurance, compliance, etc.) and supports activities in major contractual negotiations or in the management of disputes. It advises the General Management and is involved in internal restructuring operations and external growth initiatives. External expert advisors may be consulted on an occasional basis. Compliance referents are appointed and act as intermediaries for the Legal and Compliance Department, working closely with teams to communicate rules and procedures and being easily accessible to address employees' ethical questions.
- **The Information Systems Department** ensures the integrity and protection of data, as well as the security and availability of the Group's information systems. To this end, external intrusion audits and IT recovery plan tests are regularly conducted under the supervision of the IS Department and the Information Systems Security Manager. All major subsidiaries of the Company are equipped with an **ERP system**.

Internal control implementation

The Audit & Internal Control department directs its assignments on the basis of priorities validated as part of the Risk & Opportunity Mapping process. It also relies on the recommendations of our statutory auditors on internal control and IT settings. With this in mind, his missions revolve around:

- Ensuring compliance with laws and internal rules,
- Improving operational processes,
- Continuous improvement of internal control and anti-fraud measures,
- Supporting the Legal & Compliance Department.

Key actions for fiscal 2024

The following assignments were carried out in fiscal 2024:

- Continuous improvement of internal control and the fight against fraud:
 - Deployment of the automated control solution for the Electronics activity of the Group,
 - Updating the mapping of Risks and Opportunities and redefining priorities,
 - Formalization of an Internal Audit Charter outlining areas of intervention,
 - Continuation of awareness-raising events to combat external fraud,
 - Ensuring proper segregation of duties in ERP systems,
 - Continued securing of information systems.
- Internal audits of subsidiaries :
 - 14 subsidiaries were audited on key procedures: the various cycles are reviewed to ensure the correct application of accounting rules and methods, thus contributing to the reliability of financial information. Several compliance issues are also included in these audits,
 - Follow-up action plans for points of improvement identified during audits are updated every six months.
- Operational audits :
 - Third-level controls were carried out on the Group's anti-corruption system,
 - The Cyber risk management system was also audited in 2024,
 - Assistance with a physical inventory was provided by the LACROIX Electronics Tunisie subsidiary.
- Support provided to the Legal & Compliance Department:
 - A number of accounting controls are carried out in connection with the anti-corruption risk mapping.
 - Assessment of risks related to export controls.

Areas of focus for 2025

The main areas of focus for the 2025 financial year will be:

- Continuous improvement of internal control and the fight against fraud :
 - Deployment of additional automated controls on the Group's Electronics business,
 - Continuation of awareness-raising events to combat external fraud,
 - Checking the correct segregation of duties in ERP systems,
 - Continuing to secure our information systems,
 - Monitoring the implementation of business continuity plans at the main subsidiaries,
 - Work on improving the internal control framework.

- Internal audits of subsidiaries :
 - In line with the rationalization of activities within the Group, the number of subsidiaries audited in 2025 will be adapted to this new organization. 11 subsidiaries will be audited during the year,
 - The audit & compliance committee will be informed of the progress of these action plans.

Factors likely to have an impact in the event of a takeover bid

Information likely to have an impact in the event of a takeover bid is provided in the management report.

Shareholder participation at the Annual General Meeting

Articles 22 and 23 of the Company's bylaws set out the specific conditions governing shareholder participation in Annual General Meetings. In addition, some of these terms and conditions, together with practical information, are set out in the notices of meeting published and/or sent to shareholders prior to each General Meeting.

Diversity and equity policy within the company

The Group is committed to achieving gender balance and equity at every level of the organization. The policy adopted and the results achieved are described in the Sustainability Report.

ADMINISTRATION AND CONTROL OF THE COMPANY

It is specified that no mandate for a director or statutory auditor has expired.

APPROPRIATION OF NET INCOME

We kindly propose that you approve the allocation of the net loss for the fiscal year, amounting to 22,997,021.12 euros, as follows:

| | |
|--------------------------------------|-----------------------|
| To "Retained earnings" | (1,947,646.35) euros |
| To "Other reserves" | (21,049,374.77) euros |
| which amounts to 83,950,625.23 euros | |

As a result of this allocation, the Company's shareholders' equity amounted to 158,945,182.22 euros. In accordance with the provisions of Article 243 bis of the French General Tax Code, the following dividends were distributed in respect of the previous three years:

| Period | Dividend per share* (in euros) | Total dividend | Total number of shares | Number of shares remunerated |
|--------|-----------------------------------|----------------|---------------------------|---------------------------------|
| 2021 | 0.85 | 4,104,731.60 | 4,829,096 | 4,679,888 |
| 2022 | 0.80 | 3,863,276.80 | 4,829,096 | 4,681,203 |
| 2023 | 0.70 | 3,380,367.20 | 4,829,096 | 4,681,002 |

* Dividend eligible for 40% tax allowance

ANNUAL TOTAL COMPENSATION OF DIRECTORS

We propose that you set the maximum total annual remuneration allocated to the Board of Directors at 90,000 euros.

INFORMATION RELATING TO SECURITIES TRANSACTIONS

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and the General Regulations of the Autorité des Marchés Financiers, we hereby inform you that we are not aware of any transactions involving the Company's shares carried out by LACROIX Group's corporate officers during the year.

FIVE-YEAR FINANCIAL SUMMARY AND OTHER SIGNIFICANT AREAS

| Nature of items | 2018 / 2019 | 2019 / 2020 | 2021 | 2022 | 2023 |
|--|-------------|-------------|-------------|-------------|-------------|
| CAPITAL AT YEAR END | | | | | |
| - Share capital | 25,000,000 | 25,000,000 | 32,055,239 | 32,055,239 | 32,055,239 |
| - Number of existing ordinary shares | 3,766,560 | 3,766,560 | 4,829,096 | 4,829,096 | 4,829,096 |
| - Number of preference shares (non-voting) | | | | | |
| - Maximum number of future shares to be created | | | | | |
| TRANSACTIONS AND REVENUE FROM THE FINANCIAL YEAR | | | | | |
| - Revenue net of taxes | 6,098,794 | 9,944,480 | 10,274,844 | 13,172,772 | 13,290,640 |
| - Pre-tax profit, employee profit-sharing, depreciation, allowances and provisions | 3,652,372 | 173,477 | 4,679,451 | 11,396,919 | 13,743,578 |
| - Income taxes | (4,619,761) | (5,919,185) | (3,969,767) | (3,598,451) | (4,055,800) |
| - Employee profit-sharing payable for the year | | | | | |
| - Profit after tax, employee profit-sharing, depreciation, allowances and provisions | 8,578,017 | 6,091,533 | 8,640,922 | 14,518,488 | 13,706,117 |
| - Distributed profit | 3,389,904 | 2,561,261 | 4,104,732 | 3,863,277 | 3,380,367 |
| EARNINGS PER SHARE | | | | | |
| - Profit after tax, employee profit-sharing, before depreciation, allowances and provisions | 2.20 | 1.62 | 1.79 | 3.11 | 3.69 |
| - Profit after tax, employee profit-sharing, depreciation, allowances and provisions | 2.28 | 1.62 | 1.79 | 3.01 | 2.84 |
| - Dividend per share | 0.90 | 0.68 | 0.85 | 0.80 | 0.70 |
| PERSONNEL | | | | | |
| - Average number of employees during the year | 27 | 27 | 27 | 64 | 63 |
| - Total payroll for the year | 2,592,440 | 4,588,082 | 4,889,575 | 4,850,541 | 5,646,559 |
| - Total amount paid for employee benefits in the year (social security, company welfare schemes, etc.) | 1,411,738 | 2,407,622 | 2,272,238 | 2,172,581 | 2,502,894 |

Drawn up in Saint-Herblain,
on 31th March 2025



SUSTAINABILITY REPORT

SOMMAIRE ///

| | |
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Editorial

This first sustainability report in the CSRD format marks an important milestone in our commitment to creating a positive impact.

The work carried out during the double materiality assessment with our stakeholders and the entire Executive Committee, focused on the key sustainability challenges for LACROIX, has allowed us to reaffirm our deep conviction: technology must be both useful and eco-designed.

A useful technology is one that has a positive environmental or social impact, contributing to the ecological transition.

In 2024, we completed the deployment of the Impact Score within our Electronics EMEA business. This tool assesses, for each commercial opportunity, the usefulness of the product in which the circuit board — to be manufactured by us — will be integrated.

We also precisely quantified, using ADEME's «Empreinte Projet» methodology, the environmental benefits of our Smart Lighting and Smart Water solutions within our Environment activity. The result: energy and water savings of around 40% over their entire life cycle!

An eco-designed technology is one that uses as little energy and resources as possible during its manufacturing and throughout its use.

In 2024, we finalized the implementation of our eco-design approach: organization, product development process, team training, and the creation of an eco-design report for each new product.

We also launched our new datalogger, Log Up, which shows a reduced environmental footprint of between 23% and 86%, depending on the indicators, compared to the previous version.

Above all, 2024 will be remembered at LACROIX as the year we built our low-carbon roadmap. After a year of workshops involving all departments across the Group, we have set ambitious greenhouse gas reduction targets aligned with the Paris Agreement, aiming to limit the rise in global average temperature to well below 2°C compared to pre-industrial levels. To achieve this, we have developed an operational and budgeted roadmap through to 2033.

Finally, nothing would be possible without the women and men who contribute daily across all our activities. In 2024, we achieved Great Place To Work certification at three additional sites, bringing the proportion of our sites with this demanding label to 53%.

In these troubled times, when essential progress towards the necessary ecological transition of our economy is being questioned, it is vital to stay the course.

In 2025, more than ever, we will stick to ours: a technology that is useful... and eco-designed.



Vincent Bedouin
Chair & CEO

GENERAL DISCLOSURES

Basis for preparation

The information presented in the LACROIX sustainability report for the 2024 financial year was prepared in accordance with the first application of Article L. 233 28 4 of the French Commercial Code. Accordingly, there is some uncertainty over the interpretation of regulatory texts and a lack of reliable comparative data. This new exercise has therefore required the LACROIX teams to make methodological choices, estimates and assumptions likely to affect the sustainability information presented.

Consolidation scope

This sustainability report has been prepared on a consolidated basis, which includes all LACROIX activities, taken from the Group's financial statements. The consolidation scope has been restated and related details provided in the methodological note at the end of the sustainability report. These restatements relate in particular to the exclusion of entities disposed of during the year or in the process of being disposed of at the date of preparation of the sustainability report, and to the exclusion of certain entities due to their immaterial nature.

In addition to its own activities, the upstream and downstream parts of the LACROIX value chain are taken into account in its dual materiality analysis, as well as in its policies, actions, goals and indicators, where relevant.

LACROIX has chosen to publish certain information on non-material sustainability issues in this sustainability report, in order to highlight existing practices in relation to these issues.

Limits

The estimates used by LACROIX were drawn up on the basis of the information available at the date the sustainability report was drawn up.

The decarbonization targets defined by LACROIX and the assessment of their compatibility with the objectives set out in the Paris Agreement are established on the basis of current scientific knowledge, as reflected in the SBTi methodological reference framework. This information is likely to be updated as knowledge evolves, as is the information on the expected reductions in GHG emissions.

The information published concerning the financial resources required to implement the transition plan for the mitigation of climate change is limited to budgeted expenditure at the date this report was drawn up. However, additional expenditure is likely to be identified in future years.

This is finally the case for the gender pay gap indicators and the total annual compensation ratio: for this first year of reporting, the gender pay gap was calculated for the France perimeter, just like the equity ratio, which is also calculated solely for the France perimeter.

The main uncertainties associated with reporting the information presented in the sustainability report are detailed in the methodology note.

Omissions

In application of the provisions described in Appendix C of ESRS 1 «List of phased-in publication requirements», certain information has been omitted from this first sustainability reporting exercise.

LACROIX has not made use of the possibility, provided for in ESRS 1, section 7.7, to omit certain information relating to intellectual property, know-how or the results of innovation.

Data points not available for this first exercise are mentioned in the corresponding ESRSs and a complete list is available in the methodological note.

LACROIX's approach to determining material disclosures

To carry out our materiality analysis, we set materiality thresholds to determine our material IROs. Once identified, material IROs were associated with ESRS data points via EFRAG's Implementation Guidance 3 Excel file. For the first reporting year, we have not retained voluntary data points and those subject to a transitional arrangement (with a few exceptions).

Taxonomie

The methodological choices specific to taxonomic reporting are detailed in the dedicated section. These choices concern the change in assessment of eligible activities for the Electronics scope in relation to the 2023 financial year and the disclosure of information relating to the alignment.

Governance

The role of management and administrative bodies in relation to sustainability

The Group's positive impact strategy, policies, actions and objectives, as well as published sustainability information, are proposed by the Impact and Sustainable Development VP, submitted to the Executive Committee and the CSR Committee of the Board of Directors for their opinion, and validated by LACROIX's General Management.

Through their professional backgrounds, the Impact and Sustainable Development VP and the members of the CSR Committee of the Board of Directors have in-depth knowledge of sustainability issues, in particular the impacts, risks and opportunities (IROs) associated with the electronics sector.

During 2024, the Impact and Sustainable Development VP, members of the Executive Committee and members of the CSR Committee of the Board of Directors contributed to the selection of LACROIX's material IROs, which the Executive Committee took into account when drawing up the 2027 strategic plan.

The results achieved in implementing our policies and actions, and in meeting our sustainability goals, are presented at least once a year to the Executive Committee and the CSR Committee of the Board of Directors, which are also responsible for monitoring the material IROs and deciding whether they should be updated at least every three years.

The risks associated with sustainability issues are included in the Group's overall risk analysis.

Integrating sustainability issues into the variable remuneration of management bodies

The implementation of LACROIX's positive impact strategy and the achievement of its sustainability goals are highly dependent on the commitment and personal involvement of its managers. To reflect the importance of these issues for the Group in our remuneration policy, targets relating to sustainability issues have been included in the variable remuneration criteria for its key executives since 2023.

In 2023, only the CEO and Deputy CEO of LACROIX were concerned.

In 2024, all eight members of the Executive Committee included sustainability targets in their variable remuneration.

In 2025, the integration of sustainability goals into variable remuneration will be extended to site managers and certain Vice-Presidents of the Electronics and Environment activities, i.e. around 20 of LACROIX's key executives.

Sustainability objectives are individual and depend on the position and responsibilities of each person concerned, representing between 10% and 20% of variable remuneration.

The sustainability goals included in the remuneration of the Group's executives include the following:

- Improving the Impact Score, which measures the proportion of sales generated by products that contribute to the ecological transition
- Achieving the target of 100% of new LACROIX Environment products being ecodesigned.
- Reducing the Group's carbon footprint
- Achieving the CSR supplier evaluation target
- Increasing the number of sites awarded the Great Place To Work label

The nature of the sustainability goals and their share in the variable remuneration of the people concerned are reviewed every year by the Executive VP in charge of Human Resources and by the Impact and Sustainable Development VP, and are validated by LACROIX's General Management.

Reasonable vigilance process

As LACROIX is not subject to French Law No. 2017-399 of 27 March 2017 on the duty of care of parent companies and originator companies, we have not implemented a reasonable vigilance process as described by disclosure requirement GOV 4 of European Sustainability Reporting Standard (ESRS) No. 2.

However, the social and environmental impacts upstream of our value chain are material issues for LACROIX and are taken into account through policies, actions and objectives which are detailed in the relevant ESRS.

Risk management and internal controls over sustainability reporting

Risks relating to the quality of information published by LACROIX on sustainability are assessed by the Sustainable Development and Human Resources teams as part of the definition of internal control procedures.

The main risks identified relate to potential errors in the collection of quantitative environmental and social data by a large number of contributors at all the Group's sites.

We have taken a number of steps to limit these errors:

- Drafting of reporting protocols defining precisely the data expected, as well as the rules for calculating them
- Training and support for contributors throughout the fundraising campaign
- Consistency checks carried out by the Sustainable Development and Human Resources teams on all quantitative environmental and social data

Strategy

Presentation of our activities

Committed to the belief that technology should contribute to promoting simple, sustainable and safer environments, LACROIX supports its customers in developing more sustainable living ecosystems through useful, robust, and secure electronic equipment and connected technologies.

As a listed family company with €636 million in revenue in 2024, LACROIX combines agile innovation, industrialization capacity, cutting-edge technological know-how, and a long-term vision to address environmental and social challenges through its two main activities: Electronics and Environment.



3 799
EMPLOYEES
(4 154 IN 2023)

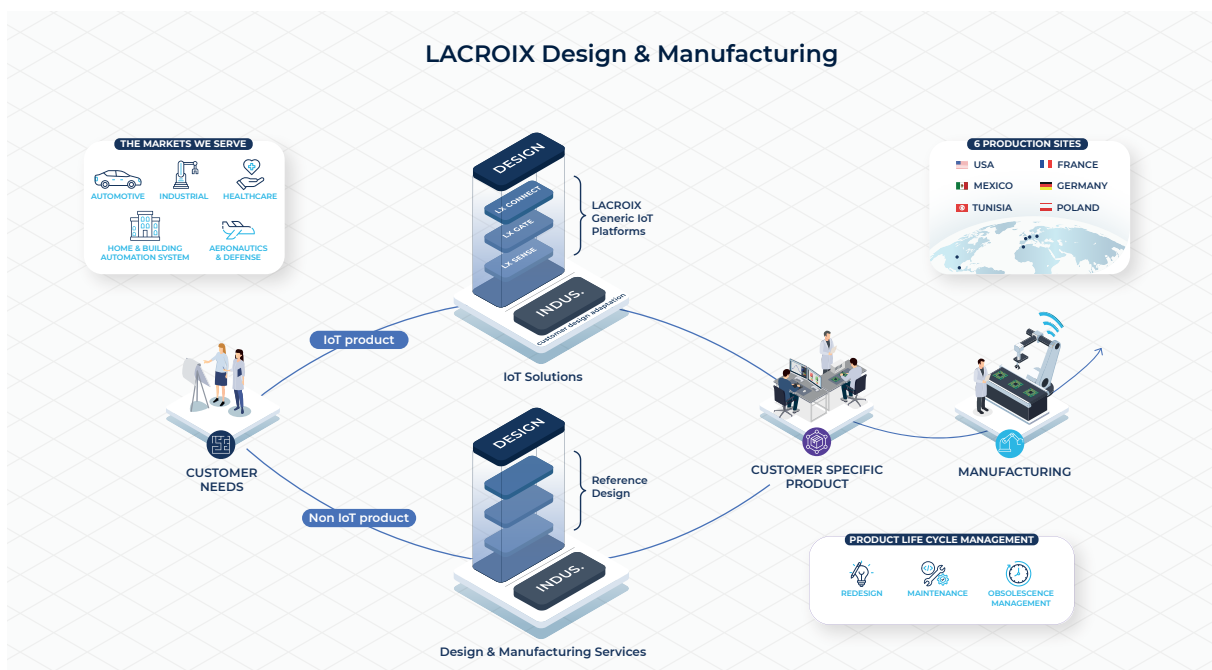


€494 M
REVENUE 2024
(€562 M IN 2023)

Ranked among the world's TOP 50 and Europe's TOP 10 electronic subcontractors, LACROIX's Electronics division designs and manufactures industrial IoT solutions and electronic equipment, including embedded systems, for its customers, leveraging advanced R&D capabilities and Industry 4.0 production techniques.

Positioned across the automotive, industrial, connected home and building, aerospace and defence, and healthcare sectors, the Electronics division operates a design centre and 6 production plants, serving markets in Europe, North America, and North Africa.

With 3,799 employees in 6 countries around the world (including via wage portage in Mexico), it will generate revenue of €494 million in 2024.





439
EMPLOYEES
(313 IN 2023)

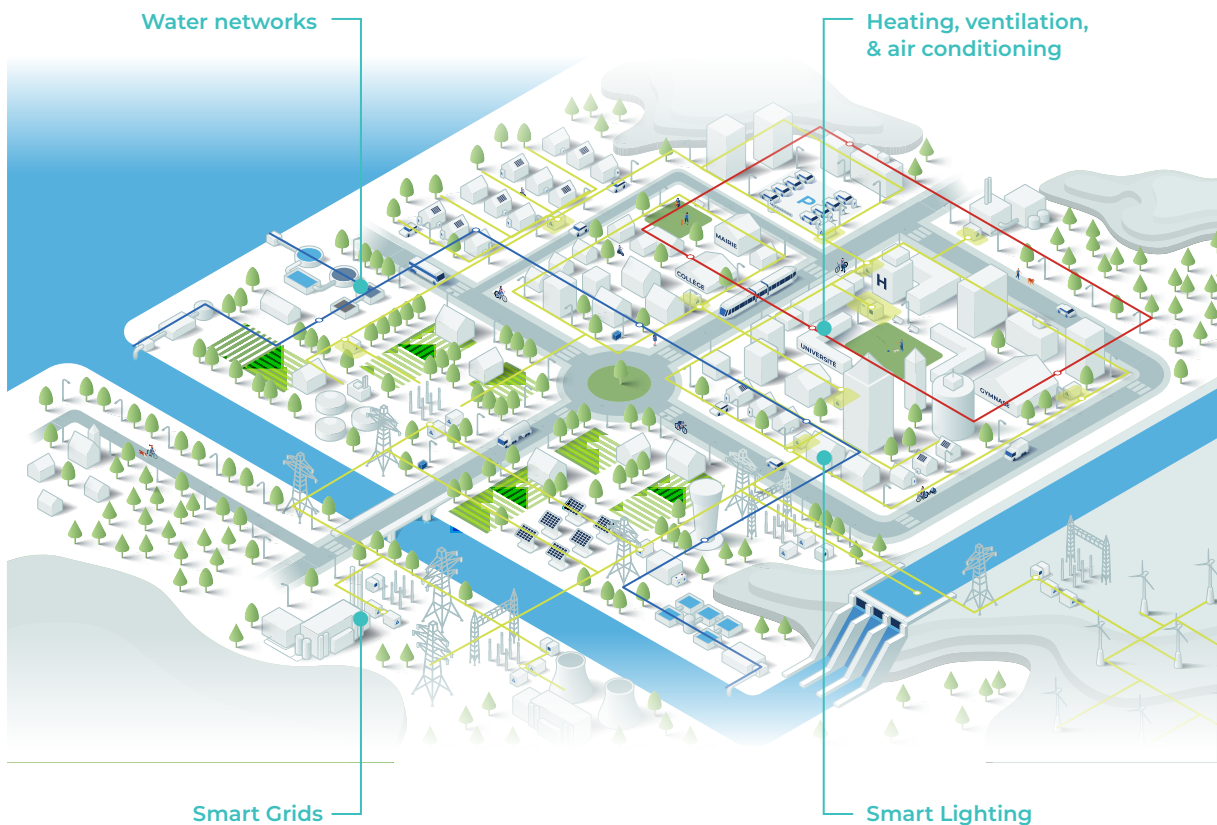


123 M€
REVENUE 2024
(€113 M IN 2023)

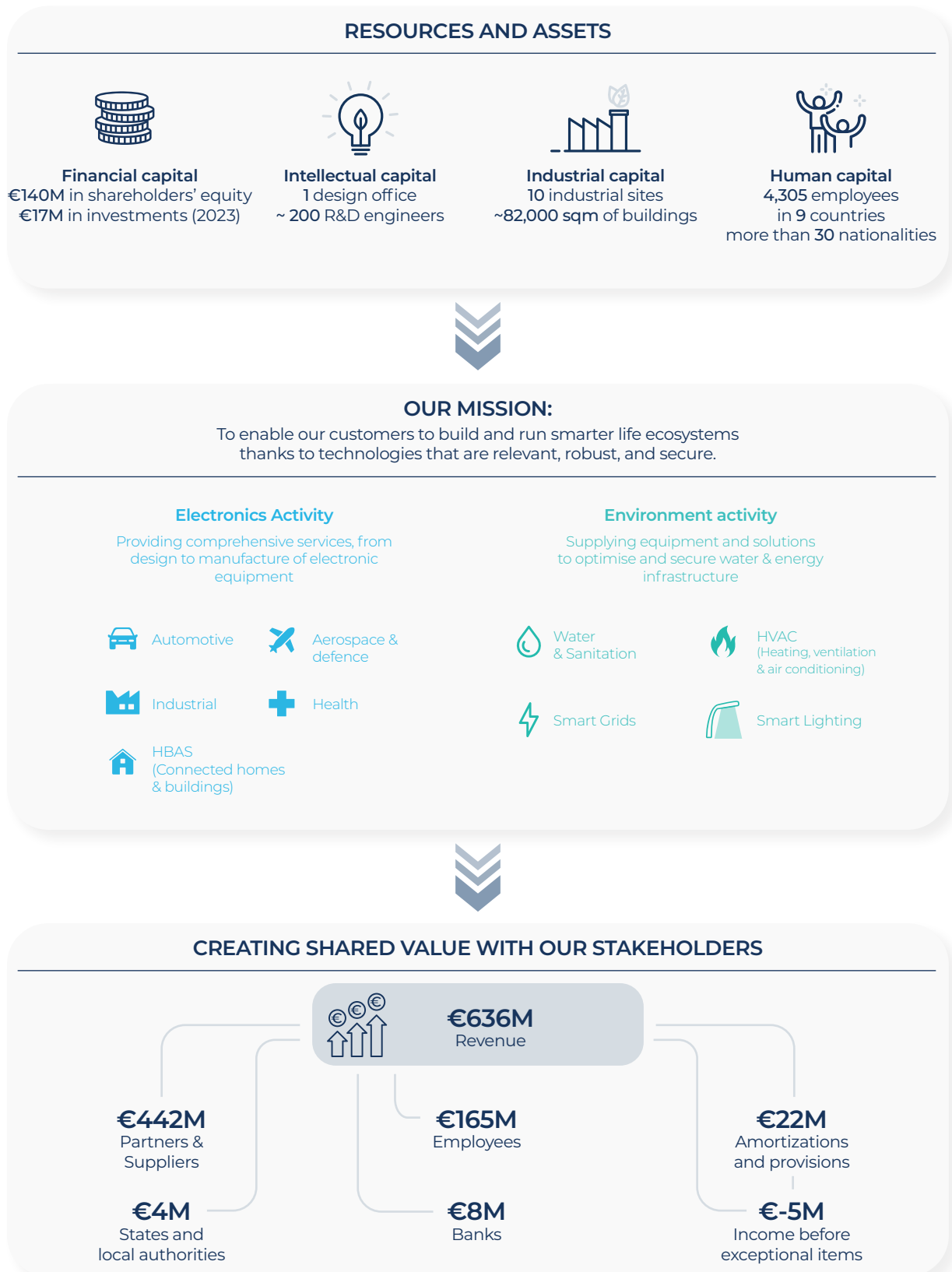
LACROIX's Environment activity provides both public and private customers with connected and secure equipment and solutions for water networks, heating, ventilation and air conditioning installations, electrical networks and street lighting, to optimize the management and remote control of their infrastructures.

Aiming to become a world leader in industrial IoT for critical applications, the Environment activity offers a comprehensive range of equipment and solutions for the control, operation, and performance of critical water and energy infrastructure.

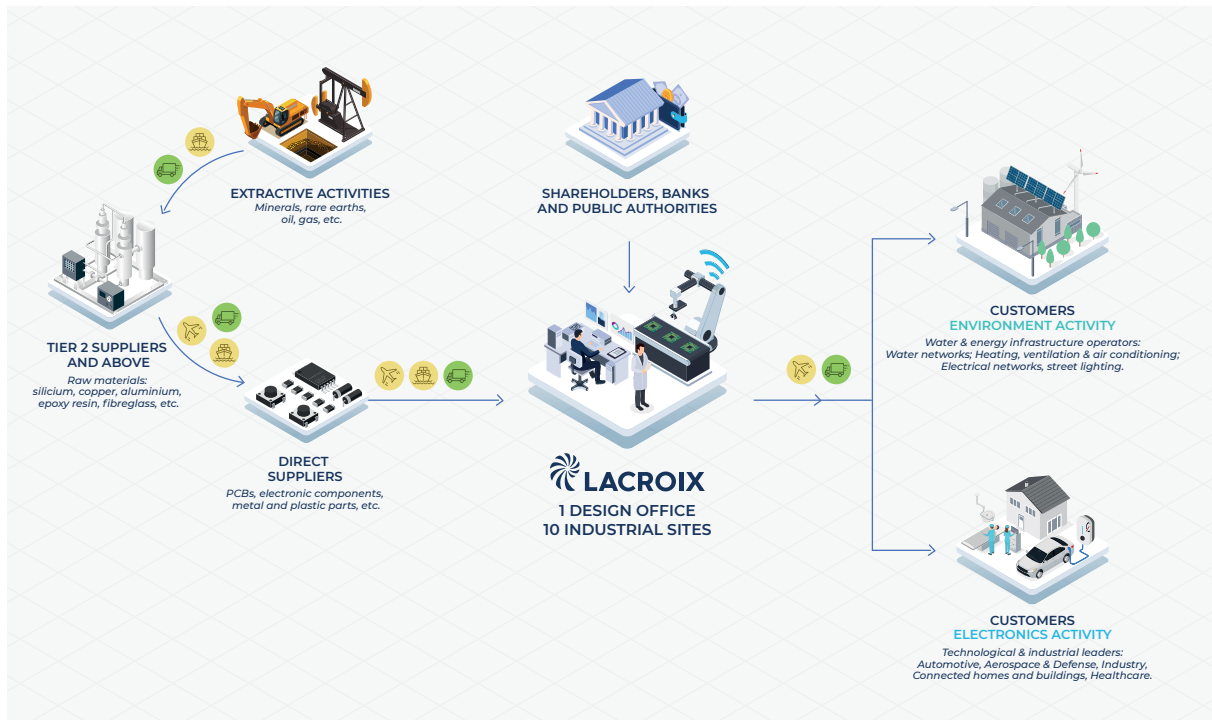
Operating in 7 countries with sales of €123 million in 2023, LACROIX's Environment activity employs 439 people. It distributes its products in over 30 countries through a network of international distributor partners.



Business model



Value chain



Positive impact strategy

In December 2023, LACROIX published its positive impact strategy and 2030 impact objectives.

Our vision



We don't believe that the solution to the ecological crisis is purely technological, but we are convinced that technology is essential for tackling environmental and societal challenges.

In a world where energy and resources are increasingly scarce and precious, the technologies we choose and develop must prove to be both useful and resource-efficient.

Our commitment to useful, ecodesigned technology is a core component of our positive impact strategy.



Extract from the LACROIX manifesto

Our 4 commitments

To make our commitment to useful and ecodesigned technology a core part of our strategy and operations, we have established four key commitments and eleven priorities. These are aligned with the most significant environmental and social issues related to our activities.



GROW POSITIVE-IMPACT BUSINESS

Focus on positive impact solutions

-

Create sustainable business models



DESIGN ECO-EFFICIENT SOLUTIONS

Eco-design our products

-

Develop plain digital solutions



RUN SUSTAINABLE OPERATIONS

Reduce our greenhouse gas emissions

-

Limit other environmental impacts

-

Improve practices in our supply chain



COMMIT TO OUR PEOPLE AND ACT LOCALLY

Care & share

-

Empower our people





-

Promote diversity and equity

-

Act local

Our objectives for 2030

| | Impact indicators | 2024 | Objectives |
|--|--|---|--|
|  | GROW POSITIVE-IMPACT BUSINESS Share of impact products in revenue | 67% | 80% |
|  | DESIGN ECO-EFFICIENT SOLUTIONS Share of new LACROIX eco-designed products | 71% | 100% in 2025 |
|  | RUN SUSTAINABLE OPERATIONS GHG emissions scopes 1&2 GHG emissions scope 3 Waste generated per €K of revenue Share of purchasing spend covered by a CSR assessment | 11,1 KtCO ₂ e 2,76 MtCO ₂ e 2,8 kg In progress | -55% in 2033 vs 2023 -61% in 2033 vs 2023 2kg in 2030 75% in 2025 |
|  | COMMIT TO OUR PEOPLE AND ACT LOCALLY LACROIX sites Great Place to Work certified Women in management | 53% 35% | 100% in 2030 40% in 2030 |

Relations with stakeholders

Dialogue with stakeholders

LACROIX maintains a regular dialogue with its main stakeholders, with the aim of better understanding their priorities and meeting their expectations.

The table below sets out the details of this dialogue:

| Value chain level | Stakeholders | Dialogue procedures |
|---|---|--|
| Upstream | Trade accounts payables | <ul style="list-style-type: none"> Regular bilateral exchanges Annual evaluation of each supplier's CSR performance Supplier Conventions organized every year by our different activities/BUs |
| Own activities | Employees and trade unions | <ul style="list-style-type: none"> Annual Great Place To Work survey of all Group sites Regular dialogue at each of our sites with employee representative bodies, whose configuration varies according to local legislation (for more details, see the Organization of social dialogue section of ESRS S1). |
| Upstream, Own Activities and Downstream | Public authorities | <ul style="list-style-type: none"> Partnerships at Group and local level on specific issues |
| Own activities | Representatives of the electronics industry | <ul style="list-style-type: none"> Involvement in national and local bodies |
| Own activities | Academic, innovation and research sector | <ul style="list-style-type: none"> Partnerships with certain players: schools, universities, training centres, technical centres, etc. |
| Own activities | Regional and local communities | <ul style="list-style-type: none"> Dialogue organized at each site, depending on the local context |
| Own activities | Shareholders / Investors | <ul style="list-style-type: none"> Financial Communication Annual General Meeting |
| Own activities | Banks / Insurance | <ul style="list-style-type: none"> Contractual relations |
| Own activities | Associations / NGOs | <ul style="list-style-type: none"> Occasional exchanges on specific subjects |
| Downstream | Customers | <ul style="list-style-type: none"> Regular bilateral exchanges Participation in supplier conventions organized by them |

Taking stakeholders' interests and viewpoints into account

As well as maintaining a regular dialogue with our stakeholders, we also consult them at key stages in our sustainability process, to ensure that their interests and views are taken into account.

Our main stakeholders were consulted during the development of our positive impact strategy in 2022/2023, and again when we carried out our dual materiality analysis as part of the implementation of the CSRD in 2024.

The results of these consultations have been taken into account in the decisions taken by LACROIX. In both cases, they were communicated to the LACROIX Executive Committee and, for the dual materiality analysis, also to the CSR Committee and the Audit Committee of the Board of Directors.



DUAL MATERIALITY ANALYSIS

The dual materiality analysis of sustainability issues, which has enabled us to determine the material IROs, i.e. those that are most important in terms of our activities, forms the basis of our sustainability report.

Focus - Dual materiality]

- Impact materiality corresponds to the negative or positive impact of the company on the environment and society.
- Financial materiality corresponds to the risks and opportunities that the environment and society represent for the company.

Methodology

In order to meet the ESRS requirements, we have taken the following guidelines into account:

- Materiality assessment Implementation guidance, EFRAG, May 2024
- Deploying ESRS: A steering tool for transition, ANC, December 2023

Our materiality analysis was carried out in the 2nd half of 2024, using the process described below. We plan to update it every three years.

Consolidation scope

Environmental and social IROs have been identified and evaluated for all our own activities and for the countries in which we operate.

We have also identified and assessed IROs up and down our value chain. On the upstream side, and in particular for the assessment of IROs related to «Workers in the value chain» (ESRS S2), we focused mainly on our Tier 1 suppliers.

A more detailed description of the scope considered for the environmental, social and governance information contained in this report is given in the methodology note.

Identification of potential IROs

In order to identify CSR issues and potentially material IROs in relation to LACROIX's activities, we used various sources:

- Regulatory: ESRS 1 Application Requirement 16
- Internal sources: LACROIX positive impact strategy; analysis of risks and opportunities for LACROIX in a low-carbon world (carried out as part of the ACT Step by Step approach)...
- External sources: GRI thematic standards, SASB sector standards, benchmarking of practices of the main players in our business sector, etc.
- Interviews with certain external stakeholders: customers, shareholders and investors, public authorities, etc.

It should be noted that when identifying potential material risks and opportunities for LACROIX, the Group's dependence on natural, human and social resources was taken into account through consultations with the Group's main business lines and a review of existing literature.

At the end of this analysis, we identified 50 potentially material IROs:

- 19 negative impacts
- 5 positive impacts
- 17 risks
- 9 opportunities

Stakeholders consulted

In assessing the IROs, we took into account the views and expectations of internal and external stakeholders:

- Internal stakeholders: interviews were conducted with members of the Executive Committee, members of the CSR Committee of the Board of Directors and the Impact and Sustainable Development VP.

- External stakeholders: we have assessed the materiality of IROs on the basis of interviews conducted with certain stakeholders (customers, shareholders and investors, public authorities, etc.) during our previous materiality analysis in 2022 and numerous sources from the literature (particularly concerning the point of view of civil society and our suppliers).

Assessment criteria

Potential IROs were assessed taking into account the following criteria, in accordance with publication requirements 3.4 and 3.5 of the ESRS 1:

- Negative impacts: the significance of the impact (which depends on its scale, extent and irremediable nature) and its probability of occurrence (in the case of potential impacts).
- Positive impacts: the significance of the impact (which depends on its scale and extent), and its probability of occurrence (in the case of potential impacts).
- Risks and opportunities: the magnitude of the potential financial impact and its probability of occurrence.

For potential / future IROs, we have considered the following time horizons:

- Short term: < 1 year
- Medium-term: 1 to 5 years old
- Long term: > 5 years old

It should be noted that in accordance with the requirements of ESRS 1, in the case of a potential negative impact on human rights, the seriousness of the impact outweighs its probability, which, where applicable, is not considered in the materiality score for the IRO under consideration.

Material IRO selection

We then calculated a weighted average of all the scores given to each potential IRO, giving the various stakeholders a different weighting depending on whether they were concerned with impact materiality or financial materiality:

| | Impact materiality | Financial materiality |
|-----------------------|--------------------|-----------------------|
| Internal stakeholders | 50% | 70% |
| External stakeholders | 50% | 30% |

For financial materiality, we wanted to give more weight to internal stakeholders, who know the company better, its trajectory and what could affect its overall performance. For impact materiality, we chose to give equal weight to internal and external stakeholders.

Each potential IRO was given a materiality score out of 5. The materiality threshold was set at 2.5, with scores ranging from 1.5 to 4.5.

Of the 50 potential IROs evaluated, 36 (72%) were ultimately deemed to be material.

It should be noted that the IROs were assessed on a gross basis, in accordance with the requirements of Appendix B - QC8 of ESRS 1, meaning that the assessment did not take into account the control measures and mitigation actions already in place.

Material impacts, risks and opportunities

The following tables show the IROs that were deemed material for LACROIX following the dual materiality analysis. All ESRs have at least one material IRO, with the exception of ESR S4 - Consumers and end users.

For each material IRO, we indicate to which sub-theme it belongs, its nature (positive or negative impact, risk, opportunity) and which link in our value chain it concerns (upstream, own operations and/or downstream). Impacts are current impacts, unless it is specified that they are potential impacts. A more detailed description of the IROs is presented at the beginning of each thematic ESR.

The policies, actions and objectives we have put in place to address these material IROs are presented in the 'Environment', 'Social' and 'Governance' sections of this report. After analysis, we consider that the current effects of material risks and opportunities on the financial performance of LACROIX are limited and that these risks and opportunities do not present, over the next financial year, a risk of a significant adjustment to the book value of the assets and liabilities appearing in the Group's financial statements.

Note that:

- All the material IROs identified are covered by the published ESR requirements, and that no material IRO specific to Lacroix (which would not be covered by these requirements) has been identified.

| ESRS E1 – Climate change | | | |
|--------------------------------|-----------------------------|--|---|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Adapting to climate change | | | |
| Risk (long term) | Own activities | Poor adaptation of our sites to climate change | High average temperatures, heatwaves, floods or extreme weather events at some of our sites. Risk of production disruption, labour shortages, etc. |
| Risk (long term) | Upstream of value chain | Poor adaptation of our suppliers to climate change | High average temperatures, heatwaves, floods or extreme weather events at supplier sites. Risk of production disruption, supply disruptions or price increases for LACROIX. |
| Opportunity (long term) | Downstream of value chain | Commercial development of LACROIX Environment solutions for adapting to climate change | Greater focus on innovative solutions for adapting to the climate, in particular the production and distribution of decentralized energy. |

| ESRS E1 – Climate change | | | |
|----------------------------------|--|---|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Climate change mitigation | | | |
| Negative impact | Upstream of the value chain + Own activities + Downstream of the value chain | GHG emissions linked to our activities | Approximately 2.8 Mt CO ₂ e in 2024 (scopes 1, 2 and 3), mainly linked to the use of the electronic boards we manufacture, but also to the extraction of raw materials and the manufacture of electronic components and printed circuits. |
| Positive impact | Downstream of value chain | GHG emissions avoided by LACROIX Environment solutions | Solutions offered by our Environment activity (in energy, water and street lighting) enable our customers to avoid greenhouse gas emissions. |
| Risk (short-term) | Own activities | Higher taxes / quotas on GHG emissions | For example, via the European carbon market or the Border Carbon Adjustment Mechanism (BCAM). |
| Opportunity (short-term) | Downstream of value chain | Commercial development of LACROIX Environment solutions to avoid greenhouse gas emissions | Increasing attention being paid by clients to climate change mitigation solutions, particularly public lighting solutions. |
| Opportunity (long term) | Own activities | Easier access to finance for companies with a good climate rating | Growing supply of green loans and subsidized bonds... |
| Energy | | | |
| Negative impact | Own activities | Energy consumption | 29 gWh in 2024, mainly related to electricity consumption at our Electronics plants in Poland, Mexico and Tunisia |
| Negative impact | Upstream of value chain | Energy consumption of our suppliers | Mainly for the extraction of raw materials and the manufacture of electronic components and printed circuits |
| Positive impact | Downstream of value chain | Energy savings thanks to LACROIX Environment solutions | LACROIX Environment offers solutions for optimizing smart grids, public lighting, heating installations and drinking water distribution, enabling our customers to make energy savings. |
| Risk (long term) | Own activities | Rising energy prices | Risk associated with price instability and long-term price rises |
| Risk (long term) | Upstream of value chain | Rising energy prices from our suppliers | Risk of an increase in the cost of our supplies |
| Opportunity (short-term) | Downstream of value chain | Commercial development of LACROIX Environment's energy-saving solutions | Increasing attention being paid by contractors to energy-saving solutions, particularly in street lighting, heating and drinking water distribution. |

| ESRS E2 – Pollution | | | |
|---|-----------------------------|--|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Pollution of air, water and soil | | | |
| Negative impact | Upstream of value chain | Air, water and soil pollution in the upstream electronics sector | Emissions of fine particles, aquatic ecotoxicity, acidification, mainly from the extraction of raw materials and the manufacturing stages in our supply chain. |

| ESRS E3 – Water and marine resources | | | |
|--------------------------------------|-----------------------------|---|---|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Water | | | |
| Negative impact | Upstream of value chain | Water consumption by our suppliers | Large quantities of water are used to extract raw materials and manufacture PCBs and components... |
| Positive impact | Downstream of value chain | Water savings thanks to LACROIX Environment solutions | LACROIX Environment offers drinking water distribution and treatment solutions that save water |
| Risk (long term) | Upstream of value chain | More difficult access to water for mining groups and manufacturers of electronic components | Increased production difficulties for our suppliers could lead to supply disruptions and price rises. |
| Opportunity (medium term) | Downstream of value chain | Commercial development of LACROIX Environment's water-saving solutions | Increasing focus on innovative water-saving solutions, particularly in drinking water distribution and treatment networks |

| ESRS E4 – Biodiversity and ecosystems | | | |
|--|-----------------------------|---|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Direct drivers of biodiversity loss; Impacts on the status of species; Impacts on the extent and status of ecosystems; Impacts and dependencies on ecosystem services | | | |
| Negative impact | Upstream of value chain | Pressure on biodiversity in the upstream electronics sector | Particularly in the extractive sector, which supplies the fossil fuels and mineral resources needed for our activities |

| ESRS E5 – Circular economy | | | |
|--|-----------------------------|--|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Incoming resource flows, including resource utilization | | | |
| Negative impact | Own activities | Minerals, metals and fossil fuels used in our activities | Around 11,500 t of materials (PCBs, electronic components, metal, plastic and cardboard) were used to manufacture our products in 2024. |
| Risk (long term) | Upstream of value chain | Increasing scarcity of strategic materials and low-carbon transition resources | A fall in production and/or export restrictions on the rare earths, metals and electronic components we use could lead to supply difficulties and higher prices. |
| Outflows of resources linked to products and services | | | |
| Risk (long term) | Upstream of value chain | Regulatory constraints on repair, collection, reuse, etc. | These constraints could require us to make structural changes to the economic model of our Environment activity. |
| Opportunity (long term) | Downstream of value chain | Boom in circular economy solutions | Opportunity for additional, recurring business for our Environment activity, particularly through the increasing servitization of our offerings |
| Waste | | | |
| Negative impact | Own activities | Waste production | Around 1,800 tonnes of waste in 2024 (mainly cardboard and plastic packaging) |
| Negative impact | Upstream of value chain | Waste production by our suppliers | The extractive and manufacturing industries in our supply chain produce large quantities of waste (rubble, industrial waste, etc.). |
| Negative impact | Downstream of value chain | Environmental impact of end-of-life electronic products | The accumulation and processing of electronic waste consumes energy and generates pollution. |

| ESRS S1 – Company employees | | | |
|--|-----------------------------|---|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Working conditions | | | |
| Negative impact | Own activities | Working conditions for our employees | Employment of around 4,300 people worldwide, including some 4,100 employees at our production sites. Relevant sub-subtopics : Health and safety, Adequate wages, Social dialogue, Freedom of association, Collective bargaining |
| Risk (short-term) | Own activities | Inadequate working conditions and unhappiness at work | Risk of damage to the company's image, difficulties in recruiting and retaining employees... Relevant sub-subtopics : Health and safety, Adequate wages, Social dialogue, Freedom of association, Collective bargaining |
| Equal treatment and equal opportunities for all | | | |
| Negative impact | Own activities | Equity and diversity issues among our employees, worldwide. | Diversity and inclusion: Negative impact in the short and medium term linked to the lack of equal treatment and opportunities for all within the organization. |
| Negative impact | Own activities | Training and skills development for our employees | Talents and skills: Negative impact on employees in the medium and long term if there is a lack of training and support when they take up their jobs. |
| Risk (short-term) | Own activities | Insufficient consideration of equity and diversity | Risk of damage to employer brand and difficulties in recruiting and retaining employees... |

| ESRS S2 – Workers in the value chain | | | |
|--|-----------------------------|---|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Working conditions; Equal treatment and equal opportunities for all | | | |
| Negative impact | Upstream of value chain | Working conditions and equal treatment for employees of our partner TECMA in Mexico | Employment of around 1,100 people via wage portage at our Electronics plant in Mexico. Relevant sub-sub-themes: health and safety, local employment regulations, training |
| Working conditions; Other employment rights | | | |
| Negative impact | Upstream of value chain | Working conditions and fundamental employee rights at our suppliers' sites | Complex value chain, with many levels of subcontracting, mainly industrial and located in Asia Relevant sub-sub-themes: Health and safety and employment rights |

| ESRS S3 – Affected communities | | | |
|---|-----------------------------|---|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Economic, social and cultural rights of communities; Civil and political rights of communities; Rights of indigenous peoples | | | |
| Negative impact | Upstream of value chain | Violation of the rights of affected communities | Particularly in the extractive sector (mining, etc.) |

| ESRS G1 – Conduite des affaires | | | |
|--|-----------------------------|--|---|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Corporate culture; Whistleblower protection; Supplier relationship management, including payment practices; Bribery and kickbacks | | | |
| Negative impact | Own activities | The challenges of doing business as an international group with thousands of suppliers | Revenue of €636 million, nearly 3,000 suppliers, hundreds of customers and operations in almost 15 countries... |

ENVIRONMENTAL INFORMATION

European taxonomy

The EU Green Taxonomy is a system for classifying economic activities to identify those that are environmentally sustainable. The taxonomy was launched by the European Commission in 2018 to steer private investment towards the most sustainable activities, with a view in particular to achieving climate neutrality by 2050, in line with the European Green Deal goals.

In accordance with Regulation (EU) 2020/852 of June 2020, supplemented by Delegated Regulation (EU) 2021/2139 of June 2021 and Delegated Regulation (EU) 2023/2486 of June 2023 of the European Commission, LACROIX has analysed the eligibility and alignment of its activities in financial year 2024 with the European Taxonomy.

This year, as part of the overhaul of our extra-financial reporting as part of the implementation of the CSRD, we have changed our approach to the eligibility of our Electronics business. Instead of analysing, as we did in previous years, the eligibility of the hundreds of end products in which the electronic boards we manufacture are found, we have decided to consider only our electronic board manufacturing activity, which is eligible under the «Manufacture of electrical and electronic equipment» activity, cited by the European Commission's Delegated Regulation (EU) 2023/2486 as making a substantial contribution to the transition to a circular economy.

In addition, as in 2023, we will carry over this year on the eligibility of our activities, but not on their alignment. While, in 2024, we were able to determine the compliance of our activities with the Do No Significant Harm (DNSH) principle (according to which, to be considered aligned, economic activities must not cause significant harm to the other environmental objectives defined by the European Taxonomy), as well as with the minimum social safeguards, we are not yet in a position to rule on their compliance with the technical criteria of the various economic activities to which they belong.

Accordingly, although a significant proportion of LACROIX's eligible activities are a priori aligned with the sustainability criteria of the European Taxonomy, we now consider that they are not. We are in the process of completing the analysis of the technical criteria for our various activities and will be able to report on their alignment with the European taxonomy in 2025.

Note that the Road sign segment, which will be sold in 2024, and the Mobility segment, which is in the process of being sold, are not included in the information presented in this section.

Revenue 2024 - Eligibility and alignment of LACROIX activities with the European taxonomy

The table below shows, for each of the 6 environmental objectives of the taxonomy, the share of LACROIX revenue that is eligible and aligned. As an activity may be eligible for several objectives, it is possible that the sum of the % of revenue eligible for the different objectives is greater than 100%.

| | Sales as a proportion of total revenue | |
|--|--|--|
| | Eligible for taxonomy by objective | Aligned with the taxonomy by objective |
| Climate Change Mitigation (CCM) | 10% | 0% (not assessed) |
| Climate Change Adaptation (CCA) | 6% | 0% (not assessed) |
| Water and Marine Resources (WTR) | 9% | 0% (not assessed) |
| Circular Economy (CE) | 99% | 0% (not assessed) |
| Pollution Prevention and Control (PPC) | 0% | 0% (not assessed) |
| Biodiversity and ecosystems (BIO) | 0% | 0% (not assessed) |

The tables below indicate which category of each of the six environmental objectives (see «Code» column) our different products are eligible for (see Economic activities column) and to which environmental objective they contribute most (category in bold in the Code column).

LACROIX designs and manufactures:

- Within its Electronics Division: electronic equipment, mainly printed circuit boards, for customers operating in the automotive, aeronautical, connected homes and buildings (HBAS) and industrial sectors.
- Within its Environment activity: industrial IoT solutions to meet environmental and societal challenges in the fields of water, energy, heating, ventilation and air conditioning (HVAC) and public lighting.

| | | | | Substantial contribution criteria | | | | | |
|---|---------------------------|--------------|-----------------------------------|-----------------------------------|--------------------------------|-----------|---------------|----------------------|-------------------|
| Economic activities (1) | Code (a) (2) | Revenue (3) | Proportion of revenue, year N (4) | Climate change mitigation (5) | Adapting to climate change (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) |
| A.2. Activities eligible under the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (g) | | | | | | | | | |
| Environment Activity | | | | | | | | | |
| SOFREL | | | | | | | | | |
| HVAC : remote management of facilities | CCM 3.5 - CCA3.5 - CE1.2 | 8 405 733 € | 1,36% | EL | EL | N/EL | N/EL | EL | N/EL |
| HVAC: remote management data exploitation | CCM 8.2 | 285 077 € | 0,05% | EL | N/EL | N/EL | N/EL | N/EL | N/EL |
| Water : clean water and waste water data management | WTR 4.1 | 1 316 844 € | 0,21% | N/EL | N/EL | EL | N/EL | N/EL | N/EL |
| Water: waste water collection | WTR 2.2 - CE1.2 | 1 966 895 € | 0,32% | N/EL | N/EL | EL | N/EL | EL | N/EL |
| Water: clean water production and distribution | WTR1.1 - CE1.2 | 52 686 612 € | 8,53% | N/EL | N/EL | EL | N/EL | EL | N/EL |
| SAE-IT SYSTEMS | | | | | | | | | |
| Smart grids and electricity distribution | CCM3.20 - CCA4.9 - CE1.2 | 25 994 681 € | 4,21% | EL | EL | N/EL | N/EL | EL | N/EL |
| Natural gas distribution and other applications | CE1.2 | 923 794 € | 0,15% | N/EL | N/EL | N/EL | N/EL | EL | N/EL |
| District heating & pipe monitoring | CCM4.15 - CCA4.15 - CE1.2 | 30 543 € | 0,00% | EL | EL | N/EL | N/EL | EL | N/EL |
| Water networks | CCM3.20 - CCA4.9 - CE1.2 | 676 292 € | 0,11% | EL | EL | N/EL | N/EL | EL | N/EL |
| PUBLIC LIGHTING | | | | | | | | | |
| Electrical connection and remote management | CCM6.13 - CE1.2 | 28 433 633 € | 4,60% | EL | N/EL | N/EL | N/EL | EL | N/EL |

| | | | | Substantial contribution criteria | | | | | |
|--|--------------|---------------|-----------------------------------|-----------------------------------|--------------------------------|-----------|---------------|----------------------|-------------------|
| Economic activities (1) | Code (a) (2) | Revenue (3) | Proportion of revenue, year N (4) | Climate change mitigation (5) | Adapting to climate change (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) |
| Electronics Activity | | | | | | | | | |
| EMEA | | | | | | | | | |
| Design and manufacture of electronic equipments | CE1.2 | 353 123 761 € | 57,17% | N/EL | N/EL | N/EL | N/EL | EL | N/EL |
| Electronics Activity | | | | | | | | | |
| NA | | | | | | | | | |
| Design and manufacture of electronic equipments | CE1.2 | 141 132 543 € | 22,85% | N/EL | N/EL | N/EL | N/EL | EL | N/EL |
| Revenue from activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2.) | | 614 976 407 € | 99,56% | 10% | 6% | 9% | 0% | 99% | 0% |
| A. Revenue from activities eligible for the taxonomy (A.1. + A.2.) | | 614 976 407 € | 99,56% | 10% | 6% | 9% | 0% | 99% | 0% |
| B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY | | | | | | | | | |
| Revenue from activities not eligible for the taxonomy | | 2 703 192 € | 0,44% | | | | | | |
| TOTAL (A. + B.) | | 617 679 599 € | 100% | | | | | | |

OPEX 2024 - Eligibility and alignment of LACROIX activities with the European taxonomy

The OPEX presented below correspond to direct non-capitalized costs of short-term leases, R&D, maintenance and repairs.

Within each activity, we have assumed that OPEX in 2024 will serve all the different product categories. The share of eligible OPEX therefore corresponds to the share of eligible revenue for each activity.

| | OPEX (€k) | Eligible OPEX (€k) | Share of eligible OPEX (%) | Main category of eligibility | Eligible OPEX (€m) | Share of aligned OPEX (%) |
|----------------------|---------------|--------------------|----------------------------|------------------------------|-------------------------|---------------------------|
| LACROIX GROUP | 10 967 | 10 919 | 99,6% | CE1-2 | 0 (not assessed) | 0 (not assessed) |
| LACROIX CORP | 191 | 0 | 0,0% | - | 0 (not assessed) | 0 (not assessed) |
| ENVIRONMENT | 2 893 | 2 830 | 97,8% | CE1-2 | 0 (not assessed) | 0 (not assessed) |
| ELECTRONICS | 7 883 | 7 883 | 100,0% | CE1-2 | 0 (not assessed) | 0 (not assessed) |

CAPEX 2024 - Eligibility and alignment of LACROIX activities with the European taxonomy

Within each activity, we have assumed that CAPEX in 2024 will serve all the different product categories. The share of eligible CAPEX therefore corresponds to the share of eligible sales for each activity.

| | CAPEX (€k) | Eligible CAPEX (€k) | Share of eligible CAPEX (%) | Main category of eligibility | Eligible CAPEX (€m) | Share of aligned CAPEX (%) |
|----------------------|---------------|---------------------|-----------------------------|------------------------------|-------------------------|----------------------------|
| LACROIX GROUP | 16 596 | 16 523 | 99,6% | CE1-2 | 0 (not assessed) | 0 (not assessed) |
| LACROIX CORP | 25 | 0 | 0,0% | - | 0 (not assessed) | 0 (not assessed) |
| ENVIRONMENT | 3 225 | 3 154 | 97,8% | CE1-2 | 0 (not assessed) | 0 (not assessed) |
| ELECTRONICS | 13 346 | 13 346 | 100,0% | CE1-2 | 0 (not assessed) | 0 (not assessed) |

ESRS E1 – CLIMATE CHANGE

Identification and assessment of impacts, risks, and opportunities related to climate change (SBM-3)

The activities of LACROIX and its value chain contribute to climate change, but they can also be impacted by its consequences.

Below are the impacts, risks and opportunities relating to climate change that have been deemed material with regard to our activities concerning climate change (adaptation and mitigation) and energy:

| ESRS E1 – Climate change | | | |
|-----------------------------------|-----------------------------|--|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Adapting to climate change | | | |
| Risk (long term) | Own activities | Poor adaptation of our sites to climate change | <p>Climate change poses physical risks to our sites and our employees: high average temperatures, heat waves, floods, droughts, extreme weather events, etc. The potential consequences of these risks (disruption of production, electricity shortages, potential site closures, labour shortages, etc.) may adversely affect our operations, our employees and our profitability in the short, medium or long term.</p> <p>In response, we have carried out risk analyses at each of our sites (see details in the section on Identified physical risks and adaptation to climate change below) and are in the process of putting in place an appropriate action plan at the sites most affected.</p> <p>This risk does not call into question the company's resilience, as the most significant risks are confined to certain, clearly identified sites, and actions are in place or underway to contain their effects.</p> |
| Risk (long term) | Upstream of value chain | Poor adaptation of our suppliers to climate change | <p>The risks detailed above also affect our suppliers throughout our value chain. The consequences are likely to disrupt production and affect our suppliers' sites, employees and profitability, with a risk of supply disruptions or price rises for the various LACROIX BUs in the short, medium or long term.</p> <p>In response, we have put in place a diversified sourcing strategy, which allows us to assert that this risk does not call into question the company's resilience.</p> |
| Opportunity (long term) | Downstream of value chain | Commercial development of LACROIX Environment solutions for adapting to climate change | <p>Some solutions from our Smart Water, Smart Energy, Smart HVAC and Public Lighting BUs help to adapt to climate change, for example by enabling early detection of anomalies in energy and water distribution networks, promoting the development of smart grids, or limiting leaks in drinking water distribution networks. The growing demand for effective solutions for adapting to climate change is an opportunity for the BUs in our Environment activity.</p> |

| Climate change mitigation | | | |
|---------------------------|--|---|--|
| Negative impact | Upstream of the value chain + Own activities + Downstream of the value chain | GHG emissions linked to our activities | <p>LACROIX's GHG emissions (around 2.8 Mt CO₂e in 2024 for scopes 1, 2 and 3) have an impact on climate change. They are mainly due to the use by our customers of the electronic equipment manufactured by our Electronics business and, to a lesser extent, to the manufacture by our suppliers of the components needed to manufacture this equipment (electronic components, printed circuits, metal, plastic, etc.). These emissions are already being observed and will continue to be observed in the short, medium and long term. Climate change has harmful environmental consequences both for nature and ecosystems and for human populations (rising temperatures, droughts, climatic disasters, etc.) and its consequences will have an increasingly strong impact on LACROIX's ability to conduct its operations. In response to this situation, LACROIX has defined a decarbonization trajectory and the policies set out below. This impact does not call into question the company's resilience in the short or medium term, as our own operations are low-carbon.</p> |
| Positive impact | Downstream of value chain | GHG emissions avoided by LACROIX Environment solutions | <p>The solutions offered by our Smart Water, Smart Energy, Smart HVAC and Public Lighting BUs help to avoid greenhouse gas emissions by enabling our customers to save energy, for example by reducing the intensity of street lighting at certain times of the night, or by avoiding the production of drinking water by detecting leaks in pipes.</p> <p>The tool we have developed to quantify the environmental benefits of our solutions, based on ADEME's Empreinte Projet method, enables us to measure precisely the net positive impact of our solutions, in particular the greenhouse gas emissions avoided.</p> <p>We have quantified the emissions avoided for a number of use cases (public lighting, drinking water distribution) and we hope eventually to be able to assess the emissions avoided over one year by all the BUs in our Environment activity.</p> |
| Risk (short-term) | Own activities | Higher taxes / quotas on GHG emissions | <p>The harmful consequences of climate change for the environment and society should encourage governments and international bodies to strengthen tax and/or quota mechanisms relating to GHG emissions, such as the carbon market or the Border Carbon Adjustment Mechanism (BCAM), supported by the European Union.</p> <p>These developments could increase the cost of supplies to LACROIX and affect its profitability in the medium and long term. In response, we are keeping a close eye on regulatory developments and have adopted a strategy of diversification and, where possible and for certain raw materials, of relocating our supplies.</p> <p>This risk does not call into question the company's resilience, because all players will be subject to it and because we have put in place measures to protect ourselves.</p> |
| Opportunity (short-term) | Downstream of value chain | Commercial development of LACROIX Environment solutions to avoid greenhouse gas emissions | <p>Certain solutions from our Smart Water, Smart Energy, Smart HVAC and Public Lighting BUs help to mitigate climate change, in particular by enabling our customers to save energy, as explained above in the description of the positive impact of avoided emissions.</p> <p>The growing demand for effective solutions to mitigate climate change is a commercial opportunity for the BUs in our Environment activity.</p> |
| Opportunity (long term) | Own activities | Easier access to finance for companies with a good climate rating | <p>The consequences of climate change on the environment and society, and the strengthening and standardization of extra-financial reporting through regulations such as the CSRD and the European Taxonomy, should encourage financial players to increase the number of more advantageous financing offers for companies most committed to contributing to the mitigation of climate change, through green loans or subsidized bonds, for example.</p> <p>This development could represent an opportunity for LACROIX, whose maturity on climate issues is, in our view, above average in its sector of activity, with our commitment to SBTi, the construction of our low-carbon trajectory in 2024 as part of the ACT approach and the reporting of our carbon performance to the CDP</p> |

| Energy | | | |
|--------------------------|---------------------------|---|---|
| Negative impact | Own activities | Energy consumption | <p>LACROIX's energy consumption (approximately 29 gWh in 2024), mainly linked to the electricity consumption of our Electronics plants in Poland, Mexico and Tunisia, has an impact on the use of fossil fuels and therefore on climate change, the consequences of which are detailed above in the description of the negative impact linked to our greenhouse gas emissions.</p> <p>In order to limit its energy consumption and give priority to renewable energies, LACROIX is in the process of defining energy intensity reduction targets for all its industrial sites and is planning to increase the supply of renewable electricity to its plants via guarantees of origin. This impact does not call into question the company's resilience in the short or medium term, as the anticipated investments to reduce dependence on fossil fuels are low in relation to the Group's sales.</p> |
| Negative impact | Upstream of value chain | Energy consumption of our suppliers | <p>Throughout our value chain, our suppliers consume significant amounts of energy, mainly fossil fuel-based electricity, in particular for the extraction of raw materials and the manufacture of electronic components, printed circuits, metal and plastic needed to produce the electronic equipment used in our Electronics business.</p> <p>As explained above, fossil fuel consumption has an impact on climate change, with negative consequences for the environment and society.</p> <p>In response, LACROIX is encouraging its suppliers to reduce their energy consumption and use renewable energy in their operations. This impact does not call into question the company's resilience in the short or medium term.</p> |
| Positive impact | Downstream of value chain | Energy savings thanks to LACROIX Environment solutions | <p>As mentioned above, we have developed a tool to quantify the energy savings achieved by the solutions offered by our Smart Water, Smart Energy, Smart HVAC and Public Lighting BUs.</p> <p>We have quantified the energy saved for a number of use cases (public lighting, drinking water distribution...) and we hope eventually to be able to assess the emissions avoided over one year by all the BUs in our Environment activity.</p> |
| Risk (long term) | Own activities | Rising energy prices | <p>Rising energy prices, characterized by instability and a long-term upward trend, represent a significant long-term risk for Lacroix. This situation could affect our production costs, with negative repercussions on our profitability and our ability to offer competitive solutions to our customers.</p> <p>In response to this risk, Lacroix has implemented a group purchasing strategy and initiatives aimed at securing the price of the energy purchased. This risk does not call into question the company's resilience, as all the players will be subject to it and we have put in place a number of measures to reduce it.</p> |
| Risk (long term) | Upstream of value chain | Rising energy prices from our suppliers | <p>The aforementioned rise in energy prices could also have an impact on our suppliers throughout our value chain. This increase could push up the prices of the products we buy from them, and consequently our production costs, with a negative impact on our profitability and our ability to offer competitive solutions to our customers.</p> <p>In response to this risk, Lacroix has implemented a diversified sourcing strategy, which allows us to state that this risk does not call into question the company's resilience.</p> |
| Opportunity (short-term) | Downstream of value chain | Commercial development of LACROIX Environment's energy-saving solutions | <p>As mentioned above, the growing focus on energy efficiency solutions represents a significant short-, medium- and long-term business opportunity for the Smart Water, Smart Energy, Smart HVAC and Public Lighting BUs in our Environment activity.</p> |

Identified physical risks and adaptation to climate change

Climate change poses physical risks to businesses, which is why adapting to climate change is essential to mitigate these risks and ensure the continuity and sustainability of businesses in the long term. In 2024, LACROIX carried out an assessment of climate-related physical risks for all its Electronics and Environment production sites.

Methodology

The assessment was performed using the method developed by the European Union's Mission for Adaptation to Climate Change and the OCARA method developed by the consultancy Carbone 4, which are based on the IPCC's 6th Assessment Report, the TCFD, the EU's taxonomy and the ISO 14090:2019 standard. Physical risks were assessed on the basis of the exposure and vulnerability of our sites to climate-related physical hazards, as well as the likelihood of their occurrence over different time horizons. Upstream and downstream stakeholders are not included in this analysis.

The scope of this assessment covers all of LACROIX's main production sites for the Electronics and Environment activities, covering the majority of our commercial activities and climate exposure. The importance of each site to our business was taken into account by considering its contribution to Group revenue, its number of employees and its size.

Climate-related risks likely to affect our activities, depending on the geographical location and nature of our sites, are taken from the European Commission's Delegated Regulation (EU) 2021/2139.

Out of a total of 28 risks, we selected 15 that apply to our sites. Each risk was assessed on a scale of 1 to 5, from very low to very high.

Climate-related physical hazards were assessed for the following time horizons, in accordance with the recommendations of the methodologies used:

- Short term: 2030
- Medium-term: 2050
- Long term: 2100

Results

Most of the significant climate-related physical risks and vulnerabilities are concentrated at our sites in Juarez, Mexico, and Zriba, Tunisia. Because of their geographical location, these two sites are more exposed to average temperature rises and extreme weather events, in particular heatwaves and floods, which are expected to become more frequent and severe under all emissions scenarios by the end of the century.

Of the 10 sites analysed:

- 3 present no strong (level 4) or very strong (level 5) risk
- 4 present a single strong or very strong risk linked to the deterioration of water quality
- 1 presents 2 strong or very strong risks linked to the deterioration of water quality and flooding
- 2 have several high or very high risks (5 for Juarez and 7 for Zriba), mainly linked to heatwaves, extreme chronic heat, torrential rain/storms and water shortages.

For sites with high or very high risks, we are in the process of defining a roadmap for adapting our facilities.

Transition plan for climate change mitigation

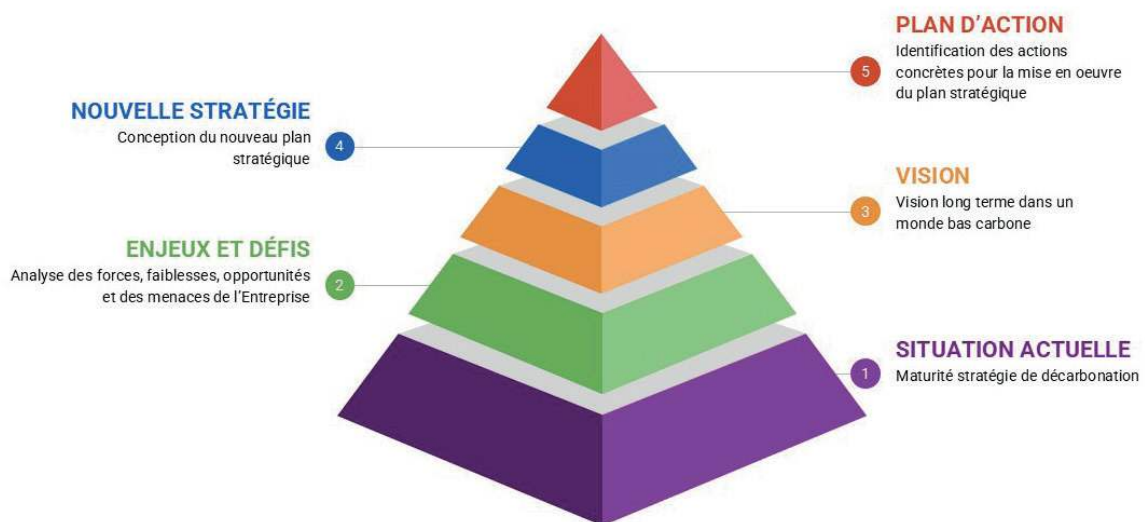
Construction of the climate transition plan

In March 2023, LACROIX committed to the Science Based Targets initiative (SBTi) to set GHG emissions reduction targets aligned with the Paris Agreements (which aims to maintain the increase in global average temperature well below 2°C above pre-industrial levels, and preferably not exceeding +1.5°C) within the next 2 years. In order to set these targets and build a low-carbon trajectory and an operational, budgeted roadmap, in November 2023 we launched an ACT Step-by-Step project, a scheme created and subsidized by ADEME. Throughout 2024, we held workshops with representatives of the various business lines in our Electronics and Environment activities (sales, R&D, purchasing, production, marketing, etc.).

Following a diagnosis of the situation and our current maturity with regard to our GHG emissions and carbon trajectory, we identified the strengths, weaknesses, risks and opportunities presented by LACROIX's business model in terms of climate. We then defined the vision for our Electronics and Environment activities in a low-carbon world. Finally, we built our strategic plan with short-, medium- and long-term decarbonization goals, and a roadmap with concrete, measurable actions to achieve these goals.

LACROIX's climate transition plan, comprising its greenhouse gas reduction targets (scopes 1, 2 and 3), its low-carbon trajectory and the associated roadmap, the actions of which have been budgeted for, was approved by the LACROIX Executive Committee in January 2025. The climate transition plan is integrated into the Leadership 2027 strategic plan and the LACROIX budget.

The GHG emission reduction targets (one for scopes 1&2 and one for scope 3), detailed in the Indicators and targets section of this ESRS, will be submitted to SBTi in March 2025.



Steps in the ACT Step-by-Step method

Levers for decarbonization and key actions

A number of levers have been identified to achieve our GHG emission reduction targets:

Scopes 1 & 2

- Energy consumption on our sites: Reduce consumption at our sites and decarbonize the energy we use.
- Company car fleet: Progressively electrify our company car fleet.

Scope 3

- Electronic board power consumption: Reduce the energy consumption of boards manufactured by our Electronics business by optimizing their architecture and using more energy-efficient components wherever possible.
- Carbon footprint associated with the manufacture of electronic boards: Optimize the weight of boards and, where possible, use printed circuits and electronic components whose manufacture generates fewer greenhouse gas emissions.
- Sales strategy at Electronics: Evaluate the carbon emissions of commercial opportunities and, where possible, give preference to products with the lowest emissions.
- Ecodesign of products in our Environment activity: Reduce the carbon footprint of products by decreasing their weight, favouring low-carbon materials and reducing their energy consumption.
- Freight: Reduce and decarbonize inbound and outbound freight by shortening distances, optimizing journeys and choosing less emissive modes of transport.
- Travel: Reduce and decarbonize business and home-to-work travel by limiting journeys and promoting less carbon-intensive modes of transport

We have estimated that the implementation of these actions will cost a total of €1.6m in OPEX between 2025 and 2033. This amount is limited to budgeted expenditure at the date of this report. However, additional expenditure is likely to be identified over the next few years depending on changes in our GHG emissions.

“Locked emissions” or “blocked emissions”

Some of Lacroix’s assets are responsible for GHG emissions that could constitute an obstacle to the Group’s decarbonization trajectory. To remedy the situation, depending on the impact of these assets, we have initiated or planned corrective actions:

- The energy consumption of products manufactured by LACROIX generates significant quantities of greenhouse gases throughout their life. To reduce emissions from our future products, our R&D teams are working on ecodesign (for more details, see ESRS E5).
- The structure of our buildings: some sites lack insulation and consume a lot of energy. Insulation work is underway or planned at some sites to improve their energy performance.
- Heating systems: for example, as our Willich site has an industrial gas boiler that is still operational, Lacroix will only invest in a newer, lower-emission system when the equipment is no longer in working order.
- The company’s vehicle fleet: LACROIX’s vehicle fleet is leased on a long-term basis. Combustion vehicles currently being leased will gradually be replaced by electric vehicles as they are renewed.

Policies

The major issues relating to climate and energy are included in several of the Group’s policies: Environmental policy, responsible purchasing policy, ecodesign policy, travel policy, etc.

Environment policy

Our specific Environmental policy reaffirms our commitment to:

- Reducing our GHG emissions
- Reducing our energy consumption
- Developing renewable energies
- Working with our suppliers to reduce GHG emissions

It also specifies that our GHG emissions (scopes 1, 2 and 3) are measured every year and that our sites must define targets for reducing their GHG emissions and energy consumption, and implement actions to achieve them (adopting more sober practices, improving their energy efficiency and developing their supply of decarbonized energy).

Responsible Purchasing Policy

In 2024, LACROIX purchased almost 12,000 tonnes of raw materials (PCBs, electronic components, metal, plastic, cardboard, etc.), as well as energy, buildings, vehicles, IT equipment, etc. Excluding the use of products sold, purchases account for more than 80% of the Group's overall carbon footprint.

In order to reduce the energy and carbon footprint of our purchasing as much as possible, our responsible purchasing policy includes the following issues and action levers:

| Key issues | Levers for action |
|--|---|
| Decarbonization & environmental footprint of our suppliers | <ul style="list-style-type: none"> - Evaluating and monitoring the performance of our suppliers - Strengthening contractual clauses |
| Optimizing logistics | <ul style="list-style-type: none"> - Relocation of certain suppliers - Optimizing distances travelled and loading |

For more details, see section ESRS S2

Ecodesign policy

In 2024, the energy consumption of our products accounted for almost 85% of LACROIX's total carbon footprint. Using ecodesign to manufacture more energy-efficient products is the Group's main lever for reducing greenhouse gas emissions.

Our Ecodesign policy, published in 2023, highlights the following issues and action levers:

| Key issues | Levers for action |
|-----------------|--|
| Process | <ul style="list-style-type: none"> - Smarter manufacturing processes - Optimized logistics flows (upstream and downstream) |
| Sobriety of use | <ul style="list-style-type: none"> - Less energy consumption - Less data consumption |
| Cloud | Responsible data centres |

For more details, see ESRS S5 section.

Travel Policy

Our travel policy states that employees should limit their travel to what is strictly necessary and use low-carbon means of transport (train, public transport, electric vehicles, etc.) wherever possible:

- use of the train is mandatory for journeys not exceeding 5 hours
- if you need to hire a vehicle, you must book an electric car for distances of less than 300 km
- if you need to use a chauffeured vehicle/taxi company, electric vehicles should be preferred

The Travel policy also points out that videoconferencing systems offer a quality of remote exchange that should make it possible to avoid numerous journeys.

Actions

The section below details each of the decarbonization levers identified during the construction of our climate transition plan.

Action plan to reduce scopes 1 and 2 GHG emissions

Reduce the energy consumption of our sites and decarbonize the energy used

Thanks to the Eco-Flux diagnostics (ADEME scheme) carried out at our main EMEA sites in 2024, we were able to identify the main sources of energy savings with the help of an expert external consultancy firm. Following these diagnoses, we are in the process of drawing up a climate and environment roadmap for each site, with quantified targets and a roadmap.

The main actions identified to reduce our energy consumption include: insulating buildings, technical management of buildings, detecting compressor leaks, reducing energy consumption during non-production periods, deploying LEDs, optimizing room temperatures, etc. Many actions are already in place or planned at our sites.

As regards the use of renewable energies at our most emissions-intensive sites, several solutions are being studied and will be adapted according to the characteristics of the site, its location and uses: installation of photovoltaic panels and/or purchase of electricity from renewable sources via Guarantees of Origin (GO) or Power Purchase Agreements (PPA).

In 2023, LACROIX joined the Estuaire Energie cooperative, with a view to supplying its French sites over the coming years through renewable power purchase agreements (PPAs). Investigations are also underway at the Group's largest sites abroad, in Poland, Tunisia and Mexico.

Potential reduction in GHG emissions from scopes 1 and 2 by 2033 has been calculated at:

- 10% for actions to reduce our energy consumption
- -47% reduction in the use of renewable energy at our sites

Electrify our fleet of company vehicles

For our sites and teams in EMEA, we have decided to accelerate the electrification of our fleet of around 150 vehicles and the roll-out of charging stations, with the aim of making 100% of our fleet electric by 2030.

With over 100 vehicles in France, Lacroix is covered by the LOM ACT and will therefore follow the recommended timetable for replacing its fleet. To deploy electric vehicles, we plan to have our entire fleet electrified by 2030.

Potential reduction in GHG emissions from scopes 1 and 2 associated with the electrification of our vehicle fleet has been estimated at -10% by 2033.

Action plan to reduce Scope 3 GHG emissions

Potential reductions in our greenhouse gas emissions presented below have been calculated taking into account LACROIX's sales growth assumptions in line with the Group's strategic plan, worked out with the business teams concerned (Marketing and Sales, R&D, Purchasing, Production, etc.) and validated by the Executive Committee.

Reduce the energy consumption of electronic boards

- By optimizing the architecture of the electronic boards manufactured by the Electronics division
- By increasing the proportion of cards for whose design we are responsible
- By encouraging our suppliers to innovate and sourcing more energy-efficient electronic components wherever possible.

| Consolidation scope | Electronics |
|---------------------------------|----------------------|
| Category of emissions concerned | Use of products sold |
| Reduction potential by 2033 | -44% |

Reduce GHG emissions linked to the manufacture of electronic boards

- By reducing the weight of boards when we are in charge of board design, with thinner printed circuits for example.
- By increasing the proportion of cards for whose design we are responsible
- By using less carbon-intensive materials: Bio-based PCBs, new component technologies, etc. Major innovations in low-carbon materials should be available on an industrial scale in the coming years.

| Consolidation scope | Electronics |
|---------------------------------|-----------------------|
| Category of emissions concerned | Production purchasing |
| Reduction potential by 2033 | -28% |

Adapt our sales strategy to favour low-emission products

- By taking into account the emissivity of products right from the prospecting phase
- Wherever possible, by favouring products that contribute to the ecological transition and have low emissions over products that are responsible for significant emissions over their entire life cycle.

| Consolidation scope | Electronics |
|---------------------------------|----------------------|
| Category of emissions concerned | Use of products sold |
| Reduction potential by 2033 | -17% |

Ecodesign of our Environment products

- By reducing their energy consumption, optimizing their architecture at the design stage and, where possible, using electronic components that consume less energy
- By using components and materials whose manufacture has generated fewer greenhouse gas emissions: electronic boards, but also metal and plastic.

| Consolidation scope | Environment |
|---------------------------------|---|
| Category of emissions concerned | - Use of products sold - Production purchasing |
| Reduction potential by 2033 | -30% |

Reduce emissions linked to inbound and outbound freight

- By reducing distances: relocating certain suppliers where possible
- By encouraging modal shift: reducing the use of air travel as much as possible
- By favouring low-carbon engines: electric lorries, biofuels, etc.
- By optimizing loading: grouping orders, using reusable shuttle boxes, etc.

| Consolidation scope | Group |
|---------------------------------|--|
| Category of emissions concerned | - Inbound freight - Downstream freight |
| Reduction potential by 2033 | Not measured, not significant in relation to total Scope 3 emissions |

Reduce and decarbonize business and home-to-work travel

- By limiting business travel to what is strictly necessary
- By promoting low-carbon means of transport (train, public transport, electric vehicles) for business trips as well as home-to-work journeys

| Consolidation scope | Group |
|---------------------------------|--|
| Category of emissions concerned | - Business travel - Commuting to work |
| Reduction potential by 2033 | Not measured, not significant in relation to total Scope 3 emissions |

LACROIX solutions for avoiding greenhouse gas emissions

Our products are designed to secure and optimize critical infrastructure. As more technological solutions claim to have an «impact,» it is crucial for us to accurately measure the net impact of our products—specifically, the difference between the benefits they deliver and their environmental footprint.

To achieve this, LACROIX developed an in-depth quantification methodology, based on the ADEME's Empreinte Projet method. This method, designed in 2021, makes it possible to quantify the environmental benefits of a project and its footprint to determine whether its net impact is positive or negative. By comparing the implementation of our Environment solutions to a baseline scenario, we are able to calculate the downstream environmental benefits, including avoided GHG emissions and water and energy savings over the entire product lifecycle.

Company-wide actions**Supplier Code of Conduct**

LACROIX has introduced a code of conduct requiring its suppliers to quantify their greenhouse gas emissions for scopes 1, 2 and 3 using a recognized methodology (GHG Protocol or equivalent) and to adopt emission reduction targets compatible with the Paris Agreement. Suppliers must take steps to achieve these objectives and encourage their own suppliers to adopt a similar approach. They must also reduce their energy consumption, improve the energy efficiency of their facilities and develop their supply of carbon-free energy. Energy data must be tracked and documented.

Energy and GHG emissions saved**in Douai's public lighting network**

In 2024, we conducted one use case study of our smart lighting solutions in Douai, France. In 2021, this town of 40,000 inhabitants in northern France has launched a major project to renovate its public lighting network in the pedestrian and cycling areas along the banks of the Scarpe, entitled "Trame Sombre".

Tegis and SensyCity remote management and detection solutions from our Smart lighting BU have been installed on 600 light poles, to reduce energy consumption, limit light pollution and preserve biodiversity.

Compared with the reference scenario, our remote management solutions have reduced energy consumption by 43% and GHG emissions by 37% over the 15-year life of the project.



Train our employees

In 2024, we launched a training programme for all the Group's managers on the challenges of climate change and ecological transition.

Indicators and targets

Climate change mitigation and adaptation objectives

In March 2023, Lacroix made a commitment to the Science-Based Targets initiative (SBTi) to set short-term gas emission reduction targets based on science.

These targets were drawn up as part of the ACT Step-by-Step process launched at the end of 2023 and will be submitted to SBTi in March 2025.

LACROIX GHG emission reduction targets:

- **Scopes 1 & 2:** absolute reduction of 55% by 2033, compared with 2023.
This target was set with a view to being compatible with the goal of limiting the increase in temperature to 1.5°C above pre-industrial levels, as defined by the Paris Agreement.
- **Scope 3:** 61% reduction in economic intensity (CO₂e/ value added) by 2033, compared with 2023.
This target was set with a view to being compatible with the goal of keeping the increase in global average temperature well below 2°C above pre-industrial levels, as defined by the Paris Agreement.

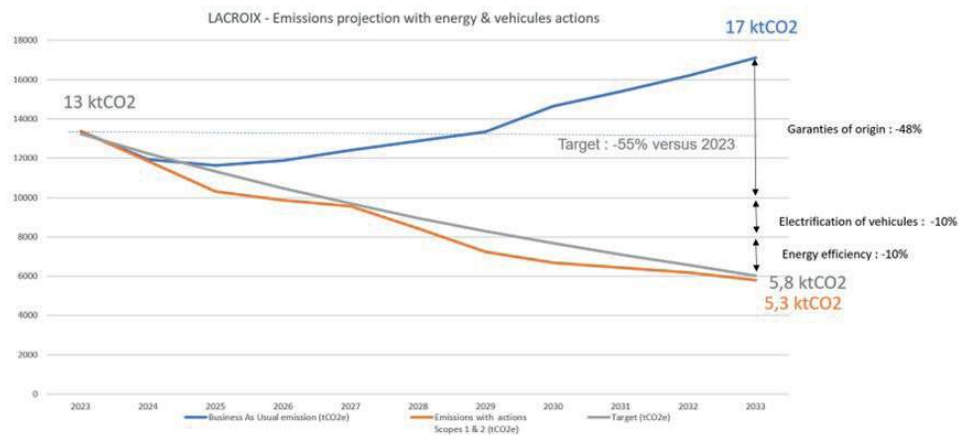
The decarbonization targets defined by LACROIX and the assessment of their compatibility with the objectives set out in the Paris Agreement are established on the basis of current scientific knowledge, as reflected in the SBTi methodological reference framework. This information may be updated as new knowledge becomes available.

Details of the scope and construction of these objectives are given in the methodology note.

| | 2023 (base year) in tco2 | 2033 target | Target equivalent in tCO ₂ e | |
|----------------------|-----------------------------|---|---|-------------|
| Scope 1 | 1 649 | -55% in absolute value | - 7 054 | 0,6% |
| Scope 2 market based | 11 176 | | | |
| Total scopes 1&2 | 12 825 | | | |
| Scope 3 | 3 303 030 | -61% in economic intensity (tCO ₂ e/€k of added value) | -1 091 785 | 99,4% |
| Total | 3 315 855 | | -1 098 839 | 100% |

Note : target on scopes 1&2 is market-based, not location-based.

Greenhouse gas emissions reduction trajectory

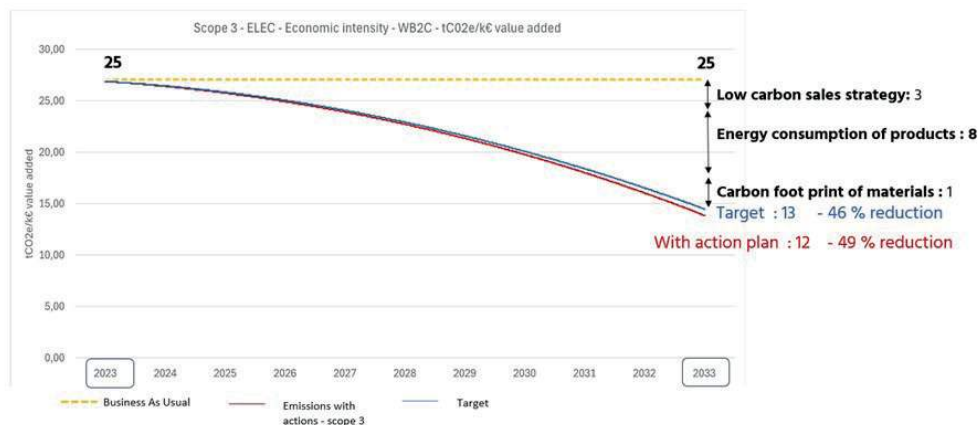


Greenhouse gas emissions reduction trajectory

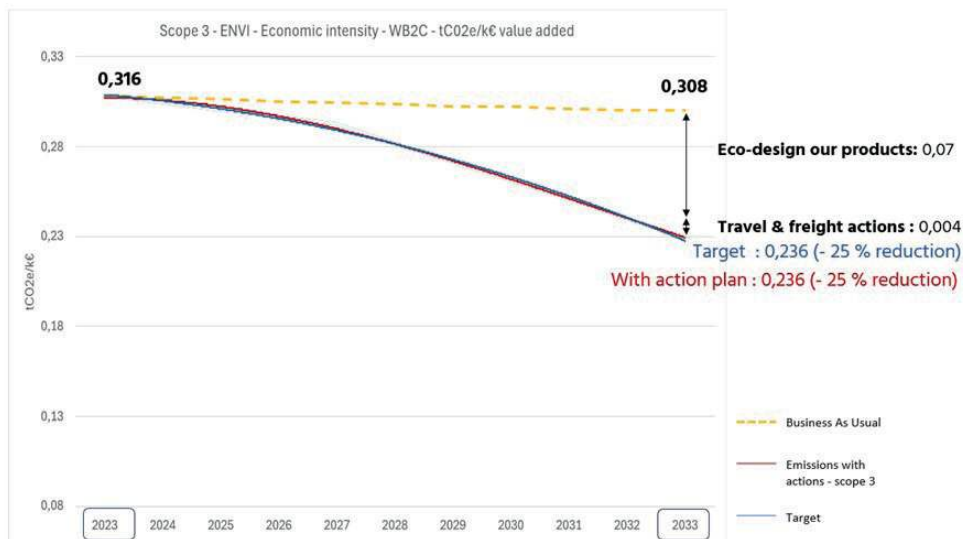
The target of -61% scope 3 GHG emissions in economic intensity (tCO₂e/€k of added value) has been broken down at Electronics and Environment:

- Electronics: Objective of -46% GHG emissions by 2033 compared with 2023 (in tCO₂e/€k of added value)
- Environment: Objective of -25% GHG emissions by 2033 compared with 2023 (in tCO₂e/€k of added value)

Electronics activity



Environment activity



LACROIX greenhouse gas emissions

Emissions from scopes 1, 2 and 3

Since 2021, LACROIX has carried out a full carbon assessment (scopes 1, 2 and 3) of all its activities every year (with the exception of 2022), using the GHG protocol method. More details on the methodology used to produce our carbon footprint are given in the methodology note.

The complete carbon footprint of the LACROIX Group in 2024, was 2.8 million tonnes of CO₂equivalent (CO₂e):

| | |
|------------------------|-------------------------------|
| Scope 1 | 1.7 KtCO ₂ e |
| Scope 2 market based | 9.4 KtCO ₂ e |
| Scope 2 location based | 9.8 KtCO ₂ e |
| Scope 3 upstream | 394 KtCO ₂ e |
| Scope 3 downstream | 2371 KtCO ₂ e |
| Total scope 3 | 2765 KtCO₂e |

With regard to Scope 3, the main emissions are as follows:

- Use of products sold: 2 357 KT CO₂e, or 85% of the Group's footprint
- Purchases (production and non-production): 363 KT CO₂e, or 13,1% of the Group's footprint

The table below details GHG emissions by GHG Protocol category:

| Reference year | | 2024 |
|---|---|--------------|
| Scope 1 GHG emissions | | |
| Gross Scope 1 GHG emissions (tCO ₂ eq) | | 1 669 |
| Scope 1 GHG emissions from regulated emissions trading schemes (%) | | NA |
| Scope 2 GHG emissions | | |
| Gross Scope 2 GHG emissions based on location (tCO ₂ eq) | | 9782 |
| Total scope 3 GHG emissions based on market (tCO ₂ eq) | | 9371 |
| Significant scope 3 GHG emissions | | |
| Total scope 3 GHG emissions based on location (tCO ₂ eq) | | 2 764 594 |
| Total scope 3 GHG emissions based on market | | 2 764 504 |
| 1 | Goods and services purchased | 363 500 |
| 2 | Capital goods | 2 147 |
| 3 | Location-based fuel and energy Market-based fuel and energy Activities (not included in Scope 1 or Scope 2) | 3061 2972 |
| 4 | Upstream transport and distribution | 17 135 |
| 5 | Waste produced during operations | 1 827 |
| 6 | Business travel | 786 |
| 7 | Employee commuting | 5 497 |

| | | |
|--|--|-----------|
| 8 | Upstream leased assets | NA |
| 9 | Downstream transport | 2 856 |
| 10 | Processing of products sold | NA |
| 11 | Use of products sold | 2 356 732 |
| 12 | End-of-life treatment of products sold | 11 052 |
| 13 | Downstream leased assets | NA |
| 14 | Franchises | NA |
| 15 | Investments | NA |
| Total GHG emissions | | |
| Total GHG emissions (location-based) (tCO ₂ eq) | | 2 776 045 |
| Total GHG emissions (market-based) (tCO ₂ eq) | | 2 775 544 |

NA: not applicable. Lacroix's activities are not concerned by these emissions.

Biogenic emissions have not been calculated for this year.

No information on the percentage of Scope 3 GHG emissions calculated using primary data is available for this year.

LACROIX's GHG inventory is based on an operational control approach.

Energy intensity based on net income

| Energy intensity per net product per turnover | 2023 | 2024 |
|--|------|------|
| Total GHG emissions (location-based) in relation to sales (tCO ₂ eq/€k) | 4.36 | 4.37 |
| Total GHG emissions (market-based) in relation to sales (tCO ₂ eq/€k) | 4.36 | 4.37 |

Below is the information used to calculate GHG emissions intensity in relation to net income:

| | 2023 | 2024 |
|---|--------|----------|
| Total net income (financial statements) | 761 M€ | 635.6 M€ |

Energy consumption and mix

| Energy consumption and mix | 2024 |
|--|---------------|
| (1) Fuel consumption from coal and coal products (MWh) | 0 |
| (2) Consumption of crude oil and petroleum products (MWh) | 2 994 |
| (3) Natural gas consumption (MWh) | 1 804 |
| (4) Consumption of fuels from other fossil sources (MWh) | 0 |
| (5) Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources (MWh) | 18 325 |
| (6) Total fossil fuel energy consumption (MWh) (calculated as the sum of lines 1 to 5) | 23 123 |
| Share of fossil fuels in total energy consumption (%) | 73% |
| (7) Nuclear consumption (MWh) | 4 435 |
| Share of nuclear consumption in total energy consumption (%) | 14% |
| (8) Fuel consumption from renewable sources, including biomass (also including industrial and municipal waste of biological origin, biogas, re-newable hydrogen, etc.) (MWh) | 0 |
| (9) Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh) | 4 073 |
| (10) Self-generated non-combustible renewable energy consumption (MWh) | 0 |
| (11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10) | 4 073 |
| Share of renewable sources in total energy consumption (%) | 13% |
| Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11) | 31 631 |
| Total consumption of self-generated non-renewable energy (MWh) | 0 |
| Renewable energy generation | 1 180 |
| Non-renewable energy production | 0 |

*Values calculated according to European Residual Mix | AIB

** Data include fuel oil consumption at our sites and vehicle fuel consumption.

In 2024, overall energy consumption at Group sites remained stable on a like-for-like basis.

Electricity consumption by type of contractual instrument 2024

| | |
|---|---------------|
| Total electricity consumption | 25,193 |
| Electricity consumption covered by Guarantees of Origin (MWh) | 1,293 |
| Electricity consumption covered by GOs (% of total electricity consumption) | 5.10% |
| Total electricity consumption covered by contractual instruments (MWh) | 1,293 |
| Share of total electricity consumption covered by contractual instruments (%) | 5.10% |
| Electricity resold (MWh) | 1,180 |

Energy intensity in relation to sales

| | 2024 |
|---|------|
| Total energy consumption vs. sales (MWh/€k) | 0.05 |

The activities of LACROIX fall under sectors with a high climate impact.

Other indicators

- LACROIX does not deploy solutions to capture and store its emissions and does not finance projects via carbon credits.
- LACROIX does not apply an internal carbon pricing system
- LACROIX has no specific indicators or targets relating to adaptation to climate change.

ESRS E2 – Pollution**Identification and assessment of impacts, risks, and opportunities related to pollution**

As assembly sites, LACROIX's plants do not directly contribute to the pollution of air, water, and soil.

However, LACROIX's operations, especially for the activity Electronics, require a certain number of raw materials and production inputs such as electronic components, printed circuit boards, metals and plastics, whose extraction and manufacturing can generate multiple pollution in our supply chain. As LACROIX contributes to the demand for these raw materials, we have identified the following negative impact in relation to our upstream value chain:

| ESRS E2 – Pollution | | | |
|---|-----------------------------|--|---|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Pollution de l'air, des eaux et des sols | | | |
| Negative impact | Upstream of value chain | Air, water and soil pollution in the upstream electronics sector | <p>The extractive sector is responsible for several types of pollution due to the use of chemicals (such as mercury, cyanide), acid mine drainage, and the emission of dust. Similarly, the electronics sector also generates various forms of pollution, including fine particulate emissions into the air, aquatic ecotoxicity and acidification, as well as soil contamination with heavy metals. These forms of pollution have consequences on the health of workers in these sectors, affect the livelihoods of communities impacted by these activities, and more broadly, threaten the health and habitats of populations living in countries where such activities take place.</p> <p>All of our suppliers operating in the extractive and electronics sectors potentially have a negative impact on the environment and society due to the pollution generated by their activities. Severe pollution-related incidents involving some of our suppliers could also have regulatory and/or reputational consequences, which could in turn impact LACROIX's supply chain.</p> <p>In response to this risk, LACROIX requires its suppliers to sign a Code of Conduct that includes specific requirements related to the monitoring and control of pollution arising from their operations. We also carry out environmental practice assessments of our strategic suppliers. Furthermore, LACROIX has developed a supply chain diversification strategy. This impact does not challenge the Group's resilience, as we have implemented the necessary due diligence measures to mitigate potential consequences.</p> |

Policies**Upstream – Responsible purchasing policy**

Our Responsible Purchasing Policy aims to define the ambition, objectives, and resources that will enable us to give substance to the 3rd priority of our 3rd commitment: «Improving practices in our supply chain». By doing so, we hope to improve the environmental performance of our suppliers and reduce the ecological footprint of our purchases,

including pollution-related impacts and risks. Concerning the environmental performance of our suppliers, the policy addresses the following key issue and levers for actions:

| Key issues | Levers for action |
|--|--|
| Decarbonization & environmental footprint of our suppliers | <ul style="list-style-type: none"> - Evaluating and monitoring the performance of our suppliers - Reinforcing contractual clauses - All hazardous chemicals, waste, and materials as well as track and document all hazardous waste data. |

Own operations – Environmental policy

Although pollution is not a material issue for our own operations, our Environmental Policy addresses environmental and pollution-related risks on our sites, which are required to implement appropriate management systems to identify, manage and reduce the environmental and pollution risks associated with their activities, including those related to air emissions, effluent discharges to water or land, waste disposal and the use of hazardous substances. In addition, we implement and maintain an environmental management system based on ISO 14001 at all our industrial manufacturing sites to minimize environmental impacts and risks.

The policy also addresses the handling and disposal of hazardous materials. Chemicals, waste, and other materials presenting a risk to humans, or the environment are identified, labelled, and managed in such a way as to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Sites must track and document all data relating to hazardous waste.

LACROIX complies with the bans/restrictions on substances and materials that are particularly harmful to the environment imposed by the various regulations as well as by our clients. The processes in place at our sites shall enable them to keep a regulatory watch in the field and to ensure that our products do not contain materials with restricted or prohibited use.

Actions

Upstream – Supplier's Code of Conduct

In 2024, LACROIX updated its Supplier's Code of Conduct to better define our commitments and requirements with regard to environmental, social, and governance issues. Alongside the Responsible Purchasing Policy, it demonstrates our determination to integrate the principles of sustainable development into all our business activities and to promote them in our relations with our partners, and constitutes a common reference framework for our purchasing teams and our suppliers.

Concerning pollution, LACROIX suppliers must implement appropriate management systems to identify, manage and reduce the environmental and pollution risks associated with their activities, including those related to air emissions, effluent discharges to

water or land, waste disposal and the use of hazardous substances. Suppliers must identify, label, and manage all hazardous chemicals, waste, and materials as well as track and document all hazardous waste data.

In addition, our suppliers agree to comply with the bans/restrictions on substances and materials that are particularly harmful to the environment imposed by the various regulations as well as by LACROIX. The suppliers' processes must enable them to keep a regulatory watch in the field, to ensure that their products do not contain materials with restricted or prohibited use, and to inform LACROIX without delay in the event of imposed or voluntary changes concerning the composition or manufacture of the products delivered which may involve such materials or substances.

All LACROIX suppliers are required to sign the Code of Conduct. The signature of the Code of Conduct is monitored by our purchasing teams and included in the final rating of our supplier CSR performance evaluation.

Upstream - Substances of concern

Although substances of concern are not a material issue for LACROIX, we abide by all relevant regulations, including the EU Restriction of Hazardous Substances (ROHS), the EU Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and California Proposition 65. We collect data regarding substances of concern from our suppliers, including Full Material Declaration (FMD) survey reports and IPC 1752A forms. These records are regularly maintained and monitored to ensure regulatory compliance.

E-waste contains a wide array of materials, some of which can be hazardous, and can cause significant environmental and health problems. LACROIX monitors its different categories of waste, including its electrical and electronic equipment waste (WEEE), to ensure its proper disposal and avoid such health and environmental-related impacts. For further information on LACROIX's waste management, refer to ESRS E5.

Metrics and targets

We have no specific KPI nor targets concerning pollution management by our suppliers.

However, pollution is one of the subjects covered by our code of conduct and supplier evaluation questionnaire, for which we have set the following objectives:

- 100% of suppliers having signed our Supplier's Code of Conduct by 2025.
- 75% of our purchasing spend covered by a CSR assessment by 2025.

ESRS E3 – Water and marine resources

Identification and assessment of impacts, risks, and opportunities related to water

LACROIX operates as an EMS, with assembly sites that do not consume water during production processes. As a result, our direct water consumption is low (22 701 m³ of water in 2024, equivalent to the average annual consumption of 430 European citizens). And as confirmed by the water-related risk assessment we have carried out (see dedicated section below), no material negative impacts or risks were identified related to water and marine resources within our own operations.

Upstream, LACROIX purchases electronic components and raw materials that consume significant amounts of water during their extraction, processing, and manufacturing. In the coming years, these activities will face increasing difficulties regarding the quality and quantity of water, especially in water-stressed areas.

Downstream, LACROIX Environment manufactures solutions that optimize water distribution networks and enable water savings. The positive impacts and opportunities associated with our Environment solutions are a key part of our business strategy.

Below are the material water-related impacts, risks, and opportunities identified during our materiality assessment.

| ESRS E3 – Water and marine resources | | | |
|--------------------------------------|-----------------------------|---|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Water | | | |
| Negative impact | Upstream of value chain | Water consumption by our suppliers | <p>The extractive and electronics sectors, particularly mining and semiconductor manufacturers, consume very large quantities of water.</p> <p>Depending on the country, this pressure on water resources can affect the functioning of aquatic environments, water quality, levels and flows, as well as biodiversity. Water shortages can also lead to shortages and conflicts of use, which can have a negative impact on the businesses and/or communities concerned.</p> <p>All our suppliers operating in the extractive and electronics sectors potentially have a negative impact on water resources, due to the water consumption inherent in their activities.</p> <p>In response to this situation, LACROIX asks its suppliers, through its code of conduct, to reduce their water consumption and is carrying out an assessment of the environmental practices of its strategic suppliers. This impact does not call into question the Group's resilience, as it has been clearly identified by the players in our value chain, who have taken steps to reduce it.</p> |
| Positive impact | Down-stream of value chain | Water savings thanks to LACROIX Environment solutions | <p>As set out in ESRS E1, we have developed a tool to quantify the environmental benefits, and in particular the water savings, provided by the solutions of the BUs in our Environment activity.</p> <p>We have quantified the water saved by our Smart Water BU solutions in a drinking water distribution use case, which shows that the water savings achieved are very significant.</p> |
| Risk (long term) | Upstream of value chain | More difficult access to water for mining groups and manufacturers of electronic components | <p>In the medium to long term, conflicts over the use of water could weaken the production capacity of some of our suppliers and increase the cost of their products.</p> <p>In response, LACROIX has developed a strategy of diversifying its supplies, enabling it to assert that this risk does not call into question the Group's resilience.</p> |

| | | | | Key issues | Levers for action |
|------------------------------|-------------------------------|---|---|--|--|
| Opportunity (medium term) | Down-stream of value chain | Commercial develop-ment of LACROIX Envi-ronment's water-saving solutions | The growing focus on innovative water saving solutions, particularly in drinking water distribution and treatment networks, represents a major business opportunity for our Smart Water BU. | Decarbonization & environmental footprint of our suppliers | - Reinforcement of contractual clauses |

Water risk assessment

To confirm our assumptions that water-related issues are not material for our own operations, the water-related risks, impacts, and dependencies of our production sites were assessed at the basin and operational level using the World Wildlife Fund's Water Risk Filter. This comprehensive tool covers basin physical, regulatory, and reputational risks such as water availability, flooding, drought, water quality, and status of ecosystem services. The process consisted of:

- Mapping our sites to determine if they are located in an area of high-water stress
- Analyzing the basin risk of our sites based on their industry and geographical location
- Assessing the operational risk of our main production sites considering their sources, use, discharge, and management of water resources
- Consulting with internal experts at our main production sites in high-water stress areas
- Evaluating the basin risk of our sites over the short and medium term (2030 and 2050) under low, moderate, and high emissions pathways (SSP1-2.6, SSP2-4.5, and SSP5-8.5)

Most of LACROIX's sites are located in areas of low overall water risk, covering both quality and quantity indicators. Six sites are located in zones of high-water stress. As these sites do not consume large amounts of water and have low operational water risk levels, they have not adopted additional water-related policies or targets. These sites effectively manage their water resources based on local and national requirements and recommendations and take additional precautions as necessary.

The results reconfirm the non-materiality of water-related issues for LACROIX's own operations, showing that all of our sites operate with low levels of water risk.

LACROIX also evaluated its exposure and sensitivity to water-related physical hazards as part of the climate-related physical risk assessment, presented in ESRS E1.

Policies

Upstream - Responsible Purchasing Policy

Through our Responsible Purchasing Policy, we hope to improve the environmental performance of our suppliers and reduce the ecological footprint of our purchases, including the amount of water consumed during suppliers manufacturing processes. Concerning the environmental performance of our suppliers, the policy addresses the following key issue and levers for actions:

Own operations - Environmental Policy

Although water is not a material subject for our own operations, our Environmental Policy requires sites to characterize and monitor the sources, use, and discharge of water, seek opportunities to save water and control contamination pathways. All wastewater must be characterized, monitored, controlled, and treated in accordance with international and local laws and regulations. In addition, water management practices are guided by the requirements of the sites certified environmental management systems, ISO 14001, and the results of the "Eco-flux" diagnostics.

Actions and resources

Upstream – Supplier's Code of Conduct

LACROIX is committed to working closely with our suppliers to promote sustainable practices and encourage positive change in our supply chain. Recognizing our responsibility to reduce upstream water-related impacts, we ask that our suppliers characterize and monitor their water consumption, seek opportunities to save water, and control contamination pathways.

Suppliers must also characterize, monitor, control, and treat their wastewater in accordance with applicable laws and regulations. These expectations are explicitly stated in LACROIX's Supplier's Code of Conduct, which all suppliers are required to sign. The signature of the Code of Conduct is monitored by our purchasing teams and counts towards the final rating of our supplier CSR performance evaluation.

Own operations - Water efficiency and reuse

Although water is not a material subject for our own operations, all LACROIX sites have organization and management systems that monitor and manage their water consumption, withdrawals, and discharges. No sites use water during production; therefore, water is only consumed for cleaning, sanitation and drinking. Since 2023, LACROIX has been conducting "Eco-flux" diagnostics of its sites to optimize its energy, materials,



Rainwater collection at Symbiose

In 2024, Symbiose, our High Environmental Quality plant, recovered 50m³ of rainwater, which was used within the site's sanitary facilities.

waste, and water flows. The results of these diagnostics serve as roadmaps for each site to identify actions that will improve their environmental performance, including water management. Responsible water management practices are also a part of our "Committed Site" approach. All LACROIX sites are encouraged to adopt water-related actions such as the installation of aerators on faucets, which permit water savings by reducing the amount of water that flows through the tap.

Downstream – Enabling water savings

LACROIX is a key player in the water market and has extensive experience in designing equipment and centralization solutions for water network management. In partnership with major water operators, our smart water solutions preserve resources in municipal and industrial water networks. LACROIX offers solutions to control and monitor all infrastructures along the water supply chain, including drinking water production and distribution, and wastewater treatment.

Quantification of water savings

in Rennes drinking water distribution network

As water resources become increasingly precious, the ability to quantify the positive impact of our solutions — particularly in critical water distribution applications — is more important than ever.

In 2024, we applied our Environmental Benefit Quantification Tool (detailed in section ESRS E1) to assess the positive impact of the SOFREL LS-Flow datalogger, a remote water management solution from our Smart Water Business Unit, deployed in the Rennes basin. This network distributes approximately 15 million m³ of water annually, across 1,400 km of pipelines.

The solution delivers direct benefits by enabling significant water savings through early leak detection. It also generates indirect benefits by avoiding unnecessary water production and reducing the consumption of chemical reagents used for water purification. Over their full 15-year life cycle, our SOFREL solutions have enabled a remarkable saving of 8.2 million m³ of water, contributing both to environmental preservation and to the efficiency of the network.



Metrics and targets

We have no specific KPI nor targets for water use by our suppliers.

However, water is one of the subjects covered by our code of conduct and supplier evaluation questionnaire, for which we have set the objectives presented in ESRS E2.

ESRS E4 – Biodiversity and ecosystems

Identification and assessment of impacts, risks, and opportunities related to biodiversity

LACROIX sites are assembly sites and our operations do not pollute air, water, or soil, degrade land, nor deplete water resources.

To confirm the non-materiality of the pollution issue for our own operations, we assessed the potential biodiversity and ecosystem impacts, dependencies, and risks for all our operational sites using the WWF's Biodiversity Risk Filter tool. The process consisted of:

- Investigating the direct biodiversity impacts and dependencies associated with the electronics manufacturing industry

- Mapping LACROIX sites to determine proximity to biodiversity-sensitive areas (protected, conserved, and Key Biodiversity Areas)
- Analyzing LACROIX's physical and reputational biodiversity risks based on the industry and geographical location of our sites

The mapping showed that three LACROIX sites are located near (less than 20km) Key Biodiversity Areas, but the activities of these sites do not negatively affect these areas including their natural habitats and species and, therefore, do not have an obligation to prepare a biodiversity mitigation plan.

The assessment concluded that there are no direct impacts or risks related to biodiversity and ecosystems at any of LACROIX's sites.

However, LACROIX purchases electronic components and raw materials whose extraction, processing, and manufacturing have negative impacts on biodiversity. As LACROIX contributes to the demand for these natural resources, we have identified the following negative impact in relation to our upstream value chain:

| ESRS E4 – Biodiversity and ecosystems | | | |
|--|-----------------------------|---|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Direct drivers of biodiversity loss; Impacts on the status of species; Impacts on the extent and status of ecosystems; Impacts and dependencies on ecosystem services | | | |
| Negative impact | Upstream of value chain | Pressure on biodiversity in the upstream electronics sector | <p>The extractive sector and the electronics sector are the source of several types of pressure on biodiversity: deforestation, soil degradation, habitat fragmentation, ecosystem disruption, water, air and soil pollution, etc. These pressures have consequences for the quantity and diversity of species and the richness of ecosystems in the areas and countries where these activities are located.</p> <p>All our suppliers operating in the extractive and electronics sectors have a potentially negative impact on the environment and society as a result of the pressure on biodiversity generated by their activities.</p> <p>The regulatory and/or reputational consequences of serious biodiversity-related incidents at some of our suppliers could have an impact on LACROIX's sourcing.</p> <p>In response to this situation, LACROIX asks its suppliers to sign a code of conduct that includes requirements for monitoring and controlling pollution linked to their activities, and carries out an evaluation of the environmental practices of its strategic suppliers. LACROIX has also developed a strategy of diversifying its supplies. This impact does not call into question the Group's resilience, as we have taken the necessary steps to protect ourselves from its possible consequences.</p> |

Policies

Upstream value chain - Responsible Purchasing Policy

Through our Responsible Purchasing Policy, we hope to improve the environmental performance of our suppliers and reduce the ecological footprint of our purchases, which are directly linked to impacts on biodiversity and ecosystems. Concerning the environmental performance of our suppliers, the policy addresses the following key issue and levers for actions:

| Key issues | Levers for action |
|--|--|
| Decarbonization & environmental footprint of our suppliers | <ul style="list-style-type: none"> - Evaluating and monitoring the performance of our suppliers - Reinforcement of contractual clauses |

Own operations - Environmental Policy

Although biodiversity is not a material subject for our own operations, our environmental policy covers all of the main environmental issues, which all have direct impacts on biodiversity and ecosystems. Through the effective management of chemicals and hazardous substances, waste, and water as well as the responsible sourcing of raw materials, LACROIX is committed to reducing the environmental and biodiversity-related risks and impacts associated with its operations.

Actions and resources

Upstream – Supplier’s Code of Conduct

The negative impacts on biodiversity in the upstream electronics value chain are primarily linked to the mismanagement of hazardous substances and materials, significant water consumption, depletion of natural resources, poor waste management, and pollution of air, water, and soil.

LACROIX requires its suppliers to implement and maintain an environmental management system based on ISO 14001 at all manufacturing sites to minimize environmental impacts and risks. Suppliers must implement appropriate management systems to identify, manage and reduce the environmental and pollution risks associated with their activities, including those related to air emissions, effluent discharges to water or land, waste disposal and the use of hazardous substances.

Concerning hazardous substances and materials, suppliers must comply with the bans/restrictions on substances and materials that are particularly harmful to the environment imposed by the various regulations as well as by LACROIX. Our Supplier’s Code of Conduct also specifies our requirements for waste and water management practices. The signature of the Code of Conduct is obligatory and monitored by our purchasing teams, counting towards the final rating of our supplier CSR performance evaluation.

Own operations - Committed Site Approach

Although biodiversity is not a material subject for our own operations, our sites that have communal outdoor spaces, are encouraged to adopt biodiversity-related actions as part of our “Committed Site” approach. Examples of voluntary actions include the banning of chemicals in gardens, composting of organic waste, and eco-friendly lawn care such as responsible mowing practices and animal grazing. While our outdoor spaces

are limited, we recognize that every little action counts towards the preservation of nature.

For example, LACROIX Sofrel France set up two beehives as part of their “Clean Day” in June 2023. Since then, the site has worked closely with the company Beecity who maintains the beehives, proposes workshops for the employees, and spreads awareness about biodiversity-related issues. In July 2024, they collected almost 30kg of honey from their beehives.

Downstream – Reducing light pollution

Although biodiversity is not a material subject for our downstream, we want to stress out the positive impact of our Smart Lighting solutions on light pollution. When paired together, our smart lighting solutions SensyCity and Tegis, enable the remote management of public lighting allowing streetlights to be dimmed until user motion is detected. Reducing light levels at night decreases the amount of light pollution, which has positive effects on biodiversity by limiting the disruption of species’ biological rhythms and reducing disruption to species movements due to fragmentation of natural habitats. These positive effects were studied by the city of Douai in France, who installed our smart lighting solutions with the goal of reducing energy consumption, guaranteeing the safety and well-being of residents, and preserving biodiversity by significantly reducing light pollution.

Metrics and targets

We have no specific KPI nor targets concerning biodiversity protection by our suppliers.

However, pollution and water management are among the topics covered by our Supplier Code of Conduct and our supplier assessment questionnaire, for which we have set specific targets outlined in section ESRS E2.

ESRS E5 – Use of resources and circular economy

Identifying and assessing the impacts, risks and opportunities associated with resources and the circular economy

With around 11,500 tonnes of raw materials and semi-finished products purchased and more than 72 million electronic products and sub-sets on the market in 2024, optimizing the use of natural resources is a major challenge for LACROIX.

Below are the impacts, risks and opportunities relating to the use of resources and the circular economy that have been deemed material in relation to our activities:

| ESRS E5 – Circular economy | | | |
|---|-----------------------------|--|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Incoming resource flows, including resource utilization | | | |
| Negative impact | Own activities | Minerals, metals and fossil fuels used in our activities | <p>To manufacture its products, LACROIX, and in particular its electronic board manufacturing activity, used almost 11,500 tonnes of materials and components: printed circuits, electronic components, metal, plastic, nitro-gen, batteries, cardboard, etc.</p> <p>These withdrawals are contributing to the scarcity of natural resources: fossil fuels, minerals, rare earths, etc.</p> <p>In addition to the water consumption, pollution and damage to biodiversity that it causes, the over-exploitation of natural resources has an impact on their price and their long-term availability for the essential needs of humanity.</p> <p>In response to this situation, LACROIX has implemented an ecodesign approach aimed at reducing and optimizing resource consumption. This impact does not call into question the company's resilience in the short or medium term.</p> |
| Risk (long term) | Upstream of value chain | Increasing scarcity of strategic materials and low-carbon transition resources | <p>In the long term, the increasing scarcity of resources is likely to lead to tensions and conflicts of use, to production cutbacks by some of our suppliers, and could lead certain producing countries to introduce export restriction mechanisms for certain products (printed circuits, electronic components, etc.) which are essential to LACROIX's activities. These possible restrictions, coupled with a downward trend in production, could lead to supply difficulties and higher prices.</p> <p>In response, we have put in place a diversified sourcing strategy and established long-term relationships with our suppliers.</p> <p>This risk does not call into question the company's resilience in the short or medium term, as any increases in raw material prices will be borne by all players.</p> |

| Outflows of resources linked to products and services | | | |
|---|----------------------------|---|--|
| Risk (long term) | Down-stream of value chain | Regulatory constraints on repair, collection, reuse, etc. | <p>With the rise of long-term environmental concerns, it is likely that existing regulatory constraints (AGEC law, REEN law, ESPR regulation, etc.) will become stricter, particularly in Europe. These constraints, if they were to impose the repair of our products, their collection at the end of their life, or the increasing integration of recycled materials, could make structural changes necessary in LACROIX's business model and operations.</p> <p>We consider that this risk does not call into question the Group's resilience, as we are anticipating this shift towards the circular economy and the economy of functionality and wish to turn it into a strategic opportunity, particularly for our Environment activity.</p> |
| Opportunity (long term) | Down-stream of value chain | Boom in circular economy solutions | <p>Our customers' growing expectations in terms of circularity represent an opportunity for additional, recurring business for our Environment BUs.</p> <p>We are working in particular on the following subjects: integrating recycled materials into our products, repair, the functional economy (selling a service rather than a physical product), etc.</p> |
| Waste | | | |
| Negative impact | Own activities | Waste production | <p>Our activities generated around 1,800 tonnes of waste in 2024 (mainly cardboard and plastic packaging). Waste, particularly when landfilled or incinerated, can contribute to air, water and soil pollution, release methane and degrade the landscape.</p> <p>These impacts are mainly linked to our Electronics plants, particularly in Mexico and Tunisia, where regulations on waste treatment and disposal are less stringent than in Europe.</p> <p>To minimize this impact, we ensure that we outsource our waste to specialized service providers who are authorized to treat and recycle it as effectively as possible. This impact does not call into question the Group's resilience, as we have put in place the necessary measures to limit its effects.</p> |
| Negative impact | Upstream of value chain | Waste production by our suppliers | <p>The electronics sector generates significant quantities of waste at every stage of the value chain, particularly in the extractive and manufacturing industries. The environmental impacts associated with this waste, described above, exist at all our suppliers and their own suppliers, to a greater or lesser extent, depending on the type of waste, local regulations, etc.</p> <p>To mitigate this impact, we require our suppliers, through the code of conduct they must sign, to implement measures to reduce the amount of waste they produce and to entrust it to authorized service providers. This impact does not call into question the Group's resilience, as we have put in place the necessary measures to limit its effects.</p> |
| Negative impact | Down-stream of value chain | Environmental impact of end-of-life electronic products | <p>The World Health Organization estimates that in 2019, 53.6 million tonnes of electronic waste were produced worldwide, but only 17.4% was collected and recycled. The accumulation and processing of electronic waste consumes energy, releases toxic substances into the environment and can have harmful effects on the health of those exposed to it.</p> <p>The population and the environment of all the countries in which the products of our Electronics and Environment activities are used, but also the countries, particularly in Africa, in which these products, which have become electronic waste, end their life, are potentially affected by these impacts.</p> <p>In order to reduce these impacts, LACROIX complies with all the regulations governing the marketing of its products and can recommend to its Environment customers service providers who will be able to process and recover their products as effectively as possible at the end of their life.</p> |

Ecodesign and use of resources

Policies

We design and manufacture electronic equipment and industrial IoT solutions, which include mechanical elements (metal, plastic), hardware elements (PCB, electronic components) and, for the most part, a digital dimension, with data exchange and/or storage.

To reduce the material footprint of our activities, we need to reduce the consumption of virgin natural resources, optimize their use, and use recycled and bio-sourced materials.

The reparability and recyclability of our products are also essential levers for extending their lifespan and making better use of the materials they are made of at the end of their life, which also helps to reduce the use of natural resources.

These issues are taken into account in our activities, when we design our products, during production, but also in our value chain, through the selection of our suppliers and our purchasing criteria.

Our activities - Ecodesign policy

Our Ecodesign policy, published in 2023, includes a number of issues and action levers aimed at reducing the use of resources:

| Key issues | Levers for action |
|-------------------------------------|--|
| Electronic materials and components | - «Essential» design - Less material - Recycled or bio-based materials |
| Responsible purchasing | - Environmental quality of products purchased |
| Packaging & consumables | - Optimizing/reducing packaging - Optimizing/reducing consumables |
| Use and service life | - Product robustness - Repairability & scalability |
| End of life | - Dismantling and recyclability |

Organization and governance of our eco-design approach

Led by R&D, LACROIX's eco-design approach is based on the following organization:

- An Ecodesign expert at Comex level, the Executive VP in charge of R&D, who oversees the roll-out of the approach across the Group.
- A Group Ecodesign Domain Leader, responsible for implementing the eco-design approach at Group level, who defines the eco-design ambitions of our Environment activity projects and steers the Ecodesign Committee.
- An Ecodesign expert in each of the 4 Environment activity lines (Water, HVAC, Smart grids, Public lighting), in charge of deploying the eco-design approach in their business line.
- An Ecodesign Committee, made up of R&D engineers specializing in the various technical fields specific to our businesses (mechanical engineering, hardware, cloud, embedded systems, etc.), which maintains technical expertise in eco-design and disseminates it to the R&D teams.

In addition to the R&D teams, who are responsible for technical proposals in terms of eco-design, the implementation of LACROIX's eco-design approach involves:

- The marketing teams, who work with the R&D teams to optimize product functionalities and enhance the value of the actions implemented
- The purchasing and supply chain teams, who source eco-designed materials and sub-sets



Our activities - Environmental policy

Our Environment policy states that the use of natural resources, in particular fossil fuels, metals and minerals, plastics, water and forest products, should be reduced as far as possible through practices such as modifying production processes, substituting materials, reusing, conserving or recycling.

Upstream of our value chain - Responsible Purchasing Policy

With regard to the use of natural resources in our value chain, our Responsible Purchasing Policy includes the following issues and action levers:

| Key issues | Levers for action |
|--|---|
| Sourcing ecodesigned solutions | - Technology watch in conjunction with R&D - Pilot projects with certain suppliers/customers |
| Decarbonization & environmental footprint of our suppliers | - Evaluating and monitoring the performance of our suppliers - Strengthening contractual clauses |
| Packaging | - Reducing the amount of packaging - Use of recycled/bio-based packaging |

Actions and resources

Ecodesign - Product development process

To optimize our use of natural resources, it is essential that we systematically apply ecodesign principles to all our projects, whether in our Electronics business or our Environment activity.

Ecodesign requirements are now at the heart of our product development process, the LPLP.

- At Environment, the LCA we carry out, for any new product, from the earliest stages of development, enables us to identify the sub-sets and the life cycle stages that contribute most to the product's material footprint (measured by the Use of Mineral and Metal Resources (kg antimony equivalent) and Use of Fossil Resources (MJ)) indicators.

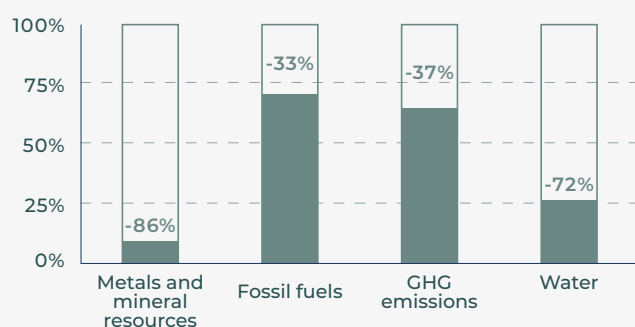
Issues relating to repairability, upgradability and disassembly/recyclability of the product are also assessed at this stage.

For each of the issues identified, the project teams then propose actions for improvement: weight reduction, use of alternative materials, etc., the effectiveness of which will then be measured during the LCA carried out at the end of the design process.

Eco-design of the Sofrel Log Up Datalogger

SOFREL LogUp is our Product House Water's flagship solution for water leak detection, released in 2024. Following the LCA carried out at the start of the development process, we succeeded in reducing the size and weight of the product, in particular by consolidating 3 circuit boards into just one.

Finally, LogUp's environmental footprint has been reduced by 23% to 86% according to the indicators, compared with the previous version.



- At Electronics, when we are commissioned by our customers to design their electronic boards, from 2025 we will systematically carry out an LCA of the initial project, together with recommendations for, among other things, reducing and optimizing the use of natural resources.

Where we do not design the cards, from 2025 we will systematically provide our customers with an analysis of the environmental footprint of their electronic card (Product Carbon Footprint), offering them the benefit of our ecodesign expertise should they wish to reduce it.

Sourcing ecodesigned solutions

- A joint working group, made up of members of our R&D and Purchasing teams, is dedicated to analysing, qualifying and sourcing recycled and bio-based materials. We hope to be able to increase the use of these materials in the coming years, replacing virgin natural materials. We are paying particular attention to current developments in bio-based and/or recycled printed circuit boards, which could be used by our Electronics business.
- Our code of conduct, which must be signed by all our suppliers, specifies that the use of natural resources, particularly fossil fuels, metals and minerals, plastics, water and forestry products, must be reduced as much as possible through practices such as modifying production processes, substituting materials, reusing, conserving or recycling.

Packaging

- As part of the implementation of our Responsible Purchasing Policy, a working group dedicated to packaging has been set up. It is working on two main areas: reducing the amount of packaging and purchasing packaging made from recycled materials. The main actions underway include the use of reusable plastic shuttle cases and the purchase of recycled cardboard.
- When it comes to the packaging that comes with the products we buy, our code of conduct asks our suppliers to reduce the amount and give preference to recycled materials.

Non-production purchases

For those purchasing categories where it is relevant, we try to reduce the quantity of material:

- IT: mobile phones supplied to employees in France are 100% reconditioned. We plan to extend this initiative to the other countries in which we operate, as well as to laptops, from 2025.
- Catering: several LACROIX sites use zero-waste caterers for meal trays and internal events.

Ecodesign - Training

We regularly train LACROIX teams in ecodesign. All engineers in LACROIX R&D teams, i.e. almost 200 people, were offered two ecodesign awareness-raising sessions between May and June 2024.

In addition, members of the Ecodesign Committee receive regular training in their technical fields (mechanics, hardware, cloud, embedded systems, etc.) and then pass on their expertise to the R&D teams.



Indicators and targets

Incoming resources

In its design and manufacture of electronic equipment and industrial IoT, LACROIX uses a large quantity of raw and secondary materials, around 11,500 tonnes in 2024.

The main incoming resources, in terms of tonnage purchased, are listed below:

3 363 tonnes
Nitrogen
(for inerting wave
soldering machines)

2 193 tonnes
Printed
circuit boards

1 330 tonnes
Electronic
components

1 282 tonnes
Packaging
(cardboard, plastic and
wooden pallets)

1 192 tonnes
Steel

1 008 tonnes
Plastic

576 tonnes
Cables, connectors
and batteries

This data was collected by the purchasing departments of our businesses and sites during the carbon audit. They are mainly taken from our ERP systems.

We are currently unable to report the following data:

- Weight of organic materials used to manufacture the Group's products
- Weight of reused or recycled secondary components and products and intermediate secondary materials used to produce the Group's products

Ecodesign

Our goal is that by 2025, 100% of new LACROIX products, designed and manufactured by our Environment activity, will go through our internal ecodesign process, which means taking into account the challenges linked to the use of resources: reducing the quantity of materials used, integrating recycled/bio-sourced materials, increasing the lifespan of products, etc.

In 2025, we will set ourselves a new target for 2030, aimed at assessing the performance achieved by our products in terms of ecodesign, and in particular the use of resources.

Packaging

Quantity of cardboard used: we had set ourselves a target of using 8% less cardboard (cardboard received from our suppliers and cardboard purchased for shipping our products) in 2024 than in 2023, and we finally managed to reduce the quantity of cardboard in relation to sales by 16% thanks to actions taken: elimination of certain packaging, introduction of shuttle cases, etc.

Use of recycled cardboard: around 95% of the cardboard we buy today to package our products is recycled. However, we do not currently have information on the proportion of recyclable materials in our other packaging, particularly plastic packaging.

Nor do we have information on the proportion of organic materials used to manufacture the packaging used by the Group.

Waste

Policies and processes

The factories of our Electronics business and the industrial sites of our Environment activity are assembly sites, which produce different types of waste: WEEE, plastics, metals, cardboard, mixed waste, hazardous waste...

In line with our Environment policy, we are implementing a systematic approach at each of our sites to identify, manage, reduce and recover as much as possible (giving priority to reuse and recycling) the waste generated by our activities. Waste data is also monitored and documented.

It should be noted that ISO14001 certification, held by 78% of our industrial sites with more than 50 employees, contains a number of requirements relating to waste management (regulatory compliance, performance assessment, reporting, targets, communication, training, etc.).

Waste Sorting and Valorization Across Our Sites

Actions and resources

Sorting and recycling waste on our sites

LACROIX's sites work to reduce the amount of waste they generate and entrust their waste to approved waste collection and recovery service providers. Particular attention is paid to hazardous waste and waste electrical and electronic equipment, which is systematically outsourced to authorized service providers.

Diagnostics and improvement plans for waste management at our sites

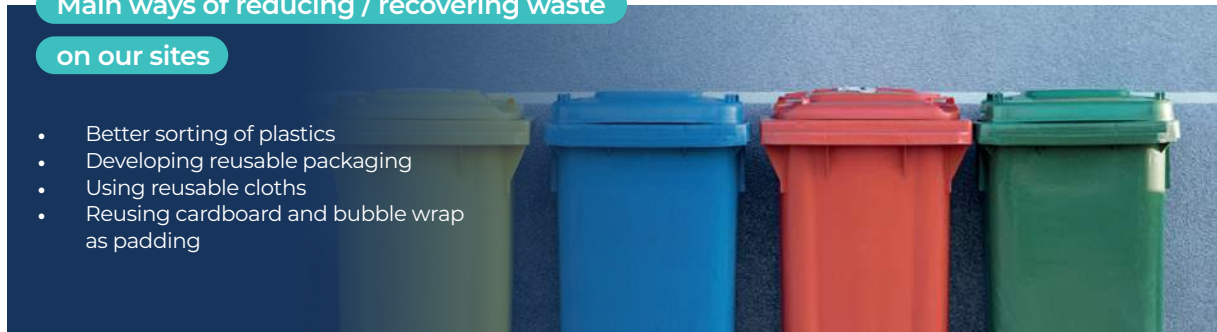
In 2024, we carried out multi-flow environmental diagnostics at our 6 main industrial sites in Europe. These diagnostics led to a detailed analysis of raw material and waste flows at each site, and the formulation of recommendations.

Based on the conclusions of these assessments, we are currently building a Climate-Environment roadmap for all our industrial sites, including, for waste, the definition of quantified targets and an action plan. All the Climate-Environment roadmaps will be finalized by the end of the first half of 2025.

Main ways of reducing / recovering waste

on our sites

- Better sorting of plastics
- Developing reusable packaging
- Using reusable cloths
- Reusing cardboard and bubble wrap as padding



Indicators and targets

Quantity of waste and treatment methods

In 2024, LACROIX's activities generated 1,799 tonnes of waste, 77% of which was recycled.



1 798 tonnes
of waste



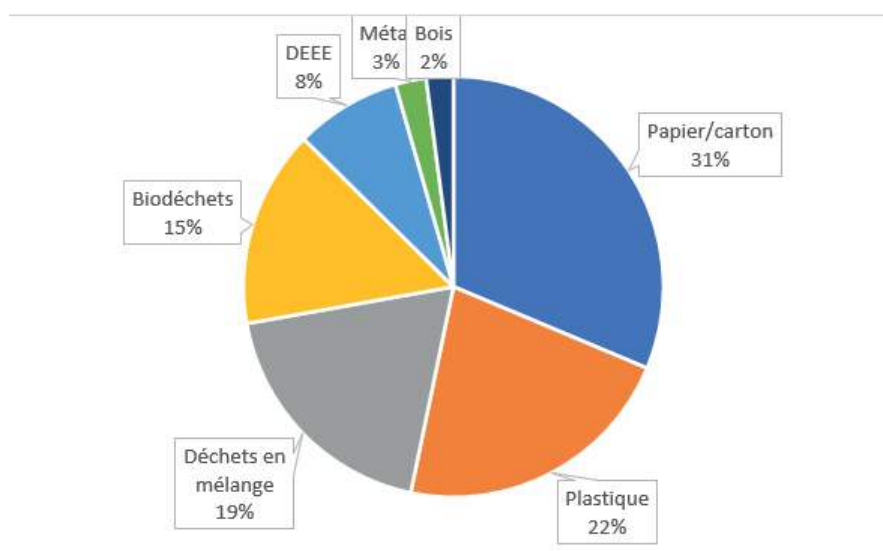
77%
of which was recycled.

The table below shows the quantities of waste generated by type of waste and by treatment method.

| | | Non-hazardous waste | Hazardous waste | Total waste |
|-----------------------|---------------------------|---------------------|-----------------|-------------|
| Recycled waste | Preparation for re-use | 0 | 0 | 0 |
| | Recycling | 1 391 | 0 | 1 391 |
| | Other recovery operations | 0 | 0 | 0 |
| | Total | 1 391 | 0 | 1 391 |
| Waste disposed of | Incineration | 151 | 36 | 187 |
| | Landfill | 185 | 35 | 220 |
| | Other methods of disposal | 0 | 0 | 0 |
| | Total | 336 | 71 | 407 |
| TOTAL waste | | 1 727 | 71 | 1798 |
| % non-recovered waste | | 19,4% | 100% | 22,6% |

This data was collected from the contributors in charge of waste at each of our sites, who themselves questioned the service providers to whom they outsource their waste disposal. Accordingly, the quality of the data reported depends on the granularity and accuracy of the data supplied by waste management service providers, and there is still room for improvement.

The graph below shows non-hazardous waste by type of material:



Note that:

- We do not know the quantity of rare earths present in our waste.
- We do not produce radioactive waste

Waste reduction targets

As part of our positive impact strategy, we have set ourselves a target of reducing the amount of waste we produce by 2030.

We are aiming for a 30% reduction in waste per €k of revenue by 2030, compared with 2022, a year in which our activities generated 2.8kg of waste per €k of revenue.

This indicator is shown below from 2022 onwards:

Outgoing resources, circularity and end of life

Policies and processes

We brought more than 72 million products to market in 2024, mainly electronic cards produced for our customers by the plants in our Electronics business.

To make circularity a reality, it must be taken into account right from the design stage. As stated above and included in our Ecodesign policy, we incorporate the principles of circularity (disassembly, repairability, recyclability, etc.) right from the design phase.

However, while design is a necessary condition for the implementation of more circular practices, it is not sufficient. In fact, a product can be designed to be repairable and/or recyclable and in reality be neither repaired nor recycled.

It is therefore essential that we think about adapting our business models and operations to make them more circular. This is the purpose of the second priority, entitled «Creating sustainable economic models», of the first commitment, «Developing our positive impact activities», of our positive impact strategy.

Actions and resources

Circularity diagnosis

In 2024, we initiated a Circularity diagnostic within our Electronics business, to study the relevance of creating a repair service for the electronic boards we manufacture for our customers. We already repair certain high-value-added cards for some of our customers, and the diagnosis we carried out showed that we could extend this service to certain other customers.

In 2025, we will continue this Circularity diagnosis within our 4 Environment activity lines: Water, HVAC, Smart Grids, Street lighting. The aim will be to determine whether it would be possible and appropriate to put in place certain circular offers (repair, reconditioned products, etc.) or the economy of functionality (sale of services and/or a level of performance rather than physical products).

Dismantling and recyclability

For some of our Environment products, we provide our customers with a «Dismantling and End-of-Life Sheet», which specifies all the actions to be taken when disposing of a product, with the aim of encouraging recycling of the various components as far as possible. We are currently working on extending this data sheet to all products in our Environment activity over the coming years.

Indicators and targets

Durability of our products

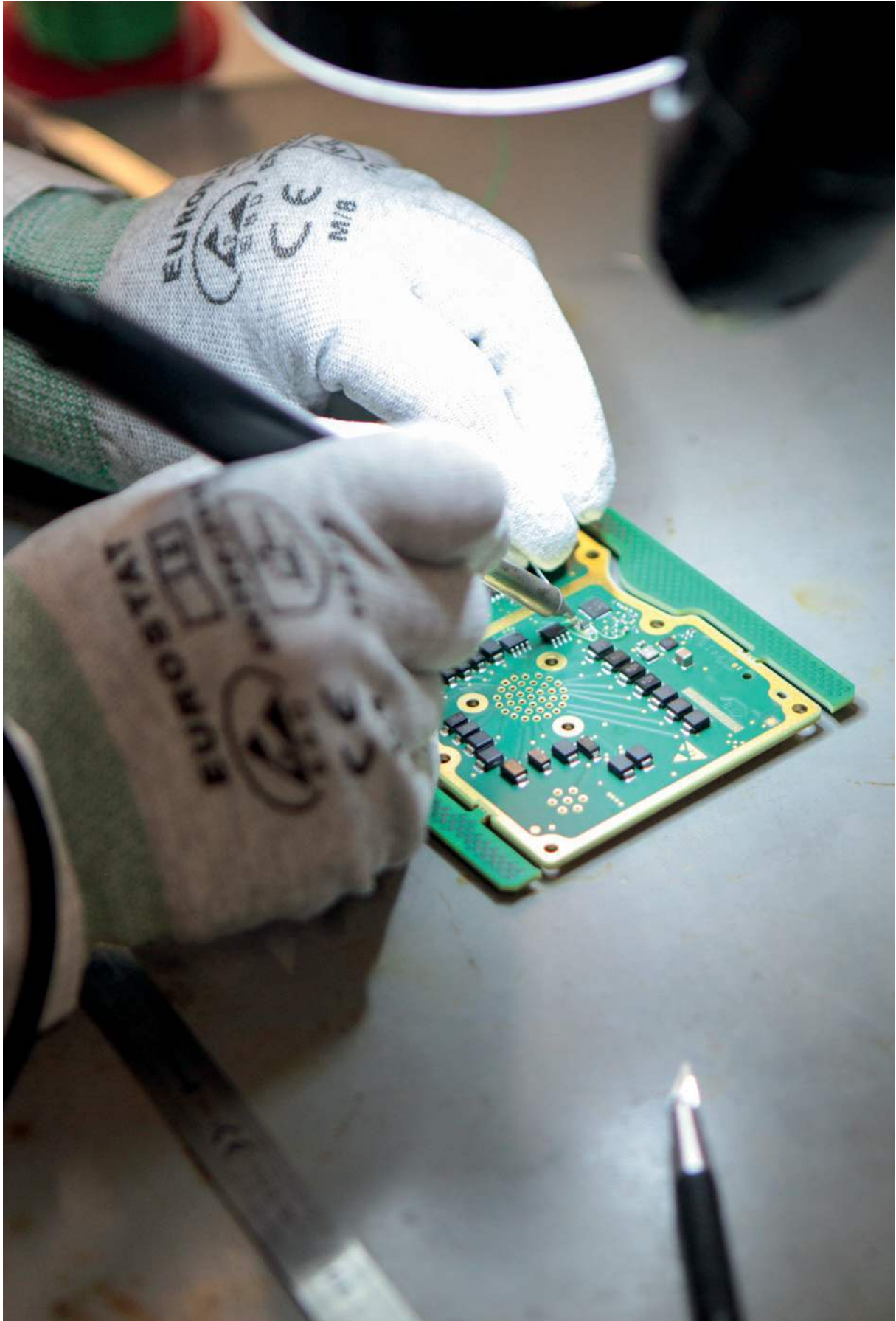
We manufacture quality products, incorporating circular principles for the products and solutions of our Environment activity and, when we are in charge of the design, for the products of our Electronics business: incorporation of recycled materials, maximization of service life, disassembly and repairability, recyclability, etc.

The lifespan of the products manufactured by our Electronics business ranges from 1 to 25 years, depending on the application. We estimate that it is similar to the industry average for an equal application.

The average lifespan of our Environment products is 15 years. The quality and robustness of LACROIX products is recognized in these markets and we believe that it is above the industry average in our various markets: Smart Lighting, Smart Water, Smart HVAC, Smart Grids.

Repairability

We do not currently have consolidated figures on the repairability of the products we market.



SOCIAL INFORMATION

ESRS S1 – Company employees

Identification and assessment of the impacts, risks and opportunities associated with workers in the value chain

LACROIX is a technology and industrial company with two business activities, Electronics and Environment, and employs 3,199 people directly and just over 1,100 in Mexico via wage portage. The workforce is spread across 9 countries worldwide.

84% of the workforce work in the Electronics business, which designs, industrializes and manufactures electronic sub-sets for industrial clients in a variety of markets.

The Environment activity designs and markets connected solutions for managing water networks, heating, ventilation and air conditioning installations, energy networks and public lighting.

We have identified and assessed the IROs related to the company's employees for all our own businesses and the locations where we operate.



The table below sets out the IROs that we consider material to our businesses. The policies, actions and indicators/targets we have put in place to take account of these material IROs are set out below.

| ESRS S1 – Company employees | | | |
|--------------------------------|-----------------------------|--|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Working conditions | | | |
| Negative impact | Own activities | <p>Working conditions for our employees</p> <p>Priority themes: Health and safety, Social dialogue (including freedom of association and collective bargaining), Pay and benefits.</p> | <p>Health and safety: Current, one-off negative impact in the event of accidents at work and musculoskeletal disorders on the health of the 3,199 LACROIX employees and/or the 196 temporary workers employed on average over the 2024 financial year. Given the nature of our industrial activity, the impact relates to handling accidents, exposure to high current and, to a limited extent, exposure to welding fumes, and concerns the sites of the LACROIX Electronics business. Also, in the event of harassment, there may be a one-off negative impact on well-being at work and good career development for all employees, in the absence of an appropriate system.</p> <p>This can have a short-term impact on workers. In addition to the consequences for the individual, this can lead to a deterioration in the social climate/absenteeism within Lacroix as well as production delays impacting the downstream value chain and its level of satisfaction.</p> <p>Policies, actions and objectives to manage impact: «the occupational health and safety policy and action plans put in place by LACROIX enable these risks to be managed (see page XX of the report) and cover the fight against harassment and discrimination».</p> <p>Social dialogue (including freedom of association and collective bargaining): Negative, current and systemic impact, linked to the lack of opportunity to express employees' concerns and needs, or to hindering the freedom of expression of employee representation bodies. The impact has been extended to all Lacroix employees who may be affected in the short term.</p> <p>The effects could be similar to those presented above (absenteeism, production delays, etc.).</p> <p>Policies, actions and objectives to manage impact: «The social dialogue policy implemented by LACROIX aims to control this impact».</p> <p>Decent wages, remuneration and benefits: Current negative impact on employees whose pay is insufficient to ensure a decent standard of living. Negative impact on employees in the event of pay differentials between employees, particularly between men and women. The impact will be felt by all workers in the short term.</p> <p>In addition to the consequences for the individual, the company's business model may be affected (retention of talent, loss of key positions, etc.).</p> <p>Policies, actions and objectives to manage impact: «Through the application of its remuneration policy, LACROIX ensures compliance with legal obligations and the principle of fair remuneration».</p> |

| | | | |
|---|----------------|--|---|
| Risk (short-term) | Own activities | <p>Inadequate working conditions and unhappiness at work</p> <p>Priority themes: Health and safety, Social dialogue (including freedom of association and collective bargaining), Pay and benefits</p> | <p>Financial, operational and image risks:</p> <ul style="list-style-type: none"> - linked to negative impacts on health and safety (possible financial penalties, costs linked to production delays, costs linked to accident prevention and management, deterioration in the social climate and increase in the level of absenteeism and staff turnover that could reduce the level of performance achieved by the company, the level of customer satisfaction and generate a risk of non-referencing with the customer, etc.); - related to negative impacts on social dialogue (including freedom of association and collective bargaining) (risks of financial penalties that would be linked to non-compliance with legal obligations, risk of non-referencing with the customer); - related to impacts on decent wages and remuneration (risk of not filling the necessary skills, of not being attractive on the market, of not retaining talent and key positions in the company, etc.). <p>These risks can affect the company in the short term. Policies, actions and goals for managing these risks: see below (in the section on Negative impacts linked to our employees' working conditions).</p> |
| Equal treatment and equal opportunities for all | | | |
| Negative impact | Own activities | Equity and diversity issues among our employees, worldwide. | <p>Diversity and inclusion:</p> <p>Current negative impact linked to possible shortcomings in terms of social progress, equal treatment and opportunity for all within the organization (e.g. lack of women in management positions). This could have medium-term effects on well-being at work and relations at work, the smooth development of employees' careers, and a drop in company performance.</p> <p>Policies, actions and objectives to manage impact: «The diversity and inclusion policy established by Lacroix makes it possible to meet the requirements of equal treatment for all (see page XX of the report) with the aim of improving the representation of women in management positions».</p> |
| Negative impact | Own activities | Training and skills development for our employees | <p>Talents and skills:</p> <p>Current negative impact on employees in the event of a lack of training and support when taking up a post, as the Electronics business requires significant specific training. The impact concerns all Electronics sites. In the short term, the effects would be: a high level of staff turnover, a loss of control over our know-how and key processes, and a deterioration in performance, quality and customer satisfaction.</p> <p>Policies, actions and objectives to manage impact: «LACROIX's training and skills management policy supports the organization's strategic development and the need to provide qualified staff at their workstations.».</p> |
| Risk (short-term) | Own activities | Insufficient consideration of equity and diversity | <p>Risks: See above</p> <p>Inadequate training and skills development for our employees</p> <p>Financial and image risk associated with failure to comply with arrangements and actions to ensure social progress and equal treatment and opportunity for all within the organization. In addition to the risks of financial penalties and litigation, there would be risks to the atmosphere and performance in the absence of a fair career development system.</p> <p>Operational risk linked to the impact of training and skills in the medium and long term linked to a high level of staff turnover and a loss of control over our know-how (dependence on key skills) and key processes. Ultimately, quality performance and customer satisfaction may be affected.</p> <p>Policies, actions and objectives to manage these risks: see below (in the section on Negative impacts linked to equal treatment and equal opportunities for all).</p> |

The IROs identified above do not call into question the company's resilience.

To date, we have not identified any impacts that would affect specific groups of employees or particularly vulnerable employees.

To date, we have no visibility on any social IROs that may be generated by the deployment of our transition plans.

Our convictions

Committing to our teams and our regions

LACLACROIX is convinced that social progress and economic performance are inseparable and places Human Capital at the heart of its development project.

The world of work is evolving under the influence of societal and technological change, and the expectations of new generations joining the business world. New relationships at work and new working practices are being developed (meaning at work, teleworking, etc.) and are changing the habits ingrained in organizations. These developments are fuelled by deeper questions about the meaning of work and teamwork. Employees are looking for a professional environment that gives everyone the opportunity to develop their skills and fulfil their potential.

Supporting these changes is a major challenge for LACROIX, which is therefore making progress in its efforts to attract, develop and retain talent.

Because the commitment of its employees is the key to its success, LACROIX is committed to creating a working environment where each individual is valued, respected and encouraged to develop their full potential.

LACROIX's Human Resources Policy is established in line with the positive impact CSR strategy to which LACROIX is committed. It is designed to improve the quality of life at work on our sites by acting on different levers.

The LACROIX Human Resources policy is based on 4 pillars which support this conviction and the company's strategic development.



**Talent
Acquisition**



**People Exp. &
Development**



**Performance
& Reward**



**HR Data
& Technology**

Each pillar is built around a performance and innovation target and incorporates the company's CSR commitments, with two major targets which are monitored on a regular basis.

| | Impact indicators | 2024 | 2030 Objective |
|---|---|--------------------------|----------------|
|  COMMIT TO OUR PEOPLE AND ACT LOCALLY | LACROIX sites Great Place to Work certified | 53% on 8 sites | 100% |
| | Women in management | 35% | 40% |

Human resources management: a shared responsibility

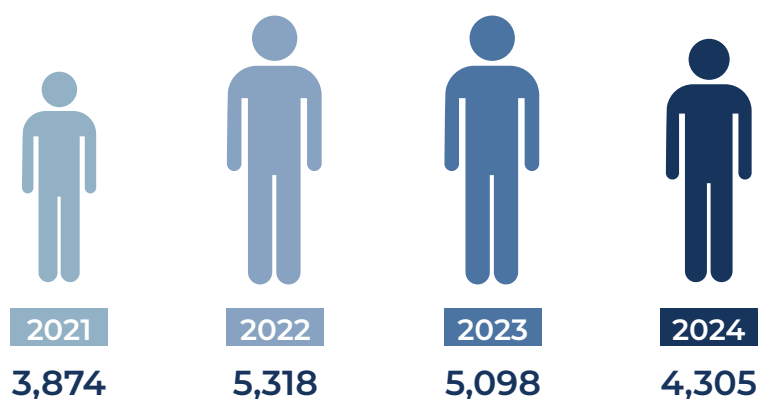
The deployment of our human resources policy relies on the involvement of the community of human resources professionals. Their role however is never to replace team managers who apply the principles described in this document on a day-to-day basis. HR Business Partners are an integral part of management, proposing solutions that are best suited to business efficiency and employee well-being.

Our human resources organization is based on the principle of close representation of our employees by HR Business Partners. They are the main contacts for employees and management in human resources management. The generalist human resources teams are sized to best respond to the size and challenges of the site being managed. Each HR Business Partner is very well versed in local regulations and practices.

Recruitment strategy, HR tools and projects, remuneration and diversity are dealt with directly at head office by various HR experts. A shared services centre for payroll management has been set up in France to pool the service for all companies based in France. HR processes, systems and tools support the various policies but must not be used to the detriment of the human relationship, which remains our priority.

Employment and workforce

Data reported are based on the number of employees at 31 December 2024.



LACROIX employed 4,305 people at 31 December 2024, compared with 5,098 in 2023, a reduction of 793.

This reduction in headcount is explained by the disposal of the Road sign business, which employed 318 people at 31 December 2023, and by the ongoing disposal of the Mobility business, which employed 158 people at the same date. These two businesses are excluded from the headcount carried forward to 31 December 2024.

In addition, the decline in business in Poland justified the reduction of 293 employees between 31 December 2023 and 31 December 2024.

In Mexico workers are employed by a wage portage company. They are consolidated with the Group's total workforce and represent 1,106 employees at 31 December 2024, compared with 1,159 employees at 31 December 2023.

Restated for the workforce transferred to Mexico and the workforce of the Mobility business being sold, the workforce employed by LACROIX will be 3,199 at 31 December 2024, compared with 3,463 at 31 December 2023.

Workforce breakdown by Activity

The workforce figures below do not include workers employed using wage portage in Mexico, nor those of the Mobility business, currently being sold. They correspond to the number of employees at 31 December of each financial year.

| | Corporate | | Electronics | | Environment | | Total | |
|------------------------|-----------|-----------|--------------|--------------|-------------|------------|--------------|--------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 |
| Total workforce | 58 | 67 | 2 995 | 2 693 | 410 | 439 | 3 463 | 3 199 |
| Men | 34 | 38 | 1 181 | 1 066 | 300 | 326 | 1 515 | 1 430 |
| Women | 24 | 29 | 1 814 | 1 627 | 110 | 113 | 1 948 | 1 769 |

LACROIX Corporate employs cross-functional staff dedicated to managing the Group.

The workforce of the Street Lighting Business Unit was transferred to the Environment activity in 2024. For the purposes of comparison and consistent treatment over the two periods, these employees are included in the Environment workforce at 31 December 2024. There were 110 employees in 2024 (74 men and 36 women), and 97 employees in 2023 (63 men and 34 women).

At 31 December 2024, among the 3,199 employees of LACROIX, and excluding the workforce of the Mobility business currently being sold, the following figures can be observed:

55%
OF THE GROUP'S EMPLOYEES
ARE WOMEN
(56% IN 2023)

84%
OF THE GROUP'S EMPLOYEES
WORK FOR THE ELECTRONICS
BUSINESS
(86% IN 2023)

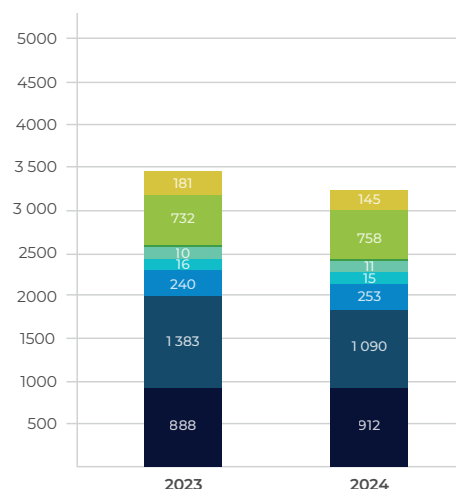
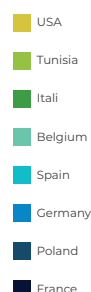
71.5%
OF THE GROUP'S EMPLOYEES
WORK OUTSIDE FRANCE,
WITHOUT TECMA
(75.5% IN 2023)

Geographical breakdown

The story of LACROIX began in France. The development of the Group's activities over recent years has seen it support customers and conquer new markets internationally.

Including workers in Mexico employed via wage portage on behalf of LACROIX and excluding employees of the Mobility business currently being sold, 79% of LACROIX's workforce will be located outside France in 2024, compared with 80% in 2023.

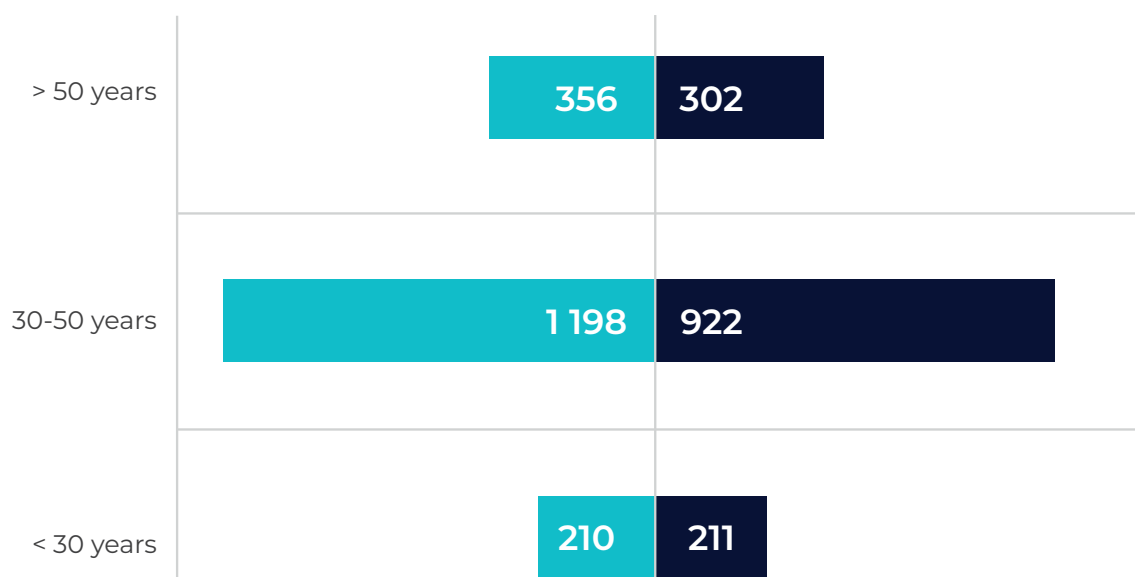
| | Europe EEE | Tunisia | North America | Total |
|---------------------|---------------|---------|------------------|-------|
| Employees | 2,296 | 758 | 145 | 3,199 |
| Permanent employees | 2,228 | 659 | 145 | 3,032 |
| Temporary employees | 68 | 99 | | 167 |



Workforce at 31 December 2024 broken down by geographical area and type of employment contract.

Breakdown by age group

At 31 December 2024, the breakdown of employees on the LACROIX payroll, excluding employees of the Mobility business currently being sold, is as follows by age group:

**Breakdown by gender and type of employment contract**

At 31 December 2024, the breakdown of employees on the LACROIX payroll, excluding the workforce of the Mobility business currently being sold, is as follows.

| | Permanent contract | Fixed-term contract | Total |
|--------------|--------------------|---------------------|--------------|
| Men | 1,361 | 69 | 1,430 |
| Women | 1,671 | 98 | 1,769 |
| Total | 3,032 | 167 | 3,199 |

For LACROIX employees;

- Permanent Contract defines open-ended employment contracts.
- Fixed-Term Contract defines fixed-term employment contracts.

Joiners and leavers

Data calculated for 2024 on the basis of LACROIX employees, excluding employees of the Mobility business currently being sold.

 **385**
joiners

 **652**
leavers

 **7.7%**
staff turnover
(permanent staff)

Of the 385 employees who joined LACROIX in 2024, 302 joined the Electronics business, 64 the Environment activity and 19 joined functions within LACROIX's Corporate activities. The Group hired 147 women and 238 men. Of these, 269 were hired on permanent contracts.

Of the 652 employees who left the Group in 2024, 200 left due to the end of fixed-term contracts and 602 worked for the Electronics business, 38 for Environment and 15 for LACROIX's Corporate activities. Of these leavers, 341 were women and 314 men.

Staff turnover is calculated on the basis of all leavers, excluding the end of temporary contracts and staff turnover linked to the drop in activity. Calculated on the basis of the Group's permanent workforce, the turnover rate for 2024 is 7.7% compared with 10.7% in 2023.

Taking into account all leavers, including those on fixed-term contracts, LACROIX's staff turnover rate for 2024 is 20.38%. This level of staff turnover

| | | Corporate | | Electronics | | Environment | | Total | |
|---------|--------------|-----------|-----------|-------------|------------|-------------|----------|------------|------------|
| | | Men | Women | Men | Women | Men | Women | Hommes | Femmes |
| Joiners | Blue colar | | | 104 | 104 | 9 | 1 | 113 | 105 |
| | White Colar | 8 | 11 | 58 | 20 | 41 | 8 | 107 | 39 |
| | Management | | | 13 | 3 | 5 | | 18 | 3 |
| | Total | 8 | 11 | 175 | 127 | 55 | 9 | 238 | 147 |
| Leavers | Blue colar | | | 185 | 283 | 2 | 1 | 187 | 284 |
| | White Colar | 5 | 8 | 76 | 38 | 27 | 5 | 108 | 51 |
| | Management | 2 | | 16 | 4 | 1 | 2 | 19 | 6 |
| | Total | 7 | 8 | 277 | 325 | 30 | 8 | 314 | 341 |

Respect for human rights

LACROIX is fundamentally opposed to child and forced labour. In this regard, we follow the principles of the International Labour Organization.

We are well aware of our responsibilities, given our commercial and industrial presence in a large number of countries. Wherever we operate, we are determined to behave as a responsible, honest company that respects people and the law.

LACROIX undertakes to comply with the following international documents:

- The Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization (ILO), the guiding principles of the Organization for Economic Co-operation and Development (OECD) for multinational enterprises concerning human rights, environmental protection and the fight against corruption.
- LACROIX is committed to providing working conditions and relationships that respect human dignity and to ensuring that these working conditions are safe and comply with ILO standards and national legislation.
- When establishing an industrial site, LACROIX ensures that it identifies, prevents and remedies the social and human rights impacts that it could have on local communities and their environment, and participates in the harmonious development of these communities.

Each HR Business Partner (HR BP) has a fully familiar with local regulations and practices in the countries where LACROIX operates. Each of them ensures strict compliance with local laws and obligations, in full respect of international reference texts.

Health and safety at work

Policies and processes

LACROIX has a responsibility and duty to protect the health and safety of its employees, and endeavours to assess and improve working conditions and implement accident prevention measures in collaboration with the bodies representing its employees and external stakeholders.

As detailed in our Health and Safety at Work policy, our absolute goal is to offer the best possible working conditions and guarantee maximum safety for our employees at all our sites.

This policy is consistent with LACROIX's CSR strategy of positive impact, in which LACROIX is committed to improving the working conditions and well-being of its employees. This commitment also covers a requirement for third-party service providers working for the Group. LACROIX's health and safety policy covers the following areas:

- Maximum prevention of serious and fatal accidents
- Developing shared vigilance
- Prevention of psycho-social risks
- Adapting ways of organizing work to promote well-being
- Preventing air quality risks and reducing noise, visual and light pollution.
- Guaranteed social protection standards

LACROIX's Health and Safety policy helps to develop a culture of safety at work within organizations and to guarantee the health and safety of the Group's employees and the service providers who work on our behalf. This policy also encourages the search for possible improvements in working conditions and the well-being at work of the Group's employees.

LACROIX's health and safety policy supports the ambition of the 1st priority of the fourth commitment of our positive impact CSR strategy, namely: "Promote well-being at work and recognition"

Actions and resources

The deployment of LACROIX's health and safety policy is organized with the support of the human resources teams at the various sites. At each industrial site, we have put in place a health and safety officer.

Preventive health and safety measures are also implemented through dialogue with the various health and safety committees: Social & Economic Committee (CSE), Health & Safety and Working Conditions Committee (CHSCT) or similar organizations on international sites. LACROIX's various health and safety bodies cover 100% of its workforce at sites with more than 20 employees.

In a spirit of collaboration and responsibility, those involved ensure LACROIX's compliance with local obligations and regulations and work to roll out training initiatives of a regulatory or preventative nature.

Accident prevention and health-related awareness-raising measures

In several of the group's entities, prevention measures have been taken to raise awareness among employees on improving their daily work.

LACROIX also provides training courses and exercises required by regulations in all the countries where it operates. Employees are regularly trained in the use of handling equipment (operator licenses), first-aid (first-responder courses), fire emergencies (front and rear fire-warden training), risks related to the use of hazardous products and chemicals, and the use of high-voltage currents (certification and training).

In addition, health awareness campaigns are carried out. They are sometimes the initiative of employees supported in their approach by the company's management.

For example, the LACROIX Electronics site at Beaupreau runs cancer prevention campaigns, the Environment and Electronics sites in Germany run an annual flu vaccination campaign, and the LACROIX site in Tunisia organizes campaigns to raise awareness of the health risks associated with diabetes and help to publicize the signs of the disease.

Whistleblowing procedure

LACROIX has set up a whistleblowing procedure for reporting serious events or risks that could compromise public health, safety, the environment or the company's financial interests.

The aim of this procedure is to protect the company's employees and stakeholders by identifying risks at an early stage and taking appropriate action.

Employees can report serious facts or risks, even if they do not fall within the scope of the whistleblowing procedure.

The whistleblowing procedure is communicated to everyone and is available on our intranet. Currently, Lacroix does not have a procedure in place to ensure that employees are aware of this scheme and trust it to raise any concerns or needs and have them addressed.

Incidents reported by whistleblowers are dealt with at the highest level of the organization by the EVP Legal & Compliance within a maximum of two weeks. Whistleblowers enjoy special protection and anonymity in accordance with the company's obligations.

In 2024, two cases of psychological harassment were reported. LACROIX carried out internal investigations in accordance with legal requirements. Following these investigations, LACROIX took the appropriate disciplinary measures and referred any legal action to the independent external authorities.

Indicators and targets

Accident indicators reported cover the calendar years 2024 and 2023. They relate to employees on the LACROIX payroll, excluding the Mobility business currently being sold.

Accidents at work

| Data Point | Unit | 2023 | 2024 | Variation |
|----------------------------------|--|-------|-------|-----------|
| Total recordable injuries (1) | Number | 27 | 27 | 0% |
| Lost time injuries | Number of days | 466 | 596 | 27.9% |
| Hours worked | Million hours worked | 5,747 | 5,653 | -1.6% |
| Lost time injury frequency | Injuries per million hours worked | 4.70 | 4.78 | 1.7% |
| Severity (2) | Number of lost days due to accident per thousand hours (3) | 0.082 | 0.105 | 28.7% |
| Fatalities | Number | 0 | 0 | |

(1) Number of workplace accidents with at least 1 day of stoppage *1,000,000 / effective work hours.

(2) Number of days' stoppage due to workplace accidents *1,000 / effective work hours.

(3) Data used consider accidents at work with at least 1 day's absence from work.

There have been no deaths due to accidents at work or occupational illnesses involving employees other than LACROIX's own employees.

The workplace accident frequency rate was 4.78 in 2024, compared with 4.70 in 2023.

Most of the increase was due to accidents involving handling and carrying loads in workshops. The accident severity rate improved by 0.123 points in 2024. This result reflects an increase in the number of days lost per accident.

Accidents at work mainly concern the Electronics business. In its workshops, preventive actions will be stepped up again in 2025, with campaigns to raise awareness of the need to comply with safety rules, in particular the wearing of personal protective equipment and best practice in movements and postures during handling operations.

As part of their induction process, new recruits are systematically made aware of the risks of accidents in the workplace. Regular communication campaigns provide reminders of the guidelines and the importance of this matter, and managers are directly involved in supporting workplace safety approaches.

In the Electronics business, LACROIX has launched a dedicated action plan to reduce the number of lost-time accidents and the severity rate by 2025. This action plan, which has now been launched, reinforces compliance with safety standards within our teams, and in particular the role of team leaders. It aims to halve the number of accidents in two years.

LACROIX is also taking steps to prevent psycho-social risks at its various sites, in particular through awareness-raising modules made available to its management teams.

LACROIX makes regular investments intended to improve the working environment of its employees, helping to enhance both safety and comfort.

Some of the most significant examples of this in 2024 are as follows:

- Renovation and extension of workspaces
- Installation of safety systems for double rack storage at height
- Automatic handling systems for its workshops
- Securing circulation areas in workshops
- Investments to improve workplace ergonomics

Absenteeism

The deferred absenteeism indicator covers the calendar years 2024 and 2023. It concerns the workforce employed by LACROIX, excluding the Mobility business currently being sold.

| | 2023 | 2024 | Variation |
|---------------------------------|---------------|---------------|----------------|
| Absenteeism | 3.31 % | 5.32 % | 60.61 % |
| Professional diseases | 0.00 % | 0.02 % | na |
| Work and commuting accidents | 0.03 % | 0.10 % | 189.83 % |
| Maternity, paternity & adoption | 1.59 % | 2.12 % | 33.39 % |
| Total absenteeism rate | 4.94 % | 7.56 % | 53.08 % |

Organization of social dialogue

Policies and processes

LACROIX is committed to establishing high-quality social dialogue with employee representation bodies.

This dialogue takes the form of work meetings and discussions with employee representation bodies, whose configuration varies according to local legislation. These exchanges are intended to create a responsible and constructive relationship of trust, conducive to business development and employee fulfilment within the Group.

Through its Human Resources policy, LACROIX guarantees its employees freedom of association and effective recognition of the right to collective bargaining.

Actions and resources

Employee representation is organized by company in accordance with local regulations. Responsibility for coordinating relations with trade unions and other representative associations lies with local management and is dealt with at the appropriate level. We give priority to the site level (plant or company), so as to be as close as possible to employees' concerns.

The Group is particularly proud of the quality of discussions that held with a view to changing in the organization of its activities, which have enabled it to make the adaptations necessary for operating its business and to changing social practices.

Communication

Regular direct communication with management is organized. Once a year, during the «LACROIX Tour» organized at each of our sites, LACROIX management (CEO, members of the Executive Committee, members of local management) present an update on the Group's strategy, review the news of the past year and present the business challenges ahead. Direct discussion sessions between management and teams are organized during this ritual event.

As part of our commitment to direct communication, every quarter a video conference, CEO Talk, connects all Group employees to a business presentation and a question-and-answer session with Group and business unit management. This provides an additional opportunity for direct exchange.

Internal employee satisfaction survey

To understand the expectations of its employees in their relationship with work and the company, and to gauge commitment to its projects, every year LACROIX conducts an employee satisfaction survey among all its employees. The Great Place to Work satisfaction survey has been conducted since 2023. It replaces the LACROIX & You internal survey, which had been conducted among Group employees since 2017.

Great Place to Work ensures the confidentiality and anonymity of responses given by employees on more than sixty points relating to managerial practices, fairness and respect within the organization, communication and remuneration policies. The results are assessed by the independent Great Place to Work certification.

In 2024, the campaign ran for 15 days from 7 to 19 October for all sites. The survey is administered by Great Place to Work teams, to ensure the confidentiality and anonymity of responses. Each employee receives their internal satisfaction questionnaire in digital format, with a unique login code.



In 2024, 85% of employees took part in the Great Place to Work survey, compared with 83% in 2023. The results obtained from this sample are convincing and provide a wealth of material on which to base improvement initiatives. The results of the survey are systematically communicated to all employees. Action plans are drawn up every year to continuously improve results.

We also communicate an individual social report to all our employees in France, setting out all the remuneration and benefits on offer.

Following the survey conducted in 2024, 8 out of 15 LACROIX sites were awarded the Great Place to Work label, i.e. 53% of sites. By 2023, 5 sites had been awarded the label. It should be noted that the 15 sites include the site based in Mexico, where the workforce is employed on behalf of LACROIX by TECMA using a wage portage solution.

| | 2023 | 2024 | 20230 Traget |
|---|------|------|--------------|
| Percentage of sites certified Great Place to Work | 29% | 53% | 100% |
| Number of certified sites | 5 | 8 | 15 |

The next Great Place to Work satisfaction survey will be conducted again in 2025.

Our target for 2030 is to have 100% of our sites certified Great Place to Work.

Indicators and targets

Whenever required by law, LACROIX entities have employee representative bodies. The various committees meet several times a year, depending on local legislation and practices.

The various negotiations are prepared with management, taking into account the legitimate interests of the company and its employees. In 2024, corporate bodies held 166 meetings across the Group (171 in 2023 and 148 in 2022).

The Electronics business also has a European Social and Economic Committee, which meets twice a year to discuss strategy, commercial and industrial development, business activity and job prospects, as well as investment policy and projects. This committee brings together Polish, French and German elected representatives appointed by their trade union bodies.

The various negotiations are prepared and conducted between the Parties taking into account the legitimate interests of the company and its employees.

Percentage of employees represented by employee representative bodies.

The indicator of the percentage of LACROIX employees represented by employee representation bodies is monitored for sites employing at least 50 employees at 31 December of each period.

| | 2023 | | 2024 | |
|---|--------------|------------------|--------------|------------------|
| | Total HC | % Representation | Total HC | % Representation |
| France | 888 | 100% | 912 | 100% |
| Poland | 1,383 | 100% | 1,090 | 100% |
| Germany | 240 | 50% | 253 | 49% |
| Employee representation rate - EEA | 2,511 | 95% | 2 255 | 94% |
| Tunisia | 708 | 100% | 709 | 100% |
| United States | 181 | 0% | 145 | 0% |
| Employee representation rate | 3,400 | 91% | 3,109 | 91% |

94% of LACROIX employees are represented by employee representation bodies in Europe. They account for 91% of all LACROIX employees.

Collective negotiations and agreements are discussed with employee representation bodies. These collective agreements cover 94% of employees in the European Economic Area and 100% of employees in Tunisia.

Percentage of employees covered by a collective agreement.

The indicator of the percentage of LACROIX employees covered by a collective bargaining agreement is monitored for all sites at 31 December of each period.

| | 2023 | | 2024 | |
|--|--------------|------------|--------------|------------|
| | Total HC | % Coverage | Total HC | % Coverage |
| France | 888 | 100% | 912 | 100% |
| Poland | 1,383 | 0% | 1,090 | 0% |
| Germany | 240 | 0% | 253 | 0% |
| Spain | 16 | 100% | 15 | 100% |
| Italy | 10 | 100% | 11 | 100% |
| Belgium | 13 | 0% | 15 | 0% |
| Percentage of employees covered by a collective agreement EEA | 2,550 | 36% | 2,296 | 41% |
| Tunisia | 708 | 100% | 758 | 100% |
| United States | 181 | 0% | 145 | 0% |
| Percentage of employees covered by a collective agreement all sites | 3,439 | 47% | 3,199 | 53% |

The change in the percentage of employees covered by a collective agreement from one financial year to the next is essentially due to fluctuations in the workforce in Poland.

Diversity and Inclusion

Policies and processes

As part of its Human Resources Policy, LACROIX aims to create a working environment where each individual is valued, respected and encouraged to contribute fully to the success of the organization.

This policy takes the form of the following actions:

Commitment to diversity: our company recognizes that diversity is a strength. We are committed to promoting diversity in all aspects of our business, including recruitment, professional development, promotions and management initiatives.

Inclusive recruitment: we adopt recruitment practices that promote equal opportunities for all candidates, taking care to eliminate potential bias and attract a wide range of talent. This includes training recruiters to recognize and avoid unconscious prejudice.

Training and awareness: we provide diversity and inclusion training to all our employees, to promote a better understanding of different cultural backgrounds, gender identities, sexual orientations, physical abilities and other dimensions of diversity. We regularly run webinars on the subject, and events with employees are also organized locally.

Creating an inclusive culture: we actively encourage the participation of all employees in decision-making processes, promote open dialogue and create an environment where everyone feels safe to express their ideas, opinions and concerns.

Equitable professional development: we are committed to providing equitable professional development opportunities for all our employees, ensuring that promotions, training and project assignments are awarded on the basis of merit and performance, without discrimination.

Anti-discrimination policies: We have clear and rigorous processes in place to deal with any form of discrimination, harassment or inappropriate behaviour, and we encourage our employees to report such situations in confidence.

Measuring progress: we regularly assess our progress on diversity and inclusion using quantitative and qualitative data, and adjust our strategy accordingly to continue progressing towards our goals.

Actions and resources

We focus our efforts on 3 goals:

1. Goal of increasing the number of women managers in industrial and technical professions:

Our company is committed to increasing the representation of women in management positions, particularly in industrial and technical areas, through targeted recruitment programmes, professional development initiatives and specific support for women aspiring to management positions in these sectors.

Taking into account employees on the LACROIX payroll at 31 December, excluding workers employed via wage portage in Mexico and employees of the Mobility business, which is in the process of being sold, the gender breakdown is as follows:

 **1,769
WOMEN**

 **1,430
MEN**

Women represented 55% of the Group's workforce at 31 December 2024 (at 31 December 2023, the proportion of women in the same scope of consolidation was 56%).

They account for 60% headcount of the Electronics business, which employs a predominantly female workforce in its workshops.

LACROIX closely monitors the equal treatment of men and women in the workplace. Each activity takes account of wage gaps that may exist between men and women, seeking to reduce them.

In addition to Company-level agreements and mandatory action plans, specific measures are in place to make it easier for women to carry out a professional activity.

In 2024, the gender equality index will be above 75 points for the vast majority of the Group's companies based in France, for which this indicator must be calculated. Companies with an index below 75 points have drawn up an action plan to improve the index through targeted measures.

2. Goal of promoting multi-generational skills and supporting learning:

We aim to foster an inclusive and rewarding working environment for employees of all generations by encouraging the exchange of knowledge and experience between more experienced staff and new recruits, and by recognizing the value of diverse perspectives and skills.

LACROIX affirms its support for the integration of young people in employment with a proactive policy of integration via in-company apprenticeships.

In 2024, there were 146 young people in LACROIX teams taking their first steps in the working world, either on professional training contracts, apprenticeships, or work initiation schemes. There were already 174 in 2023.

3. Goal of combating all forms of discrimination and unconscious bias:

We are committed to making our employees aware of unconscious bias and implementing measures to mitigate it in our recruitment, assessment and decision-making processes.

This includes training recruiters to recognize and avoid prejudice, and putting in place policies and practices to foster a culture of inclusion and mutual respect.

We are also signatories to the StOpE initiative against ordinary sexism in the workplace. We offer eLearning training in our Training Hub.

By implementing a strong diversity and inclusion policy, our company aims not only to create a fairer and more respectful working environment, but also to drive innovation, strengthen our reputation as an employer of choice and better serve our customers and stakeholders. The results of the internal employee satisfaction survey are fully satisfactory in these respects.



Indicators and targets

As part of its positive impact CSR strategy, LACROIX has committed to a target of 40% female representation in its management by 2030.

| Data | 2021 | 2022 | 2023 | 2024 | 2030 target |
|-----------------------------------|------|------|------|------|-------------|
| Percentage of women in management | 23% | 26% | 26% | 36% | 40% |

The term «management» refers to team management functions on the first two management lines for the white collar population (member of the Executive Committee, department manager) and production management staff for the blue collar population (workshop manager and team leader).

The management headcount below is carried by LACROIX and is calculated as at 31 December 2024.

| | Total | Men | Women |
|-------------------|---------------------------|--------------------------|-------------------------|
| Blue collar % | 82 100% | 35 43% | 46 56% |
| White Collar % | 148 100% | 113 76% | 35 24% |
| Total % | 230 100% | 148 64% | 81 35% |



In support of this objective, we have developed a Women@LACROIX program to promote the professions of industry to schoolchildren and young female students, and to encourage the professional development of women employees at LACROIX.

We work regularly with organizations such as Elles Bougent and IndustriElles.



The gender pay gap, calculated as the difference in average remuneration levels between male and female employees, expressed as a percentage of the average remuneration level of male workers, is 35.73%.

It is calculated as follows:

$$\left(\frac{\text{average gross annual compensation of male employees} - \text{average gross annual compensation of female employees}}{\text{average gross annual compensation of male employees}} \right) \times 100$$

The remuneration considered includes the annual base salary, to which the seniority bonus is added for non-executive employees (subject to validation, see above), based on full-time work.

This information is based on the remuneration of employees based in France for this year, covering 28.5% of the total workforce employed by LACROIX.

This gap is mainly explained by the high proportion of women in operator roles within the Electronics division's workshops, which are among the lowest-paid positions.

Talents and skills

Policies and processes

Staff training is a key priority, contributing to employee upskilling and individual fulfilment of potential. It is important for the effective involvement of everyone within the Group, and drives collective success.

As part of its Human Resources policy, LACROIX has set objectives to develop and strengthen its practices in the following areas:

Identifying key skills: We identify the essential skills needed to succeed in each position and area of activity within the company. This includes both the technical skills specific to each profession and cross-disciplinary skills such as communication, leadership and problem-solving. An annual review of key functions is carried out between management and the HR Business Partners to review the actions to be taken (development project or specific training).

Performance review and skills assessment: We regularly assess the skills of our employees using appropriate evaluation tools, such as performance interviews and specific skills assessments. This assessment enables us to identify each employee's strengths and areas for improvement. We use a common performance review standard for all our subsidiaries.

Professional development planning: We draw up professional development plans that take into account the career goals, interests and current skills of our employees. These plans may include internal or external training, mentoring or coaching programmes, and other development opportunities.

In practice, each activity within LACROIX defines its own annual training plan, taking account of the Group's strategic development priorities, the needs expressed by managers, and the wishes of employees.

This training covers support for developing new business-specific expertise and processes, introducing new business tools and software, further digitalization of tools, and taking on new responsibilities.

Each Electronics business site has a team dedicated to the ongoing training of production operators. New production recruits are systematically given training as part of their induction process.

The data given below relates to the LACROIX workforce, excluding the Mobility business currently being sold. The average headcount is calculated for each site as the sum of LACROIX employees registered at the end of the month divided by twelve.

| Data | 2023 | 2024 |
|---|--------|--------|
| Headcount | | |
| Average number of employees over the period | 3,610 | 3,432 |
| Training | | |
| Number of hours of training provided | 53,929 | 47,232 |
| Training expenditure €k | 568 | 641 |
| Metrixs | | |
| Training hours / average headcount for the period | 14.9 | 13.8 |

To support the content of its training offer, LACROIX has deployed an e-learning platform since the end of 2024.

By 2025, the aim is to gradually roll out its availability to all sites». It will also be dedicated to providing training in cybersecurity, compliance and unconscious bias.

For the time being, we have not set targets for the impact of skills development.

Actions

Annual performance review

Every year, LACROIX employees have an annual performance review, a special opportunity to discuss the Group's direction and strategy with their manager, to take stock of the current year and to set new objectives for the following year.

This interview is also an opportunity for the employee to express his or her wishes for career development and training. This process is standardized, fully digitalized and adopted throughout the Group.

In 2024, the coverage rate for annual interviews was 96% of LACROIX employees.

Promoting internal mobility

We encourage internal mobility, particularly through opportunities for job rotation within Group entities or for promotion and career development within the Group.

Career paths

We support our employees in their career transitions by providing resources and appropriate support when they are looking to change jobs, business areas or levels of responsibility within the company. By mapping our jobs by business line (LACROIX job structure), we can provide employees with better guidance on the opportunities available within the Group. Job evaluation is mainly based on the Korn Ferry methodology (Hay Group) and is reviewed annually with the management of each site.

In 2024, 12 employees benefited from internal mobility programmes and changed work organization within the Group.

Regular assessment and adjustment

We regularly evaluate the effectiveness of our development and training policy and make any necessary adjustments in line with employee needs, changes in the labour market and the company's strategic objectives.

By adopting a proactive approach to skills management and career paths, our company aims to foster the professional and personal development of its employees, strengthen their commitment and job satisfaction, and maintain a competitive edge in the marketplace.

Compensation and benefits

Policies

The remuneration of executives and senior managers is governed by a centralized LACROIX policy and managed by the Human Resources department at Group level. The structure and principles of remuneration are based on performance and the consistency of our internal equity.

The main remuneration principles are designed to be coherent and aligned with LACROIX's strategy and objectives and to recognize the expectations and performance of individuals.

The remuneration policy is harmonized for all LACROIX executives and managers. It incorporates the same criteria for assessing salaries, the same principles for calculating variable portions and the same conditions for designing remuneration packages.

The LACROIX remuneration policy precisely defines the various components of employee remuneration, and sets out the rules and conditions for career development, support for mobility and conditions of access to special schemes.

Remuneration packages are designed to take account of market practices, benefits and specific local features.

Fair remuneration

By fair remuneration, we mean a package of compensation and benefits granted to our employees based on the position they hold and taking into account their skills, expertise, experience and performance. All forms of discrimination are prohibited.

It also means that we offer decent wages, comparable to local practices and benchmarks.

LACROIX is committed to fair remuneration:

- compliance with local remuneration regulations in all countries where LACROIX operates.
- compliance with collective agreements relating to remuneration (including branch agreements or company agreements signed) in all countries where LACROIX operates.
- respect for the right to negotiate of employee representative bodies or trade unions.

As part of our responsible purchasing policy, we ask our suppliers to respect the same principles for external employees working for LACROIX activities.

For 2024, we have calculated the proportion of employees paid above the legal minimum wage applicable to the countries in which the Group operates. We are undertaking a process of structuring and collecting data on all our sites in order to comply with the Decent Wages Directive. The work underway will make it possible to publish information on employees receiving a decent wage, in accordance with the applicable benchmarks, and to consider the action plans to be implemented on the basis of these results.

However, all Lacroix employees receive a salary (equal to or) higher than the minimum wage applicable to the countries in which the Group operates.

It is calculated as follows:

The annual compensation of the CEO of the LACROIX Group / median level of total annual compensation of employees in France, excluding the highest-paid person.

The compensation considered is the base annual salary, to which the seniority bonus for non-executive employees is added, based on full-time employment.

The compensation considered includes the annual base salary, plus the seniority bonus for non-executive employees, based on a full-time equivalent.

ESRS S2 – Workers in the value chain

Identification and assessment of the impacts, risks and opportunities associated with workers in the value chain

For its Ciudad Juarez plant, LACROIX uses the services of the TECMA umbrella company, which employs the 1 106 people who work for our Electronics activity in Mexico.

Moreover, LACROIX sources an abundance of raw materials (PCBs, electronic components, metal, plastic, cardboard, etc.) as well as energy, buildings, vehicles, and IT equipment from over 2,500 suppliers worldwide.

To our knowledge, no incidents have been reported regarding workers treatment in LACROIX's business partners operations. However, we recognize that our complex supply chain and sourcing in countries, primarily within Asia, presents potential negative impacts for workers in the value chain.

Given the complexity of our value chain, with around 2,500 tier 1 suppliers worldwide, and probably several millions if we consider all our suppliers' suppliers, it is impossible for LACROIX to obtain complete and traceable information on the impact of these companies' activities on their workers. We have therefore formulated a general negative impact which is detailed below.

| ESRS S2 – Workers in the value chain | | | |
|--|-----------------------------|--|--|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Working conditions; Equal treatment and equal opportunities for all | | | |
| Negative impact | Upstream of value chain | Working conditions and equal treatment for em-ployees of our partner TECMA in Mexico | <p>Health and Safety, including harassment: Current, one-off negative impact on the health of the 1,100 people employed by TECMA on behalf of LACROIX in the event of work-related accidents and musculoskeletal disorders linked to the handling inherent in the job. Also, in the case of harassment, there can be a negative impact in the short term on the well-being at work of all employees.</p> <p>This can have a short-term impact on workers. In addition to the consequences for the individual, this can lead to a deterioration in the social climate/absenteeism as well as production delays impacting the downstream value chain and its level of satisfaction. Policies, actions and objectives to manage this impact: OR LACROIX ensures that TECMA's health and safety policy is in line with the fundamental rules on health and safety at work. LACROIX ensures the existence of measures and action plans in this area. LACROIX verifies the existence of anti-harassment policies and measures and their deployment among the workforce employed by TECMA.</p> <p>Local labour regulation: Current negative impact in the event of non-compliance with fundamental labour rights for TECMA employees, which could have short-term effects on employees. Policies, actions and objectives to manage this impact: LACROIX ensures that its service provider respects fundamental labour rights. LACROIX verifies the existence of a policy and action plan in this area.</p> <p>Training: Negative impact in the event of difficulty or lack of skills required to take up the position. Negative medium-term impact linked to the risk of demotivating staff. Policies, actions and objectives to manage this impact: LACROIX ensures that TECMA has a training policy that ensures the skills required to take up the position.</p> |
| Working conditions; Other employment rights | | | |
| Negative impact | Upstream of value chain | <p>Working conditions and fundamental employee rights at our suppliers' sites</p> <p>Priority themes: health and safety and workplace rights</p> | <p>Complex supply chain, with many levels of subcontracting, mainly industrial and located in Asia.</p> <p>Health and safety: Negative impact on the health and safety of salaried and non-salaried workers exposed by the nature of their activity, at all stages of the electronics industry value chain (industrial and extractive sectors): illnesses or accidents linked to handling, vehicles, workload, exposure to electrical currents, chemicals or dust, noise, bad weather, etc. This impact does not call into question the company's resilience because it is the responsibility of our suppliers, our code of conduct requires them to put in place appropriate measures to mitigate it and we have diversified sourcing.</p> <p>Work-related rights: Negative impact on the fundamental rights of salaried and non-salaried workers within the electronics industry value chain, particularly at our tier 2 and higher suppliers in the industrial and extractive sectors: potential child labour, forced labour and indecent housing conditions. This impact does not call into question the company's resilience because it is the responsibility of our suppliers, our code of conduct requires them to put in place appropriate measures to mitigate it and we have diversified sourcing.</p> |

The IROs identified above do not call into question the company's resilience.

As of today, we have no visibility on any potential social IROs that may arise from the deployment of our transition plans.

The IROs identified above do not call into question the company's resilience.

To date, we have no visibility on any social IROs that may be generated by the deployment of our transition plans.

To date, we have not identified any impact on specific groups of workers in the value chain or particularly vulnerable workers.

Working conditions and equal treatment for employees of our partner TECMA in Mexico

LACROIX uses the services of the TECMA umbrella company, which employs the 1,106 people who work for our Electronics activity at Juarez in Mexico.

LACROIX uses the services of TECMA to provide personnel for the manufacture of electronic sub-sets. Employees made available remain under employment contracts with TECMA. With TECMA, LACROIX defines the number of employees, the employee profile and the desired remuneration levels in accordance with the market and local obligations. TECMA executes the requests made by LACROIX in accordance with local labour law practices and obligations.

Employees made available by TECMA cover all the positions in the organization (blue collar, white collar and management).

As part of its business activities and in order to meet its customers' obligations and expectations, TECMA has Human Resources policies which also apply to LACROIX. LACROIX ensures that TECMA's human resources policies are in line with the fundamental rules of its own policy and practices.

LACROIX employs a limited number of people directly on the site to ensure the independence of decisions taken and to monitor their application. 11 employees are directly employed by LACROIX and supported by the LACROIX company based in Grand Rapids (USA).

To ensure the proper application of TECMA's human resources policy and procedures, LACROIX has chosen to hire its own independent VP Human Resources.

Decisions around people are discussed between the VP Human Resources of North America from LACROIX and the HR TECMA team which is aligned to LACROIX in terms of vision, goals and management in their day to day. TECMA support in providing the requested resources, hiring and ensuring that all decisions are under labour compliance. The daily systemic way to ensure alignment is through a strong bridge of communication that happen in our daily HR meeting.

The workforce employed by TECMA at 31 December 2024 breaks down as follows:

The data below relates to TECMA's workforce at 31 December 2024.

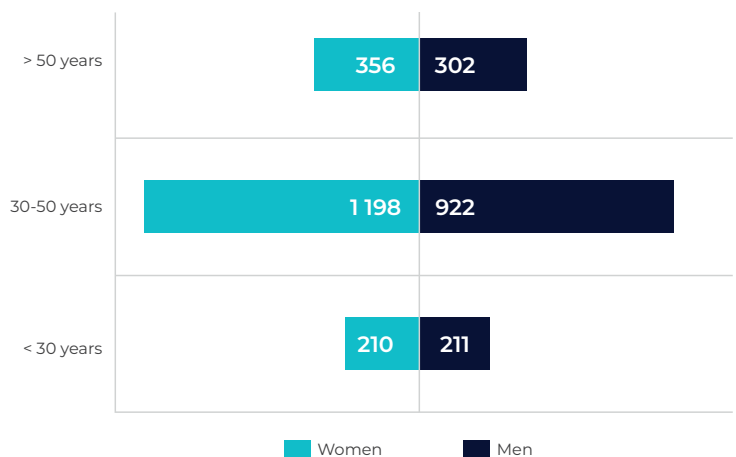
**585
WOMEN**



**521
MEN**



**TOTAL :
1 106**



Health and safety at work

Policies and processes

TECMA has health and Safety Policy and procedures aligned with local labour laws. LACROIX has checked that TECMA's Policy promotes and ensures the conditions necessary for a healthy and safe working environment.

In its policy, TECMA defines the principles of prevention, identification and assessment of risks related to safety and working conditions.

TECMA carries out training obligations relating to health and safety at work.

TECMA policy content is provided to all employees during their onboarding process and some of them are reinforced during the year.

TECMA monitors the main occupational health and safety indicators, and independently supervises risks and implements corrective action plans.

TECMA is also an ISO14001, ISO 9001 and IATF-certified company, standards which imply health and safety policies in the workplace.

Indicators and targets

The accident indicator reported covers the calendar year 2024. It concerns employees made available by TECMA on behalf of LACROIX.

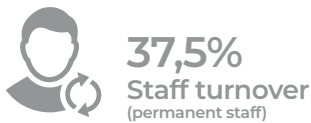
| Data Point | Unit | 2023 | 2024 | Variation |
|----------------------------------|--|-------|-------|-----------|
| Total recordable injuries (1) | Number | 2 | 6 | 200% |
| Lost time injuries | Number of days | 34 | 93 | 173,5% |
| Hours worked | Million hours worked | 2 644 | 2 434 | -8,0% |
| Lost time injury frequency | Injuries per million hours workerd | 0,76 | 2,47 | 225,9% |
| Severity (2) | Number of lost days due to accident per thousand hours (3) | 0,01 | 0,04 | 197,2% |
| Fatalities | Number | 0 | 0 | |

There are no fatalities due to accidents at work or occupational illnesses involving employees other than TECMA's own employees.

In 2024, to reinforce our safety process, we asked TECMA to set up dedicated resources focused 100% to Health and Safety. This team is responsible for coordinating the company's health and safety policy.

Safety is part of the representation on the daily production meeting.

We reinforce the security brigades' teams, they are identified and available them in case of any emergency.

Turnover

Local Market context: Juarez, like most of the cities in Mexico located at the border with high manufacturing activities, faces an important challenge on turnover because of the high offer and low demand of resources. Juarez represents 63% of job generation in all Chihuahua State.

Direct Labour attrition has an average of 4.5% monthly, putting us below the market. There are key elements implemented to control this KPI.

Local Labour Regulation**Policies and processes**

TECMA has defined its «code of conduct», which sets out operating rules and practices to ensure compliance with local and international labour regulations.

The code of conduct applied by TECMA mainly covers the following elements:

Human Right :

- Freedom of association and the right to collective bargaining
- Working conditions are safe.
- Child labor is absolutely prohibited, no employment under 16 years old
- No discrimination is practiced.
- Wages comply with federal and state minimum standards, and we strive to pay a living wage to our employees.

Discrimination :

- No discrimination based on race, religion, beliefs, gender, marital or maternal status, age, political or union affiliation, ethnic origin, social group, sexual orientation, or any other factor.
- Hiring and employment policies will be free from any type of discrimination.
- Prohibition of requiring pregnancy is strictly prohibited.

Working hours :

- Human resources policy and practices ensure the weekly working hours should not exceed level defined by the law.
- Vacations request as stipulated in the Federal Labor Law.

Prohibiting Harassment :

- Any unwanted sexual advances, requests for sexual favors, physical or verbal conduct, or gestures of a sexual nature, or any other conduct of a sexual nature that offends or humiliates another person will not be tolerated. Sexual harassment can occur between people of the opposite sex or the same sex.

Actions and resources

- To deal with situations of harassment, TECMA has an whistleblowing system for its employees.
- TECMA provides an anonymous way for employees to report any situation / area of improvement detected called "SpeakingOut"
- Potential cases reported are shared with LACROIX VP HR North America to ensure the right follow-up and closure of possible situations.

This system is accessible to TECMA employees at their place of work, by means of posters of this type. Lacroix has not set up a system to ensure that employees are aware of the whistleblowing system and trusts them.

Whistleblowers enjoy special protection and anonymity in accordance with the company's obligations.

Annual performance review

Every year, TECMA employees have an annual performance review, a privileged opportunity to discuss the Group's direction and strategy with their manager, to assess the current year's performance and to set new objectives for the following year.

This interview is also an opportunity for the employee to express his or her wishes for career development and training. This process is standardized, fully digitalized and adopted throughout the Group.

Communications Rituals

LACROIX ensures that TECMA employees also benefit from direct and regular communication with management.

Various rituals are organized on the LACROIX model to meet this expectation.

- TECMA management teams take part in CEO Talk organized quarterly by LACROIX
- Town Hall (communication meetings) - the Quarterly communication meetings where we share key content such as organization, result and challenges, key projects, recognition, questions from employees.
- Monthly management review
- Internal Employees survey: as requested by LACROIX, TECMA is applying the Internal employees satisfaction survey based on Great Place to Work standard. In 2024, we start with the management level and achieve a participation of 76% of the eligible employees.

Training and skills development**Policies and processes**

LACROIX defines the training policy and procedures associated with its supplier TECMA.

The training policy is defined for each year on the basis of needs to respond to changes in processes or the challenges of upgrading skills.

LACROIX provides guideline and process to define the training annual plan for the site.

LACROIX ensures that TECMA new employees benefit a process of onboarding before to take their positions.

In accordance with the regulations, TECMA collects training needs as part of a regulatory detection procedure (Detección de Necesidades de Capacitación). Training needs can also be identified during annual appraisal interviews between the manager and the employee.



Working conditions of employees at our suppliers

Policies

To improve the environmental and social practices associated with its purchasing, LACROIX has defined a Responsible purchasing policy, with two major objectives:

- Build balanced relationships with our suppliers and contribute to the creation of ethical and responsible supply chains.
- Improve the environmental and social performance of our suppliers, in particular by helping them to reduce their carbon footprint, develop eco-designed solutions and improve working conditions for their employees.

To help achieve the above objectives, we have identified the following key social issues and levers for action:

| Key issues | Levers for action |
|---|--|
| Hazardous materials and conflict minerals | - Regulatory compliance (REACH, RoHS, Conflict mineral, etc.) |
| Human rights, working conditions, and inclusion in our supply chain | - Evaluating and monitoring the performance of our suppliers - Reinforcement of our contractual clauses |
| Ethics and corruption | - Strengthening internal processes/whistleblowing procedure - Reinforcement of contractual clauses |

The deployment of our Responsible purchasing Policy is steered at the highest level of the Group, jointly by the Purchasing and CSR departments.

For each of the key issues identified, we have set up a working group comprising a pilot and several buyers from all the Group's entities. We also carry out an annual review of the progress made with all the Purchasing and Supply Chain teams.

Voir section G1 pour plus d'informations sur notre démarche de gestion des relations fournisseurs.

Actions and resources

Since defining its Responsible Purchasing policy in 2023, LACROIX has been working to incorporate the principles of sustainable procurement across its supply chain.

Identifying CSR risks at our suppliers

- Whistleblowing system: LACROIX has a centralized whistleblowing system for collecting and processing reports of any actual or potential breaches of the law, regulations and LACROIX's principles, guidelines, and internal policies, including the applicable «anti-corruption» and «competition» Codes of Conduct. This alert procedure is available to our suppliers in case of violation of the contractual clauses presented in our Supplier's Code of Conduct. We also require that suppliers have a whistleblowing procedure in place that ensures, among other things, confidentiality, and protection for whistleblowing employees so that they can raise concerns without fear of retaliation. LACROIX has not implemented a system to ensure that workers are aware of the alert mechanism and trusts them. So far, no alerts have been raised through the alert system. At present, LACROIX does not have a mechanism in place to address the impact in the event of an alert raised by a worker in the value chain.
- Annual CSR reassessment: In addition, our purchasers annually reassess the level of CSR risk associated with each of the suppliers for whom they are responsible. This annual review enables us to identify suppliers requiring specific attention.
- Responsible sourcing of minerals: In politically unstable areas, the mineral trade can be used to finance armed groups, fuel forced labour and other human rights violations. US regulations (section 1502 of the Dodd-Frank Wall Street Reform and Consumer Act of 2010) and then European regulations (Conflict Minerals Regulation applicable from 2021) aim to regulate the trade of the following minerals and metals: tin, tantalum, tungsten, and gold (3TG). In accordance with these regulations, LACROIX conducts due diligence to ensure that it imports these minerals and metals only from responsible, conflict-free sources, and asks its suppliers to carry out this analysis in their supply chain. Further information on conflict minerals can be found under ESRS S3.

Supplier's Code of Conduct

Our Supplier's Code of Conduct defines LACROIX's commitments and requirements towards its suppliers with regard to environmental, social and governance issues. It is based on version 8.0 (2024) of the Responsible Business Alliance Code of Conduct and refers to several international standards such as the International Labour Organization (ILO) Conventions, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

Considering human rights and working conditions for our value chain workers, the Supplier's Code of Conduct addresses the following matters, with which suppliers must comply:

Human rights and working conditions

- Interdiction of child and forced labour
- Illegal employment
- Remuneration and decent wages
- Humane treatment and non-discrimination
- Freedom of association

Health and safety

- Risk prevention
- Monitoring of work-related accidents and illnesses
- Occupational health and safety information and training

LACROIX is not aware of any cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involve workers in LACROIX's value chain.

Assessing suppliers practices

- Annual CSR assessment: At the end of 2024, we introduced an annual CSR assessment of our strategic suppliers, to promote ethical and ecological practices across our supply chain by considering the CSR performance of our partners, in addition to their economic, logistics and quality performance. This is a questionnaire comprising around fifteen questions on the supplier's environmental and social practices and performance, which must be accompanied by supporting documents, to be administered by our Purchasing teams. This assessment will be rolled out to suppliers representing 75% of our purchasing volume in the course of 2025. We assess suppliers during the selection process, and at least once a year thereafter. Each evaluation is the subject of a report sent to the supplier. If the situation so requires, we set up a progress plan in conjunction with the supplier.

- Audits: Our Purchasing Department, in partnership with our Internal audit Department, also conducts audits of our suppliers in order to ensure that our requirements are duly met. These audits may concern several aspects at once, such as the ability of the supplier to meet our needs, their technical capabilities, their quality system management, their adherence to environmental regulations, and their compliance with labour legislation. In 2024, we added a dedicated section to CSR requirements that includes several questions from our CSR assessment, such as the percentage of ISO 14001 certified sites or the establishment of GHG emissions reduction targets.

Supporting our suppliers

We believe it is essential to equip our suppliers with useful tools and resources in order to assist them in implementing better environmental and social practices.

In 2024, we designed a «CSR Start-up Guide» to reinforce the expectations found in our Supplier's Code of Conduct and provide suppliers with practical guidance to help them define and implement an ambitious CSR approach. The guide consists of three sections:

- Human rights and working conditions including guidance on developing a human rights policy, fostering diversity, equity, and inclusion, and implementing grievance mechanisms.
- Health and safety including guidance on preventing health and safety risks, training staff, and reporting workplace accidents and illnesses.
- Environment including guidance on measuring carbon footprint, setting GHG reduction targets, reducing energy consumption, measuring product environmental footprint, and integrating eco-design principles.

CSR Suppliers' Day

On October 11, 2024, LACROIX held its first digital CSR Suppliers' Day to present its ambition and actions in terms of responsible purchasing as well as its expectations for its strategic suppliers regarding their CSR performance. The event also featured a roundtable discussion dedicated to eco-design, an important lever of action for LACROIX.

With testimonials on product eco-design from our partners STMicroelectronics and CONDAT, the roundtable aimed to promote eco-design approaches in our supply chain and emphasize our ambition to source eco-designed solutions. The event concluded with the presentation of our CSR supplier assessment and a call to action for our suppliers to create positive impact with us. We plan to make this a regular event to highlight the progress made and share industry best practices.

Training our purchasers

The execution of our responsible purchasing strategy requires the commitment of all the Purchasing and Supply Chain teams. We are regularly conducting training/awareness-raising initiatives for our teams on the challenges associated with responsible purchasing, including the key environmental, social, and ethical issues that may arise. In September, LACROIX held a Responsible Purchasing training session for all its purchasers led by Asea, an organization specialized in sustainable procurement. This was an opportunity for our purchasers to work on concrete examples of responsible purchasing including how to effectively evaluate the CSR maturity of a supplier using our CSR supplier assessment.

Metrics and targets

We aim to have 100% of suppliers having signed our Supplier's Code of Conduct by 2025.

We aim to have 75% of our purchasing spend covered by a CSR assessment by 2025.

This objective should be achieved for 75% of the sales of each of our two activities, Electronics and Environment. It will be met if the suppliers concerned have been evaluated via our internal questionnaire before the end of 2025.

Progress on these two objectives, defined and announced in December 2023, will not be available until fiscal 2025.

Also we trained 100% of LACROIX purchasers on CSR and responsible purchasing issues in 2024.

S3 – Affected communities

Identification and assessment of impacts, risks, and opportunities related to affected communities

While LACROIX's operations do not have any direct impacts on local communities, we recognize that the upstream electronics industry, particularly mining operations, can have negative impacts on the rights of local communities. For more information about the negative impacts related to the mineral trade, see ESRS S2.

Given the complexity of our value chain, with around 2,500 tier 1 suppliers worldwide, and probably several million if we consider all our suppliers' suppliers, it is impossible for LACROIX to obtain complete and traceable information on the impact of these companies' activities on local communities and indigenous peoples. We have therefore formulated a general negative impact which is detailed below.

| ESRS S3 – Affected communities | | | |
|---|-----------------------------|---|---|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Economic, social and cultural rights of communities; Civil and political rights of communities; Rights of indigenous peoples | | | |
| Negative impact | Upstream of value chain | Violation of the rights of affected communities | <p>The activities of our suppliers, particularly our tier 2 and higher suppliers, and particularly in the industrial and extractive sectors, can have environmental consequences (pollution, land or water use agreements, deforestation, etc.) and social/societal consequences (infringements of human rights and/or know-how, etc.), which have a negative impact on the economic, social, cultural, civil and political rights of the communities and indigenous peoples directly or indirectly affected by these activities.</p> <p>This impact does not call into question the company's resilience, as it is primarily the responsibility of our suppliers and we have diversified sourcing.</p> |

Policies

Our Responsible purchasing policy includes regulatory compliance with Conflict mineral regulations, which are designed in particular to protect the rights of affected communities and indigenous people in mineral extraction zones.

We do not have any policy other than for conflict minerals.

Actions and resources

Supplier's Code of Conduct

Concerning the responsible sourcing of minerals, LACROIX's Supplier's Code of Conduct specifies the impacts associated with the trade of main conflict minerals. We ask that all concerned suppliers carry out conflict minerals analysis in their supply chains to ensure they import minerals from responsible, conflict-free zones. Given that the potential impacts on affected communities upstream of our value chain are not linked to our practices, but to those of our suppliers, we have not set up a process for dialogue with affected communities or their representatives.

Supply chain monitoring

LACROIX is directly concerned by several conflict minerals regulations which necessitate due diligence measures in its supply chain to ensure the responsible, conflict-free sourcing of minerals. We monitor our supply chain using the AutoGen-CM tool by APA Engineering. This compliance management software allows us to gather information regarding the mineral country of origin and the smelters and refiners being used through the supply chain. With this information, the tool sends out the Responsible Mining Initiative's Conflict Minerals Reporting Template (CMRT) survey to our suppliers and consolidates the associated conflict minerals reporting with respect to the industry-level Due Diligence OECD standards.

We do not have any escalation processes or alert channels available for the affected communities.

Indicators and targets

We do not have any indicators or targets specifically related to respect for the rights of affected communities in our value chain.

INFORMATION ON GOVERNANCE

ESRS G1 – Conducting business

Identification and assessment of impacts, risks, and opportunities related to business conduct

With revenue of €636 million, nearly 2,500 suppliers, hundreds of customers and operations in almost 15 countries, business ethics and the maintenance of healthy, lasting relationships with its stakeholders are essential to the long-term future of LACROIX's activities.

Below is a detailed description of the negative impact identified in our dual materiality analysis.

| ESRS G1 – Conducting business | | | |
|--|-----------------------------|--|---|
| Nature of IRO and time horizon | Value chain stage concerned | IRO title | Description of the IRO |
| Corporate culture; Whistleblower protection; Supplier relationship management, including payment practices; Bribery and kickbacks | | | |
| Negative impact | Own activities | <p>The challenges of doing business as an international group with thousands of suppliers.</p> <p>Priority themes: Corporate culture, Whistleblower protection, Supplier relations, Corruption</p> | <p>Corporate culture: The implementation of policies on business ethics and behaviour enables LACROIX to maintain relationships based on trust and ethics with all its stakeholders, including its customers and suppliers.</p> <p>Protection of whistleblowers: Collecting reports of conduct or situations that contravene regulations, the LACROIX ethics charter and codes of conduct, enables LACROIX to ensure a total commitment to ethical standards and compliance. This is why it attaches great importance to the protection of whistleblowers under the applicable legal conditions, as set out in the whistleblowing procedure.</p> <p>Relations with suppliers: Negative impact on some of our nearly 2,500 suppliers if the relationship is asymmetrical, with a potential impact on their financial health and future if payment deadlines are not met. This impact does not call into question the company's resilience, as we have taken the necessary steps to limit its occurrence.</p> <p>Corruption: The fight against corruption and bribery is fundamental for LACROIX, as any act of corruption could have a negative impact both for LACROIX, in terms of reputation for example, and for its stakeholders, and could jeopardize the long-term relationship between LACROIX and its stakeholders.</p> |

Business conduct policies & Corporate culture

Policies

LACROIX is committed to conducting its activities according to operational principles and conduct founded on respect and integrity. Its transparency and anti-corruption requirements were notably strengthened following the adoption of law 2016-1691 of 9 December 2016, known as the «Sapin 2 Act».

The Group's strategic development plan, particularly in terms of business development and international growth, further underlines its requirements with regard to business ethics and behaviours, combating corruption, and compliance. This is why LACROIX's actions in this area are supported at the highest level of the company's management.

LACROIX's policy on business ethics and individual behaviour is set out in the Group's Ethics Charter, which provides a framework for the LACROIX Anti-Corruption Code of Conduct and the LACROIX Competition Code of Conduct, all three documents being signed by Vincent Bedouin, Chairman and CEO.

The Ethics Charter sets out the rules that all Group companies and employees must comply with, both in their internal conduct and in their dealings with external persons and companies, as well as the whistleblowing procedures in place in the event of non-compliance with these rules.

The Ethics Charter reiterates LACROIX's commitment to comply with applicable regulations, both national and international, such as the Universal Declaration of Human Rights, the ILO, the Organization for Economic Co-operation and Development (OECD) guidelines for multinational enterprises concerning human rights, environmental protection and the fight against corruption, and to ensure that its suppliers and service providers comply with principles equivalent to those defined in the said Charter.

The Ethics Charter also sets out the rules applicable to the fight against corruption, fraud, discrimination and harassment, and the rules designed to ensure fair competition, the absence of conflicts of interest, the security and confidentiality of information, the protection of privacy and the fairness of financial reporting.

All documents describing LACROIX's policy on business ethics and individual behaviour, including the Group Ethics Charter, the Anti-Corruption and Competition Codes of Conduct, the Practical Guides and the Whistleblowing Procedure, are the responsibility of the Group's Legal and Compliance Director and are applicable to all Group companies and employees. They are given by the people in charge of Human Resources to all new Group employees, and accessible to everyone at any time via the Group's legal intranet, on request to the Group's Legal and Compliance Department, or at compliance@lacroix.group. People outside the group also have access to the Whistleblowing Procedure via the group's website.

Actions

These compliance programmes help to train and raise awareness of employees and to put in place appropriate mechanisms to prevent breaches, as well as to detect and deal with them if they do occur. Internal audits are also carried out regularly to ensure compliance with the charters and codes established within the Group, and to update existing procedures and risk maps.

In accordance with the applicable law transposing Directive (EU) 2019/1937, LACROIX has a centralized whistleblowing system designed to enable the collection of reports relating to the existence or risk of conduct or situations contrary to laws and regulations, as well as to the principles, guidelines and internal policies of LACROIX, including the applicable Anti-Corruption and Competition Codes of Conduct. This whistleblowing system is defined in a document, the Whistleblowing Procedure, which sets out in detail what the system consists of, what its scope of application is, and what procedure applies from the launch of the incident the processing and closure thereof, irrespective of the

area concerned by the incident. The whistleblowing procedure, as defined in the system, is designed to ensure that incidents are investigated as quickly as possible. This procedure will be refined to specify the conditions under which the investigation is conducted independently and objectively.

The Whistleblowing Procedure, like the training and awareness-raising content on the fight against corruption and bribery, also sets out the status of whistleblowers and the conditions for their protection against reprisals.

The whistleblowing system applies to any employee of any Group company, as well as to certain individuals outside the Group who are precisely defined in the system.

Processing a whistleblower's report improves risk identification and prevention processes, from a perspective of continuous improvement and risk management.

Indicators and targets

Since the whistleblowing system was set up, no incidents have been reported through this system. The following table lists the number of incidents collected via the whistleblowing procedure in 2024:

| Year concerned | Number of incidents reported via the whistleblowing procedure |
|----------------|---|
| 2024 | 0 |

Management of relationships with suppliers

Policies

LACROIX's Responsible Purchasing Policy reflects its desire to integrate the principles of sustainable development into all its business activities and to promote them in its relations with its partners. It aims specifically at building balanced relationships with its suppliers and contributing to the creation of ethical and responsible supply chains, which includes meeting payment deadlines.

LACROIX thus ensures that its suppliers and service providers abide by principles equivalent to those defined in the LACROIX Ethics Charter, particularly with regard to respect for human rights, health and safety and the environment, and that they promote similar principles in their relations with their own suppliers and subcontractors. These commitments are set out in the Supplier Code of Conduct that LACROIX asks third parties to sign before entering into any contractual relationship. This Code of Conduct outlines LACROIX's «Responsible Purchasing» policy, which aims to define LACROIX's commitments and requirements vis-à-vis its suppliers with regard to environmental, social and

governance issues.

The development and deployment of the Supplier Code of Conduct is the responsibility of a team comprising the Purchasing Manager, the CSR Director and the Group's Legal and Compliance Director.

Actions

To take better account of the CSR performance of its partners, in addition to their economic, logistics and quality performance, LACROIX has introduced an annual assessment of strategic suppliers, which evaluates their ethical, social and environmental practices. This approach also applies when selecting new suppliers or service providers.

The Purchasing Department, in partnership with the Quality Department, conducts audits of suppliers in order to ensure that LACROIX' requirements are duly met.

These audits may concern several aspects at once, such as the ability of the supplier to meet LACROIX' needs, their technical capabilities, their quality system management, their adherence to environmental regulations, and their compliance with employment law.

With regard to payment terms, unless there is a dispute with its suppliers or a particular situation, the Group pays its suppliers in accordance with the contractual terms in force. At most of its subsidiaries, the Group uses dematerialization and validation workflow tools that enable invoices to be validated within timescales compatible with contractual or legal deadlines. These deadlines vary according to different factors, such as the geographical location (of our subsidiaries and suppliers) and the type of supplier (services, manufacturers, distributors). Over the period, the particular situation of our North American subsidiary led to delays in payments. These delays were cleared at the end of the period.

Indicators and targets

LACROIX aims to have 75% of its purchasing volume covered by this CSR evaluation by 2025. As indicated in the ESRS S2, progress on these two targets, which were defined and announced in December 2023, will not be available until fiscal year 2025.

Prevention and detection of corruption and bribery

Policies

LACROIX continues to strengthen its governance and anti-corruption mechanisms and pursues a policy of zero tolerance towards corruption in all its activities and across all territories where it operates. It has an ongoing process of identifying and assessing its main risks, and

sets out the applicable rules in its Ethics Charter and Codes of Conduct, which cover in particular the fight against corruption and bribery. LACROIX has also drawn up practical guidelines to help manage risks on a day-to-day basis, such as the guidelines on the policy applicable to gifts and invitations.

The Anti-Corruption Code of Conduct sets out the rules that all Group companies and employees must comply with in the fight against corruption, bribery and influence peddling, both in their internal behaviour and in their dealings with external persons and companies, as well as the whistleblowing procedures in place in the event of non-compliance with these rules. After outlining the principles that apply in this area, the Code of Conduct and the related Practical Guidelines define the situations that may give rise to risk and the behaviour that should be adopted, particularly with regard to gifts and invitations, conflicts of interest, sponsorship, etc.

The Anti-Bribery Code of Conduct, the Practical Guidelines and the Whistleblowing Procedure (see description above) are the responsibility of the Group's General Counsel and Compliance Officer and apply to all Group companies and employees. These documents are given by the people in charge of Human Resources to all new Group employees, and are accessible to everyone at any time via the Group's legal Intranet, on request to the Group's Legal and Compliance Department, or at compliance@lacroix.group. People outside the Group also have access to the whistleblowing procedure via the Group's website.

Actions

The teams most exposed to corruption-related requests (management, sales, purchases, etc.) are trained in the applicable anti-corruption procedure. By the end of 2024, some 860 employees had been trained in the rules applicable to the fight against corruption and bribery, i.e. almost 100% of the most exposed teams, which is LACROIX's goals in terms of training in this area.

The training given to the most exposed persons begins with a reminder of what corruption, bribery and conflicts of interest are, what regulations apply and what has been put in place within the Group to meet all the pillars of the Sapin 2 Act, including the whistleblowing procedure (see description above).

A number of role-play videos are then shown to improve understanding of the relevant regulations, and employees are given quizzes to test their knowledge. If the minimum percentage is not achieved, the employee concerned will be required to retake the tests. These videos and practical factsheets are available in six languages to raise awareness of the fight against corruption and bribery among everyone, including those who are not most at risk.

Internal audits are carried out regularly to ensure compliance with the charters and codes established within the Group, and to update existing procedures and risk maps.



Indicators and targets

Since the whistleblowing system was set up, no cases of corruption or bribery have been reported through this system.

METHODOLOGICAL NOTE

General scope of the report

This sustainability report has been prepared on a consolidated basis, which includes all LACROIX activities, taken from the Group's financial statements.

On this basis, adjustments have been made to the scope of consolidation:

- Excluding the Road sign business sold during the year and the Mobility business in the process of being sold.
- Excludes entities with fewer than 25 employees for social data excluding the workforce and entities with fewer than 10 employees for environmental data. These entities have been excluded because they do not have a reporting process in place and their contribution to consolidated data is not material.

The entities included and excluded from social and environmental data reporting are listed below.

| | | Number of em- ployees (31/12/2023) | Type of site | Social data - Work-force | Social data - Other data | Envi- ron-mental data | Justifica- tion |
|---------------------------------|------------------------------------|--|--------------|-----------------------------|-----------------------------|-----------------------------|---|
| Corporate | Group Corp – Saint- Herblain | 67 | Offices | X | X | X | |
| Electronics Corporate | Elec Corp – Saint- Herblain | 51 | Offices | X | X | NA | The em- ployees of this entity are on the Odyssea site |
| Electronics EMEA | Elec Kwidzyn | 1 090 | Production | X | X | X | |
| | Elec Zriba | 709 | Production | X | X | X | |
| | Elec Willich | 124 | Production | X | X | X | |
| | Elec Beaupreau | 442 | Production | X | X | X | |
| | Elec Tunis | 49 | Production | X | X | X | |
| Electronics North America | Elec Michigan | 145 | Production | X | X | X | |
| | Tecma - Juarez | 1 106 | Production | X | Données S2 | X | |
| Impulse | Impulse - Rennes | 83 | Offices | X | X | X | |

| | | | | | | | |
|--------------------------|-----------------------------------|-----|------------|---|---|---|---|
| Envi. Sofrel | Sofrel France -Vern-sur-Seiche | 174 | Production | X | X | X | |
| | Sofrel Spain - Madrid | 15 | Offices | X | | X | Number of employees below reporting threshold for social data |
| | Sofrel Italy - Genova | 11 | Offices | X | | | Number of employees below reporting threshold for social data |
| Envi SAE | SAE-IT - Cologne | 129 | Production | X | X | X | |
| Envi. Public Lighting | EP - Les Chères | 95 | Production | X | X | X | |
| | EP Belgium - Liège | 15 | Offices | X | | X | Number of employees below reporting threshold for social data |
| City Mobility | Carros | 78 | Production | | | | BU in the process of disposal Not consolidated in the financial statements: treated as «discontinued operation». |
| | Madrid (ESP) | 33 | Offices | | | | |
| | Ploufragan | 11 | Offices | | | | |

| | | | | | | | |
|-----------------------|----------------|--|------------|--|--|--|--------------------------|
| City Signalisation | Saint-Herblain | | Production | | | | BU sold in April 2024 |
| | Norte (ESP) | | Production | | | | |
| | Centro (ESP) | | Production | | | | |
| | Océan Indien | | Bureaux | | | | |
| | Mayotte | | Bureaux | | | | |
| | Pacific | | Bureaux | | | | |

The information published covers the upstream and downstream parts of our value chain, which are taken into account in our dual materiality analysis, as well as in our policies, actions, targets and indicators, where relevant.

Scope and methodology for calculating greenhouse gas emissions and associated reduction targets

GHG emissions

The Group's carbon footprint is calculated every year in accordance with the GHG Protocol.

The scope taken into account corresponds to the environmental data reporting scope presented above.

We are not aware of any significant events or changes in circumstances relevant to our GHG emissions that occurred between the reporting dates of the entities in our value chain and the publication date of our annual report.

GHG emission reduction targets

The GHG reduction targets (scopes 1&2 and scope3) to be submitted to SBTi in March 2025 have been defined with all the LACROIX departments concerned (Marketing, Sales, Purchasing, R&D, Finance, Supply chain, HR, etc.), with whom annual progress monitoring will be set up.

As LACROIX's activity is not covered by a sectoral trajectory in the SBTi methodology, the objective linked to scopes 1 & 2 covers 100% of emissions and is calculated as an absolute reduction.

The Scope 3 target covers 100% of total Scope 3 emissions and is calculated in terms of economic intensity (CO2e/ value added).

In order to align the climate transition plan with the frequency of the Group's strategic plans, the target year chosen is 2033, and the reference year is 2023. For this, the entities Signalisation and City-Mobilité have been restated to align with the current scope of the Group.

OPEX AND CAPEX budgeted under the climate change mitigation transition plan

Given the levers identified during the construction of our transition plan, no CAPEX has been budgeted for the time being. However, investments may be made as opportunities arise, particularly in the installation of photovoltaic panels at some of our sites.

Budgeted OPEX, which relate to the purchase of renewable electricity via guarantees of origin and the electrification of our vehicle fleet, have been assessed by the head of non-production purchasing and the Group's VP Impact & Sustainability and approved by the Executive Committee.

The total amount anticipated to date, around €2 million of expenditure between 2025 and 2033, remains insignificant in relation to the Group's revenue. Nevertheless, it is possible that additional expenditure will be required on certain scope 3 decarbonization levers in the years to come.

There is no link between these future OPEX and the items presented in this report under the European taxonomy.

Uncertainties associated with the data presented

The quantitative data and monetary amounts presented in this report with the most significant uncertainties are as follows:

- Greenhouse gas emissions from the categories Use of products sold, Production purchases, End of life of products sold and Inbound freight
- Assumptions used to calculate potential reductions in greenhouse gas emissions
- Quantity of waste produced and % of waste recovered
- Expected durability of products marketed by the company, compared with the sector average for each product group
- Calculation of hours worked (assumptions have been made for small sites)

We are working to improve the accuracy of this data for future years.

List of data points omitted or not available

As part of this first reporting exercise, some quantitative and qualitative data points have been omitted because we are currently unable to report them, or due to the need to focus our resources on the most relevant and significant information for our stakeholders, given the risk and opportunity impacts associated with our activities and those of our value chain.

The details of the correspondence between the information published in the sustainability statement and the publication requirements of the CSRD are available via the «Publication Requirements for ESRS Covered by This Sustainability Report» table below.

We are committed to making efforts to improve the availability of this information for future reporting periods.

Regarding qualitative information intended to present the policies, actions, objectives, and indicators related to the management of our material IROs, we do not have all the required information for this first reporting year, including the minimum publication requirements. This is particularly the case for:

- Qualitative information related to “estimates concerning the value chain” (paragraph 10 of ESRS 2, within the BP-2 publication requirement, ESRS 2)
- Qualitative information related to the publication requirement E4-1 “E4-1 — Transition plan and consideration of biodiversity and ecosystems in strategy and business model”

Additionally, we do not have, for this first exercise, the quantitative data points listed in the table below:

| ESRS | Data point | Section of the Report |
|---------|--|-----------------------|
| ESRS E1 | Aligning our revenue, CAPEX and OPEX with the environmental objectives of the European taxonomy | |
| ESRS E2 | Specific KPI / targets concerning pollution management by our suppliers | |
| ESRS E3 | Specific KPI / targets for water use by our suppliers | |
| ESRS E4 | Specific KPI / targets concerning biodiversity protection by our suppliers | |
| ESRS E5 | Weight of organic materials used to manufacture the Group's products and packaging | |
| ESRS E5 | Weight of reused or recycled secondary components and products and intermediate secondary materials used to produce the Group's products | |
| ESRS E5 | Quantity of rare earths present in our waste. | |
| ESRS E5 | Consolidated figures on the reparability of the products we market | |
| ESRS E5 | Indicator or objective specifically linked to respect for the rights of affected communities in our value chain | |

| | | |
|---------|--|---|
| ESRS E1 | Aligning our revenue, CAPEX and OPEX with the environmental objectives of the European taxon-omy | |
| ESRS E2 | Specific KPI / targets concerning pollution management by our suppliers | |
| ESRS E3 | Specific KPI / targets for water use by our suppliers | |
| ESRS E4 | Specific KPI / targets concerning biodiversity protection by our suppliers | |
| ESRS E5 | Weight of organic materials used to manufacture the Group's products and packaging | |
| ESRS S1 | Information presented as requested by mandatory Table number 1 from AR 55 | S1.6 Paragraph 50a Mandatory Table 1, AR 55 |
| ESRS S1 | Information presented as requested by mandatory Table number 3 from AR 55 | S1.6 Paragraph 50b i. ii. iii. Mandatory Table 3, AR 55 |
| ESRS S1 | Information presented as requested by mandatory Table number 4 from AR 55 | S1.6 Mandatory Table 4, AR 55 |
| ESRS S1 | Disclosure of cross-reference of information reported under paragraph 50 (a) to most representative number in financial statements | S1.6. Paragraph 50f |
| ESRS S1 | Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines | S1-14 Paragraph 88 a |

With regard to the qualitative information required to present the policies, actions, objectives and indicators relating to the management of our material IROs, we do not have all the information required for this first year of reporting, including the minimum publication requirements. We are making every effort to improve the availability of this information for future years.

Incorporating information by means of cross-references

| ESRS | Publication requirement | Data points | Report section | Page |
|------|---|---------------------|---|------|
| GOV1 | The role of administrative, management and supervisory bodies | GOV-1_01 à GOV-1_07 | Management report - Corporate governance report | 24 |
| S1 | Data most representative of financial statements | S1-6_50 (f) | [Subject to approval] | 99 |
| S2 | Actions relating to workers in the value chain | S2-4 | G1 - Actions relating to supplier relationship management | 127 |
| G1 | Actions relating to supplier relationship management | G1-4 | S2 - Actions concerning workers in the value chain | 117 |

Publication requirements for the ESRs covered by this sustainability report

| ESRS | Exigence de publication | Référence(s) dans la déclaration de LACROIX relative à la durabilité | Page |
|---------------------------------|--|---|----------------------------|
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| ESRS 2 General information | GOV-4: Declaration on due diligence | ESRS 2 > Governance > Reasonable vigilance process | 47 |
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| ESRS 2 General information | SBM-1: Strategy, Business Model, and Value Chain | General information > Strategy > Presentation of our business General information > Strategy > Business model General information > Strategy > Positive impact strategy General information > Strategy > Value chain | 48-49 50 51-52 51 |
| ESRS 2 General information | SBM-2: Interests and views of stakeholders | ESRS 2 > Strategy > Stakeholder relations | 55 |

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| ESRS 2 General information | IRO-1: Description of the process to identify and assess material impacts, risks and opportunities | ESRS 2 > Dual materiality analysis | 56-57 |
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| ESRS E1 Climate change | ESRS 2 GOV-3: Integration of sustainability-re- lated performance in incentive schemes | General information > Governance | 47 |
| ESRS E1 CLIMATE CHANGE | ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities | ESRS E1 > Identified physical risks and adaptation to cli-mate change | 70 |
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| ESRS E1 Climate change | E1-7: GHG removals and GHG mitigation projects financed through carbon credits | NA | Not published by LACROIX |
| ESRS E1 Climate change | E1-8: Internal carbon pricing | NA | Not published by LACROIX |
| ESRS E1 Climate change | E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | NA | Not published by LACROIX |
| ESRS E2 Pollution | ESRS 2 IRO-1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities | ESRS E2 > Identification and assessment of impacts, risks, and opportunities related to pollution | 81 |
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| ESRS E2 Pollution | E2-3: Pollution-related targets | NA | Not published by LACROIX |
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| ESRS E2 Pollution | E2-5: Substances of concern and substances of very high concern | NA | Not published by LACROIX |

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| ESRS E2 Pollution | E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities NA | NA | Not published by LACROIX |
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| ESRS E4 Biodiversity and ecosystems | ESRS 2 IRO-1: Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities | ESRS E4 > Identification and assessment of impacts, risks, and opportunities related to biodiversity | 86 |
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| ESRS E4 Biodiversity and ecosystems | E4-5: Impact metrics related to biodiversity and ecosystems change | NA | Not published by LACROIX |
| ESRS E4 Biodiversity and ecosystems | E4-6: Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities | NA | Not published by LACROIX |
| ESRS E5 Resource use and circular economy | ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | ESRS E5 > Identification and assessment of impacts, risks and opportunities related to resources and the circular economy | 88-89 |
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| ESRS E5 Resource use and circular economy | E5-3: Targets related to resource use and circular economy | ESRS E5 > Ecodesign and use of resources > Indicators and targets ESRS E5 > Waste > Indicators and targets ESRS E5 > Outgoing resources, circularity and end-of-life > Indicators and targets | 93 94-96 96 |
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| ESRS E5 Resource use and circular economy | E5-6: Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities | NA | progressive implementation |
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| ESRS S1 Company workforce | S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | ESRS S1 > Our beliefs > Respect for human rights ESRS S1 > Occupational health and safety > Actions and resources ESRS S1 > Organization of social dialogue > Actions and resources ESRS S1 > Diversity and inclusion > Actions and resources ESRS S1 > Talents and skills > Actions | 104-105 106-107 108 112 115-116 |
| ESRS S1 Company workforce | S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | ESRS S1 > Diversity and inclusion > Actions and resources | 113 |
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| ESRS S1 Company workforce | S1-7: Characteristics of non-employees in the undertaking's own workforce | NA | Not published by LACROIX |
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| ESRS S1 Company workforce | S1-9: Diversity metrics | ESRS S1 > Diversity and inclusion > Indicators and targets | 112-113 |
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| ESRS S1 Company workforce | S1-12: Disabled persons | NA | Not published by LACROIX |
| ESRS S1 Company workforce | S1-13: Training and skills development metrics | NA | Not published by LACROIX |
| ESRS S1 Company workforce | S1-14: Health and safety metrics | ESRS S1 > Occupational health and safety > indicators and targets | 107-108 |
| ESRS S1 Company workforce | S1-15: Work-life balance metrics | NA | Not published by LACROIX |
| ESRS S1 Company workforce | S1-16: Remuneration metrics (remuneration gap and total remuneration) | ESRS S1 > Compensation and benefits > Fair compensation | 106 |
| ESRS S1 Company workforce | S1-17: Incidents, complaints and severe human rights impacts | ESRS S1 > Occupational health and safety > Actions and resources > alert procedure | 106 |
| ESRS S1 Company workforce | ESRS 2 SBM-2: Interests and views of stakeholders | ESRS 2 > Strategy > Stakeholder relations | 55 |
| ESRS S1 Company workforce | ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model | ESRS S2 > Identification and assessment of impacts, risks and opportunities related to workers in the value chain | 116-117 |
| ESRS S1 Company workforce | S2-1: Policies related to value chain workers | ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Occupational health and safety > policies and processes ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Local labor regulation > policies and processes ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Training and skills development > policies and processes ESRS S2 > Working conditions of our suppliers' employees > Policies | 119 120 120-121 122 |

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| ESRS S1 Company workforce | S2-2: Processes for engaging with value chain workers about impacts | ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Occupational health and safety > policies and processes ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Local labor regulation > policies and processes ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Training and skills development > policies and processes | 119 120 120-121 |
| ESRS S1 Company workforce | S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns | ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > local labour regulation | 120 |
| ESRS S1 Company workforce | S2-4: Taking action on materi-al impacts on value chain workers, and approaches to managing material risks and pursuing material opportuni-ties related to value chain workers, and effectiveness of those action | ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Local labor regulation > Actions and resources ESRS S2 > Working conditions and equal treatment for employees of our partner TECMA in Mexico > Training and skills developpment > Actions ESRS S2 > Working conditions of our suppliers' employees > Actions | 120 121 122-123 |
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| ESRS S3 Communities affected | ESRS 2 SBM-2 - Interests and views of stakeholders | ESRS 2 > Strategy > Stakeholder relations | 55 |
| ESRS S3 Communities affected | ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model | ESRS S3 > Identification and assessment of impacts, risks and opportunities related to affected communities | 55 |
| ESRS S3 Communities affected | S3-1 - Policies related to affected communities | ESRS S3 > Policies | 125 |

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| ESRS S3 Communities affected | S3-2 - Processes for engaging with affected communities about impacts | NA | Not published by LACROIX |
| ESRS S3 Communities affected | S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns | NA | Not published by LACROIX |
| ESRS S3 Communities affected | S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportuni-ties related to affected com-munities, and effectiveness of those actions | ESRS S3 > Actions and ressources | 125 |
| ESRS S3 Communities affected | S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing mate-rial risks and opportunities | NA | Not published by LACROIX |
| ESRS S4 Consumers and end users | ESRS 2 SBM-2: Interests and views of stakeholders | ESRS 2 > Strategy > Stakeholder relations | 55 |
| ESRS S4 Consumers and end users | ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model | NA | Not published by LACROIX |
| ESRS S4 Consumers and end users | S4-1 - Policies related to consumers and endusers | NA | Not published by LACROIX |
| ESRS S4 Consumers and end users | S4-2 - Processes for engaging with consumers and end-users about impacts | NA | Not published by LACROIX |

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| ESRS S4 Consumers and end users | S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | NA | Not published by LACROIX |
| ESRS S4 Consumers and end users | S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | NA | Not published by LACROIX |
| ESRS S4 Consumers and end users | S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | NA | Not published by LACROIX |
| ESRS G1 Conducting business | ESRS 2 GOV- 1 - The role of administrative, management and supervisory bodies | Report on corporate governance | 22-40 |
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| ESRS G1 Conducting business | G1-2 - Management of rela-tionships with suppliers | ESRS G1 > Management of relationships with suppliers | 127-128 |
| ESRS G1 Conducting business | G1-3 - Prevention and detec-tion of corruption and bribery | ESRS G1 > Prevention and detection of corruption and bribery | 128 |

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The data points not mentioned are not material for LACROIX.

| Exigences de publication et points de données connexes | Référence à la SFDR (23) | Référence au Pillar 3 (24) | Référence à la Benchmark Regulation (25) | Référence à la Loi européenne sur le climat (26) | Pages |
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| ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) | Indicator number 13 of Table #1 of Annex 1 | | Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II | | 24 |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | | | Delegated Regulation (EU) 2020/1816, Annex II | | 24 |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | Indicator number 10 Table #3 of Annex 1 | | | | 49 |

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| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | Regulation (EU) 2021/1119, Article 2(1) | 73 |
| ESRS E1-4 GHG emission reduction targets paragraph 34 | Indicator number 4 Table #2 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | | 78 |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1 | | | | 82 |
| ESRS E1-5 Energy consumption and mix paragraph 37 | Indicator number 5 Table #1 of Annex 1 | | | | 82 |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator number 6 Table #1 of Annex 1 | | | | 82 |

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| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | Indicators number 1 and 2 Table #1 of Annex 1 | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1) | | 80 |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | Indicators number 3 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | | 81 |
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | 83 |
| ESRS E3-1 Water and marine resources paragraph 9 | Indicator number 7 Table #2 of Annex 1 | | | | 86 |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Indicator number 13 Table #2 of Annex 1 | | | | 97 |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 Table #1 of Annex 1 | | | | 97 |
| ESRS S1-1 Human rights policy commitments paragraph 20 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I | | | | 106 |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Delegated Regulation (EU) 2020/1816, Annex II | | 106 |
| ESRS S1-1 workplace accident prevention policy or management system paragraph 23 | Indicator number 1 Table #3 of Annex I | | | | 107 |

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| ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c) | Indicator number 5 Table #3 of Annex I | | | | 107 |
| ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c) | Indicator number 2 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 108 |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) | Indicator number 12 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 115 |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) | Indicator number 8 Table #3 of Annex I | | | | 117 |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | Indicator number 7 Table #3 of Annex I | | | | 108 |
| ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | Indicators number 12 and n. 13 Table #3 of Annex I | | | | 118 |
| ESRS S2-1 Human rights policy commitments paragraph 17 | Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I | | | | 123 |
| ESRS S2-1 Policies related to value chain workers paragraph 18 | Indicator number 11 and n. 4 Table #3 of Annex I | | | | 120, 121, 122, 123 |
| ESRS S2-1 Non- respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | Indicator number 10 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | 124 |
| ESRS S3-1 Human rights policy commitments paragraph 16 | Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I | | | | 126 |
| ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) | Indicator number 15 Table #3 of Annex I | | | | 129 |

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| ESRS G1-1 Protection of whistle- blowers paragraph 10 (d) | Indicator number 6 Table #3 of Annex 1 | | | | 128 |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator number 17 Table #3 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II) | | 130 |
| ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b) | Indicator number 16 Table #3 of Annex 1 | | | | 129, 130 |

ASSURANCE REPORT ON SUSTAINABILITY INFORMATION AND COMPLIANCE WITH DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852 FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024

LACROIX Group

Financial Year Ended December 31, 2024

To the General Assembly of LACROIX Group,

This report is issued in our capacity as statutory auditors of LACROIX Group. It covers sustainability information and the disclosures required under Article 8 of Regulation (EU) 2020/852 for the financial year ended December 31, 2024, as included in the «Sustainability Report» section of the management report (hereinafter referred to as the «Sustainability Report»).

Pursuant to Article L. 233-28-4 of the French Commercial Code, LACROIX Group is required to include the aforementioned information in a separate section of its management report. These disclosures have been prepared in the context of the first-time application of the relevant articles, characterized by uncertainties regarding the interpretation of the regulations, reliance on significant estimates, the absence of established practices and frameworks—particularly for double materiality analysis—as well as an evolving internal control system. They aim to provide an understanding of the Group's impact on sustainability matters, as well as how these matters influence the Group's business development, results, and financial position. Sustainability matters encompass environmental, social, and governance (ESG) issues.

In accordance with Article L. 821-54 II of the aforementioned Code, our mission is to carry out the necessary work to issue an opinion providing limited assurance on:

- The compliance of the process implemented by LACROIX Group to determine the disclosed information with the sustainability reporting standards adopted under Article 29b of Directive (EU) 2013/34 of the European Parliament and the Council of December 14, 2022 (hereinafter referred to as ESRS – European Sustainability Reporting Standards), as well as compliance with the obligation to consult the social and economic committee as required under the sixth paragraph of Article L. 2312-17 of the French Labor Code;
- The compliance of the sustainability information included in the Sustainability Report with the requirements of Article L. 233-28-4 of the French Commercial Code, including alignment with the ESRS; and
- The fulfillment of the disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

The execution of this engagement is carried out in compliance with ethical rules, including independence requirements, and the quality standards prescribed by the French Commercial Code.

It is also governed by the guidelines of the High Authority for Audit titled «Assurance Engagement on Sustainability Information and Verification of Disclosure Requirements under Article 8 of Regulation (EU) 2020/852.»

In the three distinct sections of the report that follow, we outline, for each aspect of our engagement, the nature of the procedures we performed, the conclusions we reached, and, in support of these conclusions, the elements that received our particular attention as well as the procedures we implemented in relation to these elements. We emphasize that we do not express a separate opinion on these individual elements; rather, they should be considered within the overall context of the conclusions issued for each of the three aspects of our engagement.

Finally, whenever we deem it necessary to draw attention to specific sustainability information provided by LACROIX Group in its management report, we include an Observations paragraph.

The opinion expressed above is consistent with the content of our report to the audit committee.

Limitations of Our Engagement

Given that the objective of our engagement is to provide limited assurance, the nature (selection of control techniques), scope (extent), and duration of our procedures are less extensive than those required to obtain reasonable assurance.

Furthermore, this engagement does not involve guaranteeing the viability or quality of LACROIX Group's management, nor does it involve providing an evaluation that would go beyond compliance with the ESRS disclosure requirements regarding the relevance of the choices made by LACROIX Group in terms of action plans, targets, policies, scenario analyses, and transition plans.

However, it allows us to express conclusions concerning the process for determining the published sustainability information, the information itself, and the information published in accordance with Article 8 of Regulation (EU) 2020/852, regarding the absence of, or conversely, the identification of, errors, omissions, or inconsistencies that are significant enough to potentially influence the decisions of readers of the information subject to our verification.

Our engagement does not cover any comparative data.

Compliance with ESRS of the Process Implemented by LACROIX Group to Determine the Published Information, and Compliance with the Obligation to Consult the Social and Economic Committee as Required by the Sixth Paragraph of Article L. 2312-17 of the French Labor Code

Nature of the Procedures Performed

Our procedures consisted of verifying that:

- The process defined and implemented by LACROIX Group has allowed it, in accordance with the ESRS, to identify and assess its sustainability-related impacts, risks, and opportunities, and to identify those material impacts, risks, and opportunities that led to the publication of sustainability information in the Sustainability Report; and
- the information provided on this process is also compliant with the ESRS.

Additionally, we have verified compliance with the obligation to consult the social and economic committee.

Conclusion of the Procedures Performed

Based on the procedures we performed, we did not identify any significant errors, omissions, or inconsistencies regarding the compliance of the process implemented by LACROIX Group with the ESRS.

Regarding the consultation of the social and economic committee as required by the sixth paragraph of Article L. 2312-17 of the French Labor Code, we inform you that this obligation has been fulfilled.

Elements that Received Particular Attention

Below, we present the elements that received our particular attention regarding the compliance with the ESRS of the process implemented by LACROIX Group to determine the published information.

Regarding the Identification of Stakeholders

Information related to stakeholders is provided in the section «Relations with Stakeholders» of the Sustainability Report.

We have reviewed the analysis performed by the entity to identify:

- The stakeholders who may affect the entities within the scope of the information or may be affected by them, through their activities and direct or indirect business relationships in the value chain;
- The main users of the sustainability statements (including the main users of the financial statements).

We have spoken with individuals whom we deemed appropriate and reviewed the available documentation. Our procedures included, in particular:

- Assessing the consistency of the main stakeholders identified by the entity with the nature of its activities and geographic presence, taking into account its business relationships and value chain;
- Evaluating the appropriateness of the description provided in the «Relations with Stakeholders» section of the Sustainability Report.

Regarding the Identification of Impacts, Risks, and Opportunities

Information related to the identification of impacts, risks, and opportunities is provided in the «Double Materiality Analysis» section of the Sustainability Report.

We have reviewed the process implemented by the entity regarding the identification of actual or potential impacts (both negative and positive), risks, and opportunities («IRO») related to the sustainability issues mentioned in paragraph AR 16 of the «Application Requirements» of ESRS 1, as presented in the «Double Materiality Analysis» section of the Sustainability Report.

We also assessed the scope chosen for the identification of IRO, particularly in relation to the scope of the consolidated financial statements. We reviewed the mapping carried out by LACROIX Group of the identified IRO, including the description of their distribution across the company's activities and value chain, and evaluated its consistency with our knowledge of the Group. We examined the consistency of this mapping with the information presented to the governance bodies.

Regarding the Evaluation of Impact Materiality and Financial Materiality

Information related to the evaluation of impact materiality and financial materiality is provided in the «Double Materiality Analysis» section of the Sustainability Report.

Through interviews with management and review of available documentation, we familiarized ourselves with the process implemented by the entity for evaluating impact materiality and financial materiality, and assessed its compliance with the criteria defined by ESRS 1.

We reviewed the decision-making process established by the entity in the evaluation of impact and financial materiality and evaluated the presentation of this process in the «Governance» section of the «General Information» chapter of the Sustainability Report.

In particular, we assessed how LACROIX Group has established and applied the materiality criteria for the information defined by ESRS 1, including those related to setting thresholds, to determine the material information published under the indicators related to the material IRO identified in accordance with the relevant ESRS thematic standards.

Compliance of the Sustainability Information Included in the Sustainability Report with the Requirements of Article L. 233-28-4 of the French Commercial Code, Including Compliance with the ESRS

Nature of the Procedures Performed

Our procedures consisted of verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- The information provided allows for an understanding of the preparation and governance processes of the sustainability information included in the Sustainability Report, including the process for determining information related to the value chain and the disclosure exemptions applied;
- The presentation of this information ensures its clarity and comprehensibility;
- The scope selected by LACROIX Group for these disclosures is appropriate; and
- Based on a selection, determined by our analysis of the risk of non-compliance of the information provided and the expectations of their users, we found that these disclosures do not contain significant errors, omissions, or inconsistencies, meaning they are not likely to influence the judgment or decisions of users of this information.

Conclusion of the Procedures Performed

Based on the procedures we performed, we did not identify any significant errors, omissions, or inconsistencies regarding the compliance of the sustainability information included in the Sustainability Report with the requirements of Article L. 233-28-4 of the French Commercial Code, including compliance with the ESRS.

Observation

Without questioning the conclusion expressed above, we draw your attention to the following elements of the Sustainability Report:

- The «Basis of Preparation» section, which presents, in the sub-sections «Scope» and «Limits», certain scope exclusions made, as well as the estimates used;
- The «Methodological Note» section, which provides details on the omissions of quantitative and qualitative information, in the context of the first year of CSRD reporting.

Elements that Received Particular Attention

- Information Provided in Accordance with the ESRS Environmental Standard E1

Below, we present the elements that received our particular attention regarding the compliance with the ESRS of the information disclosed on climate change (ESRS – E1), as presented in the «E1 - Climate Change» section of the Sustainability Report.

Our procedures included, in particular:

- Conduct interviews with management and relevant individuals, particularly the Group's «CSR» department, to understand the group's policies and strategies regarding climate change mitigation and adaptation;
- Review the processes and internal documentation implemented by LACROIX Group to ensure the compliance of the published information;
- Evaluate the appropriateness of the information presented in the «E1 - Climate Change» section of the environmental section of the Sustainability Report and its overall consistency with our knowledge of the entity.

More specifically, regarding the information published on greenhouse gas (GHG) emissions, our procedures included:

- Review the internal protocol for the establishment of the greenhouse gas (GHG) emissions inventory used by LACROIX Group to determine its GHG emissions, assess its implementation procedures, with a selection of emission categories, particularly under scope 3, and evaluate the scope selected for the various categories and the information collection process.
- Review the methodology used for the estimates we considered to be significant;
- Assess, based on a selection, the emission factors used and the related conversion calculations, as well as the calculation and extrapolation assumptions, considering the inherent uncertainty of the state of scientific or economic knowledge and the quality of the external data used;

- Cross-check, for directly measurable data such as energy consumption related to scopes 1 and 2, based on a selection, the underlying data used to assess GHG emissions with supporting documentation;
- implement analytical procedures.

Regarding the transition plan for climate change mitigation, our procedures also included, with the inclusion of team members with specific climate expertise, to:

- Review the process for developing the group's transition plan;
- Assess whether this transition plan complies with the requirements of ESRS E1, appropriately describes the key assumptions underlying the plan, and reflects the commitments made by the governing bodies and management of LACROIX Group, noting that we are not required to opine on the appropriateness or level of ambition of the objectives of this transition plan;
- Cross-check, for a selection of data that underpins the valuation of decarbonization levers, the information presented with the available documentation;
- Review the financial resources allocated to climate change mitigation actions and the methods used for quantifying them.

Compliance with the Disclosure Requirements Set Out in Article 8 of Regulation (EU) 2020/852

Nature of the Procedures Performed

Our procedures consisted of verifying the process implemented by LACROIX Group to determine the eligibility and alignment of the activities of the entities included in the consolidation.

They also consisted of verifying the information disclosed in accordance with Article 8 of Regulation (EU) 2020/852, which involves verifying:

- Compliance with the presentation rules of this information to ensure its clarity and comprehensibility;
- Based on a selection, the absence of significant errors, omissions, or inconsistencies in the provided information, meaning those that could influence the judgment or decisions of users of this information.

Conclusion of the Procedures Performed

Based on the procedures we performed, we did not identify any significant errors, omissions, or inconsistencies regarding compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Observation

Without questioning the conclusion expressed above, we draw your attention to the methodological details provided in the «EU Taxonomy» section of the Sustainability Report, particularly the change in approach implemented by LACROIX Group regarding the eligibility of the Electronics activity and the decision to consider the group's activities as non-aligned, with the analysis of the technical criteria still ongoing.

Elements that Received Particular Attention

We determined that there were no such elements to report in our report.

Saint-Herblain and Nantes, 31 March 2025

The Statutory Auditors (French original signed by)

FORVIS MAZARS SA
Arnaud Le Néen

ERNST & YOUNG et Autres
François Basthiste Luc Derrien

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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

LACROIXGroup

Year ended 31 December 2024

To the General Meeting of Shareholders of Lacroix Group,

Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Lacroix Group for the accounting period ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes) for the period from 1 January 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters

relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill

Risk identified

As at 31 December 2024, the net value of goodwill is €86,091k.

As stated in Note 6.4.4 "Business combinations" to the consolidated financial statements, goodwill is subject to an impairment test at least once a year and more frequently when events or circumstances indicate that goodwill may be impaired.

Impairment tests are carried out at the level of the Cash Generating Units (CGUs). They consist in comparing the carrying amount of a CGU to its recoverable amount.

The conditions for the tests performed as well as the details of the assumptions used are presented in Notes 6.4.4 "Business Groupings" and 8.1 "Goodwill" to the consolidated financial statements.

The recoverable amount of the goodwill of each CGU defined by your group is determined based on future cash flows calculated for five-year periods, a discount rate of 8.6% for the Environment CGU and 9.7% for the Electronics CGU, and a perpetual growth rate of 2% as stated in Note 8.1 "Goodwill" to the consolidated financial statements.

The measurement of the recoverable amount of goodwill is a key audit matter due to the materiality of goodwill in relation to your group's financial statements and the use of assumptions and estimates to make this assessment.

Our response

We analyzed the key data and assumptions used to determine the recoverable amount of goodwill, by including a valuation specialist in our audit team to perform these various analyses.

We:

- assessed the operational assumptions adopted to establish the cash flow projections, notably by comparing them to past actual figures and market prospects;
- compared the net carrying amount of the assets of each CGU used for the tests with the consolidated financial statements;
- reviewed the reconciliation of the business plans used for the impairment tests with the budgets approved by the Management;
- examined the methods used to determine the discount rate and the perpetual growth rate and their consistency with the underlying market assumptions;
- assessed the impact of a variation in discount rates and of the main operating assumptions by means of sensitivity analyses;
- tested the mathematical reliability of the models and re-calculated the amounts.

Lastly, we assessed the appropriateness of the information disclosed in Notes 6.4.4 "Business combinations" and 8.1 "Goodwill" to the consolidated financial statements.

Measurement and presentation of the impacts of the ongoing sale of the City Mobility BU

Risk identified

On 22 May 2024, your Group announced its intention to sell its City Mobility BU, and on 12 December 2024 announced that it was in exclusive negotiations with the SWARCO Group for the purposes of this takeover.

As stated in Note 6.5.16 "Assets and groups of assets held for sale and abandoned activities" to the consolidated financial statements, the profit and loss account and the cash flow statement are adjusted as if the business had met the criteria for an abandoned activity as from the opening of the comparative period. Furthermore, all of the assets and the liabilities related to the abandoned activities or businesses held for sale are presented on a separate line of assets and liabilities, as they would appear upon sale after elimination of the intragroup positions.

Note 7.3.1 «Significant events for the period» and 7.4 "Assets available for sale and abandoned activities" set out your Group's analysis of the nature of the assets and liabilities being transferred with regard to IFRS 5, and presents the main financial impacts on your Group's consolidated balance sheet as at 31 December 2024. In light of the estimated value of the sale, the non-current assets (including goodwill) of the City Mobility BU has been fully impaired for a total amount of €3,188k, and an additional €9 356k provision for risk has been recognized.

We considered this to be a key audit matter in view of the amounts involved, the unusual nature of the transaction and the use of assumptions and estimates for this valuation.

Our response

We analyzed the data and key assumptions used for the valuation and presentation of the assets and liabilities to be sold. Our work consisted in the following in particular:

- familiarizing ourselves with the analysis performed by your Group to characterize the transaction in view of the provisions of IFRS 5;
- evaluating the identification and measurement of the net income from abandoned activities in view of the provisions of IFRS 5;
- analyzing the identification and measurement of the assets and liabilities to be sold in view of the provisions of IFRS 5;
- ensuring the consistency of the positions taken in the consolidated financial statements as at 31 December 2024 with the definitive results of the sale transaction of 28 February 2025;

Lastly, we assessed the appropriateness of the information disclosed in Notes 6.5.16 "Assets and groups of assets held for sale and abandoned activities" and 7.4 "Assets held for sale and abandoned activities" to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given 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 or Information Required by Laws and Regulations

Format of presentation of the consolidated financial statements included in the annual financial report

In accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, we have also verified that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation

(EU) No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work includes verifying that the tagging in the financial statements complies with the format defined in the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements intended to be included in the consolidated annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Lacroix Group by your General Meeting of Shareholders held on 11 May 2021 for FORVIS MAZARS S.A. and on 18 March 2009 for ERNST & YOUNG et Autres.

As at 31 December 2024, FORVIS MAZARS S.A. was in its fourth year and ERNST & YOUNG et Autres in its sixteenth year of total uninterrupted engagement.

Previously, the firm Exco Atlantique (acquired by ERNST & YOUNG Audit and renamed ERNST & YOUNG Atlantique in 2008) was statutory auditor.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and Audit Approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821 55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821 27 to L. 821 34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Saint-Herblain and Nantes, 31 March 2025

The Statutory Auditors (French original signed by)

FORVIS MAZARS S.A.
Arnaud Le Néen

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François Basthiste Luc Derrien

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Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

LACROIXGroup

Year ended 31 December 2024

To the General Meeting of Shareholders of Lacroix Group,

Opinion

In compliance with the engagement entrusted to us by your general meeting of shareholders, we have audited the accompanying financial statements of Lacroix Group for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes) for the period from 1 January 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments -Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-80 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Measurement of the recoverable amount of equity securities

Risk identified

As at 31 December 2024, equity securities amount to a gross value of €134,409k and a net value of €85,794k.

As stated in Note 3.2.3 "Financial assets" to the financial statements, the gross value of equity securities and other long-term securities corresponds to the purchase cost excluding related expenses. A provision for impairment is recorded when the value-in-use of equity securities is less than the gross value. This value-in-use is assessed on a case-by-case basis taking into account the general situation and the sales and earnings outlook for each of the companies concerned, consistent with your group's development plans.

We considered that the valuation of the equity securities was a key audit matter in view of their materiality in relation to your company's financial statements and the level of judgement required to assess their value-in-use.

Our response

Within the scope of our audit of the financial statements, our work notably consisted in the following:

- familiarizing ourselves with the valuation of the equity securities performed by your Company, the methods used and the underlying assumptions;
- assessing the operational assumptions adopted to establish the sales and earnings forecasts for the subsidiaries by comparing them with past actual figures and market prospects;
- examining the consistency of the value-in-use thus determined and the recoverable amount used for the impairment tests performed on goodwill for the purposes of preparing your group's consolidated financial statements;

- verifying the arithmetical accuracy of the value-in-use calculations performed by your company for the values deemed material.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial position and the financial statements provided to the shareholders

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 with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-4 of the French Commercial Code (Code de commerce).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (Code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-12, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Lacroix Group by your General Meeting of Shareholders held on 11 May 2021 for FORVIS MAZARS SA and on 18 March 2009 for ERNST & YOUNG et Autres.

As at 31 December 2024, MAZARS was in its fourth year and ERNST & YOUNG et Autres in its sixteenth year of total uninterrupted engagement.

Previously, the firm Exco Atlantique (acquired by ERNST & YOUNG Audit and renamed ERNST & YOUNG Atlantique in 2008) was statutory auditor.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and Audit Approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821 55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821 27 to L. 821 34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Saint-Herblain and Nantes, 31 March 2025

The Statutory Auditors (French original signed by)

FORVIS MAZARS S.A.
Arnaud Le Néen

ERNST & YOUNG et Autres
François Basthiste Luc Derrien

FORVIS MAZARS S.A.
4, rue Edith Piaf
Immeuble Asturia A
44800 Saint-Herblain S.A. à directoire et conseil de
surveillance au capital de € 8 320 000
784 824 153 R.C.S. Paris

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

ERNST & YOUNG et Autres
3, rue Emile Masson
CS 21919
44019 Nantes cedex 1
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
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STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

LACROIX Group

Annual general meeting held to approve the financial statements for the year ended 31 December 2024

To the Annual General Meeting of LACROIX Group,

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) of the continuation of the implementation, during the year ended 31 December 2024, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized during the year ended 31 December 2024 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (Code de commerce).

Agreements previously approved by the Annual General Meeting

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended 31 December 2024.

With Lacroix North America

Person concerned

Mr. Nicolas Bedouin: Deputy CEO of your company and President of Lacroix North America.

a) Nature and purpose

Conclusion of a USD5,277k loan agreement on 8 June 2023, with an annual repayment rate of 8%.

Modalités

Ce prêt a été intégralement remboursé au cours de l'exercice 2023 et a donné lieu à la comptabilisation pour votre société d'un produit financier de KUSD 120 au cours de l'exercice.

b) Nature and purpose

Conclusion on 25 January 2022 of an amendment to the loan agreement, authorized by your Board of Directors on 20 September 2021, intended to contribute to the financing of the acquisition of 49.7% of the shares of Firstronic LLC.

Conditions

The amount of the loan granted by your Company to Lacroix North America, subsequent to the aforesaid amendment, is USD33,957k. This loan generated USD2,387k in financial income for your Company during the period.

With Vinila Investissements**Persons concerned**

Mr. Vincent Bedouin, CEO of your company and President of Vinila Investissements.

Mr. Nicolas Bedouin, Deputy CEO of your company and member of the Supervisory Board of Vinila Investissements.

Ms. Marie-Reine Bedouin, member of the Board of Directors of your company until 26 March 2024 and Chairman of the Supervisory Board of Vinila Investissements.

a) Nature and purposed

Continuation of the management and coordination agreement, authorized by the Supervisory Board on 29 December 2009, for the fixed annual remuneration of €140k.

Conditions

An expense in the amount of €140k was recognized by your Company in respect of the year ended 31 December 2024.

b) Nature and purpose

Services agreement according to which the premises located at 5 rue de la Pérouse Paris 75016 are made available to the company.

Conditions

The fixed annual remuneration paid to Vinila Investissements amounts to €20,000 excluding taxes.

Saint-Herblain and Nantes, 31 March 2025

The Statutory Auditors
(French original signed by)

FORVIS MAZARS S.A.
 Arnaud Le Néen

ERNST & YOUNG et Autres
 François Basthiste Luc Derrien

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 4, rue Edith Piaf
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TEXT OF THE RESOLUTIONS PROPOSED TO THE COMBINED GENERAL MEETING OF MAY 16, 2025

1 WITHIN THE COMPETENCE OF THE ORDINARY GENERAL MEETING

FIRST RESOLUTION

Approval of the annual financial statements for the fiscal year ending December 31, 2024

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after reviewing:

- the management report of the Board of Directors, and
- the report of the Statutory Auditors,

approves the annual financial statements for the fiscal year ended December 31, 2024, as presented, as well as the transactions reflected in these financial statements and summarized in these reports.

SECOND RESOLUTION

Approval of the consolidated financial statements for the fiscal year ending December 31, 2024

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after reviewing:

- the group's management report, and
- the report of the Statutory Auditors,

approves the consolidated financial statements for the fiscal year ended December 31, 2024, as presented, as well as the transactions reflected in these financial statements and summarized in these reports.

THIRD RESOLUTION

Approval of non-deductible expenses for tax purposes

In accordance with Article 223 quater of the French General Tax Code, the General Meeting approves the non-deductible expenses and charges referred to in Article 39-4 of said Code, which amount to a total of €45,403, along with the corresponding tax amounting to €11,728.

FOURTH RESOLUTION

Allocation of the result of the financial year

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, approves the proposal of the Board of Directors and decides to allocate the loss for the fiscal year ended December 31, 2024, amounting to €22,997,021.12, as follows:

| | |
|--|----------------------|
| To "Retained earnings" | -1,947,646.35 euros |
| The balance in the "Other reserves" account which would thus amount to 83,950,625.23 euros | -21,049,374.77 euros |

Following this appropriation, shareholders' equity stands at €158,945,182.22.

In accordance with the law, the General Meeting acknowledges that the dividends distributed for the past three fiscal years were as follows:

| Period | Dividend per share* | Total dividend | Total number of shares | Number of paid shares |
|--------|---------------------|----------------|------------------------|-----------------------|
| 2021 | 0.85 | 4,104,731.60 | 4,829,096 | 4,679,888 |
| 2022 | 0.80 | 3,863,276.80 | 4,829,096 | 4,681,203 |
| 2023 | 0.70 | 3,380,367.20 | 4,829,096 | 4,681,002 |

* Dividend eligible for 40% tax allowance.

FIFTH RESOLUTION

Special report of the Statutory Auditors on regulated agreements and commitments and acknowledgment of the absence of new agreements

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after reviewing the special report of the Statutory Auditors stating the absence of new agreements of the type referred to in Articles L. 225-38 et seq. of the French Commercial Code, takes note of this information without reservation.

SIXTH RESOLUTION

Total annual compensation of the members of the Board of Directors

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, sets the total annual amount of compensation for the current financial year to be allocated to members of the Board of Directors, at €90,000.

This decision, applicable to the current year, will be maintained until a new decision is taken by the Annual General Meeting.

As the Board of Directors is composed in accordance with the first paragraph of Article L.225-18-1 of the French Commercial Code, the second paragraph of Article L.225-45 of the same Code is not applicable.

SEVENTH RESOLUTION

Approval of the compensation policy of the members of the Board of Directors

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, and pursuant to Article L. 22-10-8 II of the French Commercial Code, approves the compensation policy for the directors, as presented in the Company's 2024 annual financial report.

EIGHTH RESOLUTION

Approval of the compensation elements paid or granted in 2024 to Vincent Bedouin, Chairman & CEO

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors, and pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the set, variable, and exceptional items composing the total compensation and benefits of any kind paid or allocated for the financial year ending 31 December 2024 to Vincent Bedouin, as presented in the Company's 2024 annual financial report.

NINTH RESOLUTION

Approval of the compensation policy for Vincent BEDOUIN, Chairman & CEO

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, and pursuant to Article L. 22-10-8 II of the French Commercial Code, approves the items of the compensation policy applying to Vincent Bedouin, as presented in the Company's 2024 annual financial report.

TENTH RESOLUTION

Approval of the compensation elements paid or granted in 2024 to Nicolas Bedouin, Chief Executive Officer deputy ("Directeur general délégué"),

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors, and pursuant to Article L. 22-10-34 II of the French Commercial Code, approves the set, variable, and exceptional items composing the total compensation and benefits of any kind paid or allocated for the financial year ending 31 December 2024 to Nicolas Bedouin, as presented in the 2024 annual financial report of the Company.

ELEVENTH RESOLUTION

Approval of the compensation policy for Nicolas BEDOUIN, Chief Executive Officer deputy ("Directeur general délégué"),

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after having taken note of the report of the Board of Directors on corporate governance, and pursuant to Article L. 22-10-8 II of the French Commercial Code, approves the compensation policy for the directors, as presented in the Company's 2024 annual financial report.

TWELFTH RESOLUTION

Approval of the compensation elements for the corporate officers, as referred to in Article L. 22-10-9 I of the French Commercial Code.

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of said Code, as included in the report of the Board of Directors on corporate governance, as presented in the Company's 2024 annual financial report.

THIRTEENTH RESOLUTION

Authorization granted to the Board of Directors to purchase Company's shares

The General Meeting, voting under the conditions of quorum and majority of Ordinary General Meetings, after reviewing the Board of Directors' report, pursuant to provisions of Articles L. 22-10-62 and L. 225-209-2 of the French Commercial Code:

- Authorizes the Board of Directors, with powers to sub-delegate, to proceed with the purchase of the Company's shares on the stock market for the following purposes:
 - Ensure market-making under a liquidity contract compliant with practices permitted by the applicable regulations,
 - Purchase shares for retention and subsequent allocation for trade or payment as part of an external growth operation, with the clarification that the shares acquired for this purpose cannot exceed 5% of the Company's capital, and that the Company cannot directly or indirectly hold more than 10% of its capital,
 - Ensure coverage of plans to allocate bonus shares or share purchase options, and more generally all shareholding plans for the Group's staff and corporate officers
 - Ensure the coverage of securities entitling the holder to the allocation of Company shares under applicable regulations,
 - Enable cancellation of some or all of the repurchased shares, in accordance with the authorization granted by the Combined General Meeting of the Company's shareholders on May 17, 2024, in its twenty-third extraordinary resolution.
- Sets at eighteen (18) months from this General Meeting the period of validity of this authorisation, which may be used on one or more occasions, and notes that this authorisation invalidates, for its unused portion, any prior authorisation having the same purpose.

This buyback program is also intended to allow the Company to operate for any other purpose authorized or that may be authorized by law or applicable regulations, particularly to implement any market practice that may be accepted by the French Financial Markets Authority. In such a case, the Company will inform its shareholders through a press release.

The maximum number of shares that may be purchased is set at 482,909 (i.e. 10% of the share capital). The General Meeting decides that the maximum purchase price per share shall not exceed €60. In the event of a capital transaction, such as a stock split, consolidation, or free share allocation, the aforementioned amount will be adjusted in the same proportions (multiplier coefficient equal to the ratio between the number of shares composing the capital before the transaction and the number of shares after the transaction).

The maximum total amount of the transaction is therefore set at €28,974,540.

The shares will be purchased through trading on the market or through block share acquisitions in accordance with applicable laws and regulations. Block share acquisitions could account for the entire programme. Acquisitions and disposals can be made during a public offering within the limits permitted by stock market regulations.

The number of shares held under execution of this authorisation may not exceed 10% of the share capital, i.e., 482,909 shares, which will be adjusted, as necessary, to account for any capital increase or reduction that may occur during the duration of the program.

In its report to the Ordinary General Meeting, every year the Board of Directors shall shareholders with information relating to completed share purchases and disposals.

Full powers are granted to the Board of Directors to accomplish all the requisite formalities for this authorisation.

2 WITHIN THE COMPETENCE OF THE EXTRAORDINARY GENERAL MEETING

FOURTEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares in the Company and/or securities giving immediate or future access to share capital in the Company or entitlement to debt securities with preferential subscription rights for shareholders

The General Meeting, voting under the conditions of quorum and majority of Extraordinary General Meetings, after reviewing the report of the Board of Directors and the special report of the Statutory Auditors, pursuant to Articles L. 225-129 to L. 225-129-6, L. 22-10-49, L. 228-91 et seq. of the French Commercial Code:

1. Delegates to the Board of Directors its competence to decide, on one or more occasions, in the proportions and at the times it shall see fit, both in France and abroad, to issue, with retention of preferential subscription rights for shareholders, shares or any other securities giving immediate or future access to share capital in the Company (including through the allocation of bonus shares), or securities giving entitlement to debt securities, whether in euros or in any other currency or monetary unit whatsoever established with reference to several currencies, both in France and abroad, the said shares granting the same rights as the old shares, subject to their dividend date; it being specified that the Board of Directors may sub-delegate to the CEO or, in agreement with the latter, to one or more Deputy CEOs, under the conditions permitted by law, all powers required to decide and perform the capital increase;

2. Decides to expressly exclude any issuance of preferential shares and securities giving access to preferential shares;
3. Decides that the nominal amount of capital increases that may be carried out immediately or in the future under this delegation may not exceed a total nominal amount of €19,920,000 (i.e., based on the current nominal value of the Company's shares of €6.64, a maximum of 3,000,000 shares), it being specified that this total nominal amount does not take account of adjustments that may be made in accordance with applicable legal and regulatory provisions and, where applicable, with contractual stipulations providing for other instances of adjustment, to preserve the rights of the holders of the securities or other rights giving access to share capital or to debt securities in the Company in accordance with applicable legal and regulatory provisions and with any contractual stipulations providing for other adjustments. This amount constitutes a global nominal ceiling, against which any capital increases that may be carried out under the fifteenth and sixteenth resolutions will be accounted.
4. Decides that the total nominal amount of bonds and other debt securities giving access to share capital, which may be issued under this delegation, shall be €60,000,000 maximum or the equivalent sum in the case of issuance in any other currency or in any monetary unit whatsoever established with reference to several currencies. This amount constitutes a global nominal ceiling, against which any issuances of bonds and other debt securities granting access to the capital that may be carried out under the fifteenth and sixteenth resolutions will be accounted.
5. Decides that subscription to these shares or securities giving access to share capital may be made either in cash, or by compensation against debts owed by the Company.
6. Decides that the shareholders may exercise, under the conditions provided for by the law, their preferential subscription rights on an irreducible basis. Furthermore, the Board of Directors shall have the ability to grant shareholders the right to subscribe, on a reducible basis, to a number of securities higher than that to which they may subscribe on an irreducible basis, in proportion to the subscription rights at their disposal, and, in any event, up to the limit of their request. Where the subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entirety of an issuance of shares or securities, the Board of Directors may use, in the order it shall see fit, the abilities offered by Article L. 225-134 of the French Code of Commerce, or some of them only, and notably the ability to offer the public all or part of unsubscribed securities.
7. Takes note that, where applicable, this delegation shall carry with it by operation of law, in favour of the holders of securities that may be issued giving access to share capital in the Company, abandonment by shareholders of their preferential subscription rights to the shares to which these securities give entitlement
8. Grants all powers to the Board of Directors, with the ability to sub-delegate under the conditions provided for by legal and regulatory provisions, to implement this delegation, notably in order to
 - Determine the dates, prices, and other details of issuances, as well as the form and characteristics of the securities to be created, to decide in addition, in the case of bonds or other debt securities giving access to share capital in the Company, whether or not they shall be subordinated (and, where applicable, the subordination ranking in accordance with the provisions of Article L. 228-97 of the French Commercial Code), setting their interest rate (notably at a fixed or variable, or zero-coupon or indexed, rate of interest), their duration (fixed or indefinite), and the other details of their issuance (including whether or not guarantees or sureties are given for them) and amortisation; these securities may come with warrants giving entitlement to the allocation and acquisition of or subscription to bonds or other securities representing receivables, or take the form of complex bonds as understood by the stock market authorities.
 - Modify, during the lifespan of the securities in question, the procedures referred to above, in compliance with the applicable formalities.
 - Determine the number of shares and/or other securities to be issued, as well as their terms and conditions, and notably their issue price and, where applicable, the premium amount
 - Determine the means of release of the shares and/or securities to be issued
 - determine the commencement date, with or without retroactive effect, of the securities to be issued and, where applicable, the conditions for their buy-back or exchange
 - Suspend, where applicable, the exercising of rights attached to the securities to be issued for a maximum period of three (3) months, within the limits provided for by applicable legal and regulatory provisions.
 - Set the procedures used to ensure, where applicable, the rights of the holders of securities or holders of other rights giving access to share capital, in accordance with the applicable legal and regulatory provisions and, as the case may be, with the applicable contractual stipulations providing for other adjustments.
 - Where appropriate, decide to grant a guarantee or sureties for the securities to be issued, as well as for any debt securities to which these securities may give entitlement of allocation, and to define the nature and characteristics thereof.
 - Proceed, where appropriate, with any charge on the issue premiums, in particular fees incurred by the completion of the issuances, and deduct from this amount the sums required to raise the legal reserve to one-tenth of the new capital after each increase, and generally take any necessary measures and conclude any agreements to successfully complete the issuances envisaged.

- Undertake any formalities required for admission to trading on the Euronext Paris market of the rights, shares, or securities issued, record the capital increase or increases resulting from any issuance carried out using this delegation, amend the Articles of Association accordingly, and ensure financial servicing of the securities concerned and exercising of the rights related thereto
 - Generally take any necessary measures, conclude any agreements, request any authorisations, carry out any formalities and do whatever may be necessary to successfully complete or defer the issuances envisaged, and in particular record the capital increase or increases resulting from any issuance carried out using this delegation, and amend the Articles of Association accordingly
9. Takes note that, in the event that the Board of Directors should use the delegation of competence granted to it under this resolution, the Board of Directors shall inform the next Ordinary General Meeting, in accordance with the applicable law and regulations, of the use made of the authorisations granted under this resolution.

The delegation granted to the Board of Directors, which renders any prior delegation with the same purpose ineffective for the future, is valid for a period of twenty-six (26) months from this General Meeting.

FIFTEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares in the Company and/or securities giving immediate or future access to share capital in the Company or entitlement to debt securities, without preferential subscription rights for shareholders and by way of a public offering, other than those referred to in 1° of Article L.411-2 of the French Monetary and Financial Code

The General Meeting, voting under the conditions of quorum and majority of Extraordinary General Meetings, after having taken note of the report from the Board of Directors and the special report of the Statutory Auditors, pursuant to Articles L. 225-129-2, L. 22-10-49, L. 22-10-52, L. 22-10-54, and L. 228-92 of the French Commercial Code:

1. Delegates to the Board of Directors its competence to decide, on one or more occasions, in the proportions and at the times it shall see fit, both in France and abroad, to issue, through a public offering, excluding the offers referred to in 1° of Article L.411-2 of the Monetary and Financial Code, shares or any other securities giving immediate or future access to share capital in the Company (including through the allocation of bonus shares), or securities giving entitlement to debt securities, whether in euros or in any other currency or monetary unit whatsoever established with reference to several currencies, both in France and abroad, the said shares granting the same rights as the old shares, subject to their dividend date; it being specified that the Board of Directors may sub-delegate to the CEO or, in agreement with the latter, to one or more Deputy CEOs, under the conditions permitted by law, all powers required to decide and perform the capital increase.
2. Decides to expressly exclude any issuance of preferential shares and securities giving access to preferential shares.
3. Decides that the nominal amount of capital increases that may be carried out immediately or in the future under this delegation may not exceed a total nominal amount of €19,920,000 (i.e., based on the current nominal value of the Company's shares of €6.64, a maximum of 3,000,000 shares), it being specified that this total nominal amount does not take account of adjustments that may be made in accordance with applicable legal and regulatory provisions and, where applicable, with contractual stipulations providing for other instances of adjustment, to preserve the rights of the holders of the securities or other rights giving access to share capital or to debt securities in the Company in accordance with applicable legal and regulatory provisions and with any contractual stipulations providing for other adjustments. This amount will be deducted from the global ceiling set forth in the fourteenth resolution.
4. Decides that the total nominal amount of bonds and other debt securities giving access to share capital, which may be issued under this delegation, shall be €60,000,000 maximum or the equivalent sum in the case of issuance in any other currency or in any monetary unit whatsoever established with reference to several currencies. This amount will be deducted from the global ceiling set forth in the fourteenth resolution.
5. Decides that the subscription of shares or securities giving access to the capital may be made either in cash or by offsetting with receivables on the Company.
6. Decides to waive the preferential subscription right of shareholders to the ordinary shares and securities subject to this resolution, and delegates to the Board of Directors the power to establish, if necessary, in accordance with the provisions of article L.22-10-51 of the French Commercial Code, an irreducible and/or reducible priority subscription right in favor of the shareholders for all or part of an issuance.
7. Decides, in accordance with article L. 22-10-52 of the French Commercial Code:
 - To delegate to the Board of Directors all powers to freely set the issue price of the equivalent capital securities that may be issued under this delegation of authority, and

- That the issue price of the securities giving access to the capital and the number of shares to which the conversion, repayment, or transformation of each security giving access to the capital may give entitlement, will be such that the amount received immediately by the Company, possibly increased by that which may be received subsequently, shall, for each ordinary share issued as a result of the issue of these securities, be at least equal to the price freely set by the Board of Directors.
8. Decides that if the subscriptions have not absorbed the entirety of an issuance referred to in 1, the Board of Directors may use the following powers:
 - Limit the amount of the issuance to the amount of subscriptions, with the clarification that in the case of the issuance of ordinary shares or securities whose primary title is a share, the amount of subscriptions must reach at least $\frac{3}{4}$ of the decided issuance for this limitation to be possible.
 - Distribute freely all or part of the unsubscribed securities.
 9. Takes note that, where applicable, this delegation entails, by operation of law, the waiver by shareholders of their preferential subscription rights to the shares to which the securities that may be issued and giving access to the Company's capital grant rights.
 10. Grants all powers to the Board of Directors, with the possibility of subdelegation in accordance with legal and regulatory provisions, to implement this delegation, notably in order to set the terms of the issuance(s), determine the issue price, and, if applicable, certify the completion of the resulting capital increases, proceed with the corresponding amendments to the bylaws, allocate, at its sole discretion, the costs of the capital increases against the related premiums, and deduct from this amount the necessary sums to bring the legal reserve to one-tenth of the new capital after each increase, and generally take all necessary actions in this matter.
 11. Takes note that, in the event that the Board of Directors should use the delegation of competence granted to it under this resolution, the Board of Directors shall inform the next Ordinary General Meeting, in accordance with the applicable law and regulations, of the use made of the authorisations granted under this resolution.

The delegation granted to the Board of Directors is valid for a period of twenty-six (26) months from this General Meeting.

SIXTEENTH RESOLUTION

Delegation of competence to be granted to the Board of Directors to issue ordinary shares in the Company and/or securities giving immediate or future access to share capital in the Company or entitlement to debt securities, without preferential subscription rights for shareholders, under a public offering referred to in 1° of Article L.411-2 of the French Monetary and Financial Code

The General Meeting, voting under the conditions of quorum and majority of Extraordinary General Meetings, after having taken note of the report from the Board of Directors and the special report of the Statutory Auditors, pursuant to Articles L.225-129-2, L. 22-10-49, L. 22-10-52, and L. 228-92 of the French Commercial Code:

1. Delegates to the Board of Directors its competence to decide, on one or more occasions, in the proportions and at the times it shall see fit, both in France and abroad, to issue, through a public offering, through an offer referred to in 1° of Article L.411-2 of the Monetary and Financial Code, shares or any other securities giving immediate or future access to share capital in the Company (including through the allocation of bonus shares), or securities giving entitlement to debt securities, whether in euros or in any other currency or monetary unit whatsoever established with reference to several currencies, both in France and abroad, the said shares granting the same rights as the old shares, subject to their dividend date; it being specified that the Board of Directors may sub-delegate to the CEO or, in agreement with the latter, to one or more Deputy CEOs, under the conditions permitted by law, all powers required to decide and perform the capital increase.
2. Decides to expressly exclude any issuance of preferential shares and securities giving access to preferential shares.
3. Decides that the nominal amount of capital increases that may be carried out immediately or in the future under this delegation may not exceed a total nominal amount of €19,920,000 (i.e., based on the current nominal value of the Company's shares of €6.64, a maximum of 3,000,000 shares), it being specified that this total nominal amount does not take account of adjustments that may be made in accordance with applicable legal and regulatory provisions and, where applicable, with contractual stipulations providing for other instances of adjustment, to preserve the rights of the holders of the securities or other rights giving access to share capital or to debt securities in the Company in accordance with applicable legal and regulatory provisions and with any contractual stipulations providing for other adjustments. This amount will be deducted from the global ceiling set forth in the fourteenth resolution.

4. Decides that the total nominal amount of bonds and other debt securities giving access to the share capital, which may be issued under this delegation, shall be a maximum of 60,000,000 euros or the equivalent amount in any other currency or monetary unit established by reference to multiple currencies. This amount will be deducted from the global ceiling set in the fourteenth resolution.
5. Decides that the subscription of shares or securities giving access to the capital may be made either in cash or by offsetting with claims against the Company.
6. Decides to waive the shareholders' preferential subscription rights to the ordinary shares and securities giving access to the capital and/or debt securities covered by this resolution.
7. Decides, in accordance with Article L. 22-10-52 of the French Commercial Code:
 - Delegates to the Board of Directors all powers to freely set the issue price of the equivalent capital securities to be issued under this delegation of authority, and
 - That the issue price of the securities giving access to the capital and the number of shares to which the conversion, redemption, or transformation of each security giving access to the capital may entitle, will be such that the amount immediately received by the Company, plus any amount potentially received later by it, will be at least equal to the price freely set by the Board of Directors for each ordinary share issued as a result of the issuance of these securities.
8. Decides that if subscriptions do not absorb the entire issuance referred to in point 1, the Board of Directors may use the following options:
 - Decides to limit the amount of the issuance to the amount of subscriptions, it being specified that in the case of the issuance of ordinary shares or securities whose primary title is a share, the amount of subscriptions must reach at least $\frac{3}{4}$ of the decided issuance for this limitation to be possible.
 - Decides to freely allocate all or part of the unsubscribed securities.
9. Takes note that, if applicable, this delegation entails, by operation of law, the renunciation by shareholders of their preferential subscription rights to the shares to which the securities giving access to the Company's capital entitle the holders.
10. Grants all powers to the Board of Directors, with the ability to subdelegate under the conditions provided by applicable legal and regulatory provisions, to implement this delegation, including the authority to: set the terms of one or more issuances, determine the issue price, if necessary, confirm the completion of capital increases resulting from it, proceed with the corresponding modification of the bylaws, charge, at its sole discretion, the costs of capital increases to the related premium amounts, and deduct from this amount the necessary sums to raise the legal reserve to one-tenth of the new capital after each increase, and more generally, take all necessary actions in this regard.
11. Takes note that, in the event that the Board of Directors should use the delegation of competence granted to it under this resolution, the Board of Directors shall inform the next Ordinary General Meeting, in accordance with the applicable law and regulations, of the use made of the authorisations granted under this resolution.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from this General Meeting.

SEVENTEENTH RESOLUTION

Authorization to increase the amount of issues in case of oversubscriptions

The General Meeting, having taken note of the report from the Board of Directors and the special report of the Statutory Auditors, decides that for each issuance of shares or securities giving access to the capital, decided under the fourteenth, fifteenth, and sixteenth resolutions, the number of securities to be issued may be increased under the conditions set forth in Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, and within the limits of the overall ceiling set in the fourteenth resolution as well as the ceiling mentioned in the delegation under which the initial issuance was decided, provided that the Board of Directors observes an oversubscription.

The delegation thus granted to the Board of Directors is valid for a period of twenty-six (26) months from the date of this General Meeting.

EIGHTEENTH RESOLUTION

Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares and/or securities giving access to capital with removal of preferential subscription rights in favor of the participants in a company savings plan, in accordance with Articles L. 3332-18 and following of the French Labor Code

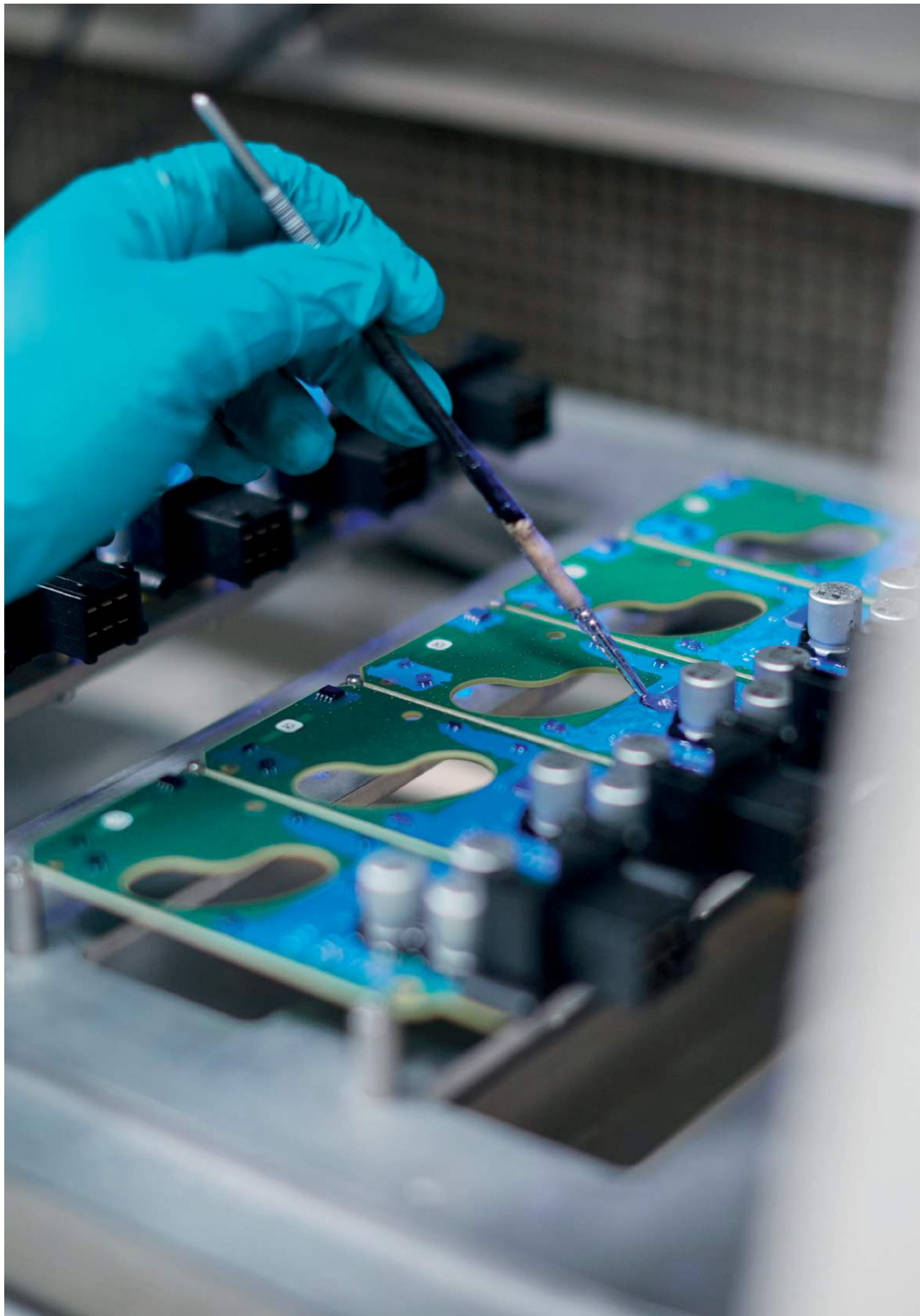
The General Meeting, voting under the conditions of quorum and majority of Extraordinary General Meetings, after having listened to a reading of the report of the Board of Directors and the special report of the Statutory Auditors:

1. Delegates to the Board of Directors, in accordance with Articles L.22-10-49, L. 225-129-6, L. 225-138-1, and L. 228-92 of the French Commercial Code, and Articles L. 3332-18 and following of the French Labor Code, subject to the implementation of one of the operations referred to in the fourteenth, fifteenth, and sixteenth resolutions, its competence to proceed with the issuance of shares and/or securities giving access to new shares in the Company, with removal of the shareholders' preferential subscription rights in favour of employees and former employees who are members of the Company's Employee Savings Plan(s);
2. Decides that the maximum number of shares issued in the course of immediate or future capital increases that may be carried out under this delegation shall not exceed 5% of the share capital as of the issuance date. In addition to this amount, any additional ordinary shares may be issued to preserve, in accordance with the law and any applicable contractual provisions that foresee other adjustment cases, the rights of holders of securities granting access to the capital of the Company. This ceiling is independent of the global ceiling set forth in the fourteenth resolution.
3. Takes note that, in accordance with the provisions of Article L. 225-132 of the French Commercial Code, this delegation shall carry with it by operation of law, in favour of the holders of securities giving access to new shares in the Company that may be issued under this delegation, express abandonment by shareholders of their preferential subscription rights to the new shares to which these securities may give entitlement;
4. Specifies that the issue price of new shares or securities giving access to share capital shall be determined under the conditions provided for in Article L. 3332-19 of the French Labor Code.
5. Decides that the Board of Directors shall have full powers, within the limits and under the conditions set out above, to determine all the conditions and procedures of the securities issued, as well as to modify them subsequent to their issuance;
6. Decides that this delegation, which invalidates in future any previous delegation having the same purpose, is granted for a duration of twenty-six (26) months from the date of this General Meeting.

NINETEENTH RESOLUTION

Powers for the completion of formalities

The General Meeting gives full powers to the holder of copies or extracts of this report to fulfil all legal formalities.



PART 02

ACCOUNTING & FINANCIAL ITEMS

(CONSOLIDATED FINANCIAL STATEMENTS)

1. CONSOLIDATED BALANCE SHEET

| In €K | Assets | Note no. | Period 2024 | Period 2023 |
|--------------------------------------|--|----------|----------------|----------------|
| Non-current assets | | | | |
| | Goodwill | 8.1 | 86,091 | 83,506 |
| | Intangible assets | 8.2 | 9,440 | 30,038 |
| | Tangible assets | 8.3 | 95,276 | 93,297 |
| | Rights of use | 8.4 | 12,438 | 14,665 |
| | Non-current financial assets | 8.5 | 3,260 | 3,672 |
| | Deferred tax assets | 8.19.3 | 4,997 | 7,133 |
| Total non-current assets | | | 211,502 | 232,311 |
| Current assets | | | | |
| | Inventories and work-in-progress | 8.6 | 134,447 | 145,153 |
| | Customer receivables | 8.7 | 98,768 | 128,678 |
| | Other receivables | 8.8 | 23,254 | 26,900 |
| | Financial instruments assets | 9.1 | 1,547 | 2,384 |
| | Cash and cash equivalents | 8.9 | 41,648 | 42,523 |
| | Assets of discontinued operations | 7.4 | 26,559 | 29,150 |
| Total current assets | | | 326,222 | 374,789 |
| TOTAL ASSETS | | | 537,725 | 607,100 |
| In €K | Liabilities | Note no. | Period 2024 | Period 2023 |
| Shareholders' equity | | | | |
| | Capital | | 32,055 | 32,055 |
| | Additionnal Paid-in capital | | 39,645 | 39,645 |
| | Consolidated reserves | | 98,386 | 101,946 |
| | Consolidated net income | | (33,764) | 4,268 |
| | Shareholders' equity (Group share) : | 4 | 136,322 | 177,915 |
| | Minority interests : | 4 | 4,061 | 12,142 |
| Total shareholders' equity | | | 140,383 | 190,057 |
| Non-current liabilities | | | | |
| | Non-current provisions | 8.11 | 13,326 | 13,181 |
| | Long-term debt | 8.12 | 90,122 | 95,619 |
| | Long-term rental liabilities | 8.4 | 11,055 | 11,825 |
| | Debts arising from business combinations - non-current | 8.13 | 10,574 | 12,088 |
| | Deferred tax liabilities | 8.19.3 | 4,772 | 7,803 |
| Total non-current liabilities | | | 129,849 | 140,516 |
| Current liabilities | | | | |
| | Short-term borrowings | 8.12 | 66,000 | 61,467 |
| | Short-term rental liabilities | 8.4 | 2,328 | 3,373 |
| | Trade payables | 8.14 | 121,277 | 126,644 |
| | Financial instrument liabilities | 9.1 | 3,666 | 1,615 |
| | Other liabilities | 8.14 | 51,765 | 57,154 |
| | Liabilities of discontinued operations | 7.4 | 22,456 | 26,275 |
| Total current liabilities | | | 267,493 | 276,527 |
| TOTAL LIABILITIES | | | 537,725 | 607,100 |

2. COMPREHENSIVE INCOME STATEMENT

2.1 Consolidated income statement

| In €K | Note no. | Period 2024 12 months | Period 2023 12 months (restated) |
|--|------------|--------------------------|--|
| Revenue | 9.2 | 635,521 | 733,946 |
| Change in inventories and goods in progress | | 2,616 | (2,752) |
| Goods and raw materials purchased | | (375,038) | (451,379) |
| Personnel expenses | 8.15 | (165,177) | (170,910) |
| Subcontracting and external expenses | | (68,616) | (62,305) |
| Taxes | | (4,370) | (4,370) |
| Depreciation, amortization and provisions | 8.16 | (21,802) | (22,935) |
| Other income and expenses | | 2,018 | 3,140 |
| Current operating profit | 9.2 | 5,151 | 22,435 |
| Other operating income and expenses | 8.17 | (25,968) | (14,077) |
| Operating income | | (20,817) | 8,358 |
| Financial income and expenses | 8.18 | (12,462) | (8,377) |
| Income tax expense | 8.19 | (254) | 1,816 |
| Net income from continuing operations | | (33,533) | 1,797 |
| Net income from discontinued operations | | (15,692) | (4,638) |
| Consolidated net income | | (49,225) | (2,841) |
| Net income - Minority interests | 4 | (15,460) | (7,110) |
| Net income - Group share | | (33,764) | 4,268 |
| Basic earnings per share (in €) | 8.10 | (7.21) | 0.91 |
| Diluted earnings per share (in €) | 8.10 | (7.15) | 0.91 |

2.2 Net income and gains and losses recognized directly in equity

| In €K | Note no. | Period 2024 12 months | Period 2023 12 months (restated) |
|--|----------|--------------------------|--|
| Net income | | (49,225) | (2,841) |
| Currency translation adjustments | | 2,216 | 2,236 |
| Revaluation of hedging instruments | | (811) | (125) |
| Actuarial gains and losses on defined benefit plans | | 116 | (59) |
| Total gains and losses recognized directly in equity (1) | | 1,522 | 2,052 |
| Net income and Gains and losses recognized directly in equity | 4 | (47,702) | (789) |
| Group | | (31,590) | 6,548 |
| Minority interests | | (16,112) | (7,337) |

(1) Amount net of tax.

3. CASH FLOW STATEMENT

| In €K | Note no. | Period 2024 12 months | Period 2023 12 months (restated) |
|---|-----------------|--------------------------|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| NET INCOME | | (49,225) | (2,841) |
| NET INCOME FROM DISCONTINUED OPERATIONS | | (15,692) | (4,638) |
| NET INCOME FROM CONTINUING OPERATIONS | | (33,533) | 1,797 |
| - Income tax expense for the period from continuing operations | | 291 | (1,836) |
| Consolidated pre-tax income | | (33,242) | (39) |
| Elimination of non-cash or non-operating income and expenses: | | | |
| - Net depreciation, amortization and provisions | | 40,763 | 35,376 |
| - Gains and losses on disposals, net of tax | | 2,071 | (2,316) |
| - Calculated income and expenses related to changes in fair value | | 1,103 | 781 |
| Taxes paid | | (462) | (3,191) |
| Cash flow from operations of consolidated companies | | 10,232 | 30,610 |
| Change in operating working capital requirement | | 23,636 | 9,478 |
| CASH FLOW FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS | | 33,869 | 40,088 |
| CASH FLOWS FROM OPERATING ACTIVITIES RELATED TO DISCONTINUED OPERATIONS | | (4,565) | (3,789) |
| NET CASH FLOW FROM OPERATIONS | | 29,303 | 36,299 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditures (property, plant and equipment, intangible assets) | 8.2 / 8.3 / 7.4 | (16,699) | (16,353) |
| Financial investments | | (277) | (641) |
| Disposals of fixed assets, net of tax | | 572 | 3,771 |
| Cash flow from acquisitions and disposals of businesses | 7.3 | 1,893 | |
| CASH FLOW FROM INVESTING ACTIVITIES FROM CONTINUING OPERATIONS | | (14,511) | (13,223) |
| CASH FLOWS FROM INVESTING ACTIVITIES RELATED TO DISCONTINUED OPERATIONS | | 390 | (491) |
| NET CASH FLOW FROM INVESTING ACTIVITIES | | (14,121) | (13,715) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividends paid to shareholders | | (3,732) | (4,183) |
| Change in other equity | | (59) | (3) |
| Financial debt issuance | | 16,934 | 33,892 |
| Impact of sale and leaseback | | | 6,054 |
| Loan repayments | | (21,357) | (21,601) |
| Repayment of rental debts | 8.4.2 | (3,522) | (3,443) |
| CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS | | (11,735) | 10,715 |
| CASH FLOWS FROM FINANCING ACTIVITIES RELATED TO DISCONTINUED OPERATIONS | | (616) | (565) |
| NET CASH FLOW FROM FINANCING ACTIVITIES | | (12,351) | 10,150 |
| Impact of changes in exchange rates | | (1,182) | 498 |
| Change in cash and cash equivalents | | 1,648 | 33,233 |
| Opening cash position | | 12,453 | (25,780) |
| Reclassification of cash from discontinued operations | | (5,000) | 5,000 |
| Closing cash position | 8.5 | 9,101 | 12,453 |

4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| In €K | Position on closing | Note | Share capital | Share premiums | Consolidat- ed reserves | Period result | Other | | Total shareholders' equity - Group share | Non- controlling interests | TOTAL shareholders' equity | | |
|---|---------------------|------|---------------|----------------|----------------------------|------------------|--|--|---|----------------------------------|----------------------------------|--|--|
| | | | | | | | Currency translation differences | Shares of consol- idating company | | | | | |
| Period 12/31/2022 | | | 32,055 | 39,645 | 95,523 | 11,876 | (2,104) | (2,883) | 174,112 | 19,773 | 193,885 | | |
| Appropriation of net income for the year | | | 8.13 | | 11,876 | (11,876) | | 44 | (3,889) | (294) | (4,183) | | |
| Dividend Distributions | | | | | (3,889) | | | | | | | | |
| Change in treasury stock | | | | | (48) | | | | | | | | |
| Commitments to purchase of minority interests | | | | | 743 | | | | | | | | |
| Free allocation of shares | | | | | 403 | | | | | | | | |
| Net income for the year | | | | | | 4 268 | | | | | | | |
| Gains and losses recognized directly in equity | | | | | (348) | | 2,628 | | 2,280 | (228) | 2 052 | | |
| Net income and Gains and losses recognized directly in equity | | | | | (348) | 4,268 | 2,628 | | 6,548 | (7,337) | (789) | | |
| Period 2023 | | | 32,055 | 39,645 | 104,261 | 4,268 | 524 | (2,839) | 177,914 | 12,142 | 190,056 | | |
| Period 12/31/2023 | | | 32,055 | 39,645 | 104,261 | 4,268 | 524 | (2,839) | 177,914 | 12,142 | 190,056 | | |
| Appropriation of net income for the year | | | 8.13 | | 4,268 | (4,268) | | 60 | (3,433) | (346) | (3,779) | | |
| Dividend Distributions | | | | | (3,433) | | | | | | | | |
| Capital increases | | | | | | | | | | | | | |
| Change in treasury stock | | | | | (118) | | | | | | | | |
| Commitments to purchase of minority interests | | | | | 1,627 | | | | | | | | |
| Free allocation of shares | | | | | 240 | | | | | | | | |
| Net income for the year | | | | | | (33,764) | | | (33,764) | (15,460) | (49,225) | | |
| Gains and losses recognized directly in equity | | | | | (695) | | 2,868 | | 2,174 | (652) | 1,522 | | |
| Net income and Gains and losses recognized directly in equity | | | | | (695) | (33,764) | 2 868 | | (31,590) | (16,112) | (47,702) | | |
| Group assumption of minority interests (1) | | | | | (8,377) | | | | (8,377) | 8,377 | | | |
| Period 2024 | | | 32,055 | 39,645 | 97,773 | (33,764) | 3,392 | (2,779) | 136,323 | 4,061 | 140,383 | | |

⁽¹⁾ Corresponds to negative Minority Interest assumed and reported to Group reserves.

5. LIST OF CONSOLIDATED COMPANIES

The companies included in the scope of consolidation are presented below:

| Company and legal form | Registered office | Note | Period 2024 | |
|---|-------------------|-------|----------------------|---------------|
| | | | Consolidation Method | % of interest |
| CONSOLIDATING COMPANY LACROIX GROUP | ST HERBLAIN | 1 | PARENT | 100.00% |
| INTEGRATED COMPANIES LACROIX 2 | ST HERBLAIN | | FC | 100.00% |
| Electronics Activity | | | | |
| LACROIX ELECTRONICS FRANCE | BEAUPREAU | 1 | FC | 100.00% |
| LACROIX ELECTRONICS BEAUPREAU | BEAUPREAU | | FC | 75.25% |
| LACROIX ELECTRONICS zoo | POLAND | | FC | 100.00% |
| LACROIX ELECTRONICS TUNISIE | TUNISIA | | FC | 100.00% |
| LACROIX ELECTRONICS TUNIS | TUNISIA | | FC | 100.00% |
| LACROIX ELECTRONICS SERVICE TUNISIE | TUNISIA | | FC | 100.00% |
| LACROIX ELECTRONICS GmbH | GERMANY | | FC | 100.00% |
| LACROIX ELECTRONICS CESSON | CESSON-SÉVIGNÉ | 1 | FC | 100.00% |
| LACROIX ELECTRONICS MICHIGAN | MICHIGAN, USA | | FC | 62.1% |
| LACROIX NORTH AMERICA | DELAWARE, USA | | FC | 100.00% |
| Environment Activity | | | | |
| LACROIX ENVIRONMENT | ST HERBLAIN | 1 | FC | 100.00% |
| LACROIX SOFREL | VERN SUR SEICHE | 1 | FC | 100.00% |
| LACROIX SOFREL srl | ITALY | | FC | 100.00% |
| LACROIX SOFREL ESPANA | SPAIN | | FC | 100.00% |
| LACROIX SINGAPOUR | SINGAPOUR | | FC | 100.00% |
| LACROIX ENVIRONMENT GmbH | GERMANY | | FC | 100.00% |
| SAE IT Systems GmbH & Co KG | GERMANY | | FC | 100.00% |
| LACROIX CITY LES CHERES | LES CHÈRES | 1 | FC | 100.00% |
| LACROIX CITY BELGIUM | BELGIUM | | FC | 100.00% |
| City-Mobility Activity | | | | |
| LACROIX CITY | ST HERBLAIN | 1 / 4 | FC | 100.00% |
| LACROIX CITY SAINT HERBLAIN | ST HERBLAIN | 3 | FC | 99.9% |
| LACROIX CITY CARROS | ST HERBLAIN | 1 / 4 | FC | 100.0% |
| LACROIX CITY MADRID | SPAIN | 4 | FC | 100.0% |
| LACROIX CITY NORTE | SPAIN | 3 | FC | 99.9% |
| LACROIX CITY CENTRO | SPAIN | 3 | FC | 99.9% |
| LACROIX PACIFIC | NOUMÉA | 3 | FC | 99.9% |
| LACROIX OCEAN INDIEN | LE PORT | 3 | FC | 99.9% |
| LACROIX MAYOTTE | MAMOUDZOU | 3 | FC | 99.9% |
| LACROIX TRAFIC CAMEROUN | CAMEROUN | 3 | FC | 99.9% |
| LACROIX 3 | SAINT HERBLAIN | 3 | FC | 99.9% |
| LACROIX 7 | SAINT HERBLAIN | 3 | FC | 99.9% |
| LACROIX CITY PLOUFRAGAN | NANTES | 1 / 4 | FC | 100.0% |
| LTI SUD EST (2) | CARROS | 2 / 4 | FC | 0.0% |

FC = Full consolidation (1) French tax consolidation scope at 12/31/2024 (2) Special purpose entity. (3) Companies deconsolidated at April 30, 2024 (4) Companies included in the scope of Discontinued Operations at December 31, 2024

6. ACCOUNTING STANDARDS, CONSOLIDATION METHODS, VALUATION METHODS AND RULES

6.1 General information on the Company

Listed on Euronext Paris, Compartment C, LACROIX Group is a French société anonyme.

The Group's head office is located at 17 rue Océane 44800 St Herblain, France.

In addition to the "direct" impact of its business, LACROIX has a mission for society, which it pursues through its offer, the Group's raison d'être and the timeless link between all its employees.

Its mission: to provide its customers with simple, robust technologies, in the service of a safer, more sustainable world.

Through its activities, LACROIX mobilizes its technological know-how to :

- Digitalize and optimize water and energy infrastructure management. Thanks to its in-depth knowledge of its customers' businesses, LACROIX contributes to improving network performance, saving scarce resources and protecting the environment.
- Design and produce electronic products in critical sectors such as automotive, aeronautics, home automation and Industry 4.0, and support their automation, digitalization and environmental performance challenges.

6.2 Accounting standards

6.2.1 General principles

The annual financial statements for the period ended December 31, 2024 have been prepared in accordance with all the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. All the texts adopted by the European Union are available on the European Commission's website at the following address:

http://ec.europa.eu/finance/accounting/ias/index_fr.html

These methods are identical to those used in the consolidated financial statements at December 31, 2023.

The Group does not apply IFRS that had not yet been approved by the European Union at the period-end. The Group has not opted for early application of any standards or interpretations whose application is not mandatory for the 2024 financial year.

Texts adopted by the European Union (mandatory application to periods beginning on or after January 1, 2024) and final IFRS IC decisions made in 2024 :

- amendments to IFRS 16 - Lease Liabilities under Sale and Leaseback Transactions ;
- amendments to IAS 1 - Classification of liabilities as current and non-current - non-current liabilities with covenants ;
- amendments to IAS 7 and IFRS 7 - Financing agreements with suppliers.

These texts and IFRS IC decisions have no impact on the Group's financial statements.

6.2.2 Presentation of the financial statements

"Current assets" include assets held for sale or consumption within the normal operating cycle, or within twelve months of the balance sheet date, as well as cash and cash equivalents.

"Current liabilities" comprise liabilities falling due within the normal operating cycle or within twelve months of the balance sheet date.

Other assets and liabilities are considered as "non-current".

6.3 Use of estimates

The preparation of consolidated financial statements requires Group management to exercise judgment and to make estimates and assumptions that affect the application of accounting policies and reported amounts in the financial statements.

These estimates and underlying assumptions are established and constantly reviewed on the basis of past experience and other factors considered reasonable in the circumstances. Actual values may differ from estimated values.

Estimates and underlying assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognized in the period of the change if it affects only that period, or in the period of the change and subsequent periods if these are also affected by the change.

6.4 Consolidation methods

6.4.1 Consolidation methods

Group subsidiaries :

- A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it is exposed to, or entitled to, variable returns from its relationship with the entity, and has the ability to influence those returns through its control over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ceases.
- Non-controlling interests are valued in proportion to the identifiable net assets of the acquired company at the acquisition date. Changes in the Group's percentage interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Associates and joint ventures:

- Associates are entities over which the Group has significant influence, but no control or joint control, over financial and operating policies. A joint venture is a partnership giving the Group joint control, under which it has rights to the net assets of the partnership but not rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for using the equity method. The consolidated financial statements include the Group's share in the total amount of profits and losses recognized by associates and joint ventures, up to the date on which significant influence or joint control ceases.

Methods applied to the Group :

- Having examined the provisions of IFRS 11 (partnership structure, legal form of the separate vehicle, contractual stipulations and other facts and circumstances), the Group does not have any joint ventures.

The scope of consolidation and list of subsidiaries are presented in note 5.

6.4.2 Foreign currency translation

The financial statements of foreign subsidiaries are translated :

- For the balance sheet at the closing exchange rate
- For the income statement at the average exchange rate
- Translation differences are reported directly to equity under "Cumulative translation adjustment".

The table below shows changes in the parities applied:

| 1ML = €X | Opening | Average | Closing | Average N-1 |
|-----------------|---------|---------|---------|-------------|
| Zloty (PLN) | 0.23044 | 0.23225 | 0.23392 | 0.22023 |
| Dollar (USD) | 0.90498 | 0.92389 | 0.96256 | 0.92476 |
| Franç CFP (XPF) | 0.00838 | 0.00838 | 0.00838 | 0.00838 |
| Franç CFA (XAF) | 0.00152 | 0.00152 | 0.00152 | 0.00152 |
| Dollar SG (SGD) | 0.68535 | 0.69166 | 0.70602 | 0.68849 |

Foreign currency transactions are recorded at the exchange rate prevailing on the transaction date. Gains and losses arising from the settlement of these transactions and from the translation of foreign currency receivables and payables are recognized in the income statement.

6.4.3 Elimination of intra-group transactions

In accordance with regulations, balance sheet balances and unrealized income and expenses arising from intra-group transactions are eliminated when preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates are eliminated through the equity method.

6.4.4 Business combinations

Goodwill is tested for impairment at least once a year, and more frequently if events or circumstances indicate that it may be impaired.

Impairment tests are carried out at Cash-Generating Unit (CGU) level. They consist in comparing the carrying amount of the CGU with its recoverable amount.

- The recoverable amount is defined as the higher of the asset's net selling price and its value in use.

The Group has set up a test methodology based on the DCF (Discounted Cash Flows) method, using business plans drawn up for each activity (the latter corresponding to the notion of CGU).

Note 8.1 presents the assumptions used.

6.5 Valuation methods and rules

The principles and methods applied by the Group are as follows:

6.5.1 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortization and any impairment losses.

Research and development costs

Research costs are expensed as incurred.

In the case of development costs, the Group has drawn up a procedure for tracking costs, enabling it to record all the information required to identify, value and track expenditure.

When development costs meet all the criteria for capitalization, they are capitalized. Otherwise, they are expensed.

Depreciation and amortization

Intangible fixed assets have a finite useful life. Amortization is charged on a straight-line basis over the estimated useful life of the intangible asset.

| | Duration |
|--------------------------------|---|
| Concessions, patents, licences | Shorter of the legal period of protection or the useful life of the asset |
| Software and R&D costs | When capitalisable, from 3 to 10 years |

Intangible assets are tested for impairment whenever there is an indication that they may be impaired.

Intangible assets with indefinite useful lives are tested annually for impairment. Impairment tests are performed on the basis of discounted future cash flows.

Depreciation of fixed assets is recorded under "Depreciation and amortization" in the income statement.

6.5.2 Property, plant and equipment

Non-current tangible assets

Property, plant and equipment are valued at acquisition cost less accumulated depreciation and any impairment losses, or at production cost for the portion produced by the Group.

When an item of property, plant and equipment has significant components with different useful lives, these components are accounted for separately.

Depreciation and amortization

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

The depreciation periods used are as follows:

| | Duration |
|---|--|
| Land improvements | 7 to 30 years |
| Buildings for operations | 25 to 50 years |
| Building installations and fixtures of properties owned by the Group | 15 to 40 years |
| Building installations and fixtures of properties rented by the Group | Shorter of the term of the lease (including potential renewals) and the useful life of the asset |
| Equipment and tools | 8 to 15 years |
| Transportation equipment | 5 years |
| Office equipment and furniture | 3 to 15 years |

The carrying amounts of property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When the carrying amount of an asset exceeds its estimated recoverable amount, an impairment loss is recognized.

6.5.3 Lease contracts

Under IFRS 16, when a lease contract is entered into, the Group recognizes a liability in the balance sheet corresponding to the discounted future payments of the fixed portion of the lease payments, in return for a right to use the asset, generally amortized over the term of the contract.

In accordance with the exemptions provided for in the standard, the Group excludes contracts with a residual term of less than twelve months and those involving low-value assets.

The amount of the liability is significantly dependent on the assumptions made concerning the duration of the commitments and, to a lesser extent, the discount rate.

The contract term generally used to calculate liabilities is that of the initially negotiated contract, without taking into account early termination or extension options, except in special cases.

In accordance with the decision of the IFRS Interpretation Committee ("IFRS IC"), when the lease commitment is less than 12 months but assets have been capitalized in connection with this contract, the Group recognizes a lease liability over a period consistent with the expected useful life of the invested assets.

The standard requires the discount rate for each contract to be determined by reference to the contracting subsidiary's marginal borrowing rate. In practice, the marginal borrowing rate generally

used is the sum of the risk-free rate by reference to its duration, a currency swap where applicable, the Group's credit risk and any surcharge depending on the nature of the asset financed.

6.5.4 Financial assets

Non-current financial assets include investments in non-consolidated companies and financial loans and receivables maturing in over twelve months.

- Equity interests are classified as financial assets at fair value through profit or loss.
- Fair value is determined on the basis of the market price at the balance sheet date for listed securities. For unlisted securities, in the absence of specific events, their acquisition cost or share of net assets is considered to be the best possible estimate of fair value.
- Financial loans and receivables are classified as assets arising from operations. They are measured at amortized cost. A provision for impairment is booked as soon as there is an indication of impairment.

6.5.5 Financial risk management

Currency and interest rate hedging :

- Hedging transactions are analyzed by an independent expert to ensure compliance with IAS 32 and IFRS 9 whenever they are material.

6.5.6 Inventories and work-in-progress

Inventories and work-in-progress are valued at the lower of cost and net realizable value. Cost is determined using the "weighted average cost" method. Cost includes direct material and labor costs, as well as indirect expenses strictly attributable to production.

Internal margins included in inventories are eliminated from consolidated income.

Provisions for impairment are calculated as the difference between the gross value determined in accordance with the above principles and the probable net realizable value.

6.5.7 Accounts receivable

Trade receivables are measured at fair value. As receivables mature in less than one year, they are not discounted. Where necessary, a provision for impairment is booked based on the probability of recovery at the balance sheet date.

At the initiative of some of its main partner customers, the Group has set up non-recourse factoring contracts (reverse factoring). The substantive analysis of these factoring contracts prescribed by IFRS 9 confirmed that the 3 main derecognition criteria applicable in particular to sales of receivables were met, namely :

- Expiry or transfer of contractual rights to the asset's cash flows,
- The transfer of substantially all the risks and rewards incidental to ownership of the asset (credit risk related to the insolvency of the debtor, carry risk inherent in the lag or delay in payment in relation to the normal due date, and dilution risk resulting mainly from litigation and settlement differences),
- Loss of control over the asset.

6.5.8 Cash and cash equivalents

"Cash and cash equivalents" include bank overdrafts and immediately available investments.

Bank overdrafts are included under short-term borrowings on the liabilities side of the balance sheet.

6.5.9 Capital and reserves

When the Group buys or sells its own shares :

- The price paid, including acquisition costs net of tax, is deducted from shareholders' equity under "Treasury stock" until the shares are sold.
- On disposal, the realized gain or loss is recognized in shareholders' equity.

6.5.10 Public subsidies

Grants are included in the financial statements when there is reasonable assurance that :

- The group will comply with the conditions attached to the funding.
- Subsidies will be effectively received.
- In the case of public grants linked to assets, the Group has opted to present the financing as a reduction in the value of the associated asset.

6.5.11 Provisions for contingencies and charges

When the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, a provision is recognized as soon as the amount of the obligation can be reliably estimated.

6.5.12 Employee benefits

Retirement benefits :

- The Group records provisions for retirement indemnities in accordance with collective bargaining agreements. This is a defined-benefit plan. The provision is valued by an independent actuary. Note 8.11.1 sets out the assumptions used.

- In particular, these valuations take account of future remuneration levels, the probable length of service of employees, life expectancy and staff turnover.
- The present value of the obligations thus valued is recognized in the balance sheet, net of the fair value of assets paid by Group companies to financial institutions.
- Actuarial gains and losses, which mainly result from changes in actuarial assumptions and from the difference between estimated results based on actuarial assumptions and actual results, are recognized in full against shareholders' equity.
- Interest cost and service cost are expensed as incurred.

Share-based payments :

- Stock options granted to employees must be measured at fair value, which is recognized in the income statement against reserves over the vesting period (between 2 and 4 years) of the employees' exercise rights.
- The fair value of options is determined using the Black & Scholes valuation model. The expense is spread over the vesting period, with a corresponding increase in reserves.
- The fair value of bonus shares is determined using the binomial model to take account of performance conditions.

6.5.13 Borrowings

Borrowings are initially recognized at fair value, net of related fees, and are subsequently measured at amortized cost.

The current portion of borrowings is classified as short-term borrowings.

6.5.14 Commitments to purchase minority interests

Minority shareholders in certain fully-consolidated subsidiaries benefit from commitments by the Group to purchase their shares.

The Group recognizes these commitments as follows:

- the value of the commitment at the balance sheet date is shown under "Liabilities arising from business combinations".
- the commitment is recognized as a component of Group shareholders' equity;

- subsequent changes in the obligation are recognized in equity, including the effects of unwinding of discount.

When a presence condition is attached to these instruments, the Group recognizes an expense in the income statement for this specific part of the instrument, spread over the contractual presence period.

6.5.15 Current and deferred taxes

Deferred tax is calculated on all temporary differences between the carrying amount of assets and liabilities and their tax base.

The tax rate used is that which the Group expects to pay or recover from the tax authorities and which has been enacted or substantively enacted by the balance sheet date. In this respect, the Group has used a rate of 25.83% to calculate deferred taxes for entities based in France.

Deferred tax assets and liabilities are not discounted and are classified in the balance sheet as non-current assets and liabilities.

Deferred tax assets are recognized if there is a real probability of recovering these amounts in future years.

Deferred tax assets and liabilities are offset for the same tax entity. In this respect, the tax consolidation group in France (headed by LACROIX Group) is considered as a tax entity.

Details of this tax group are given in note 5.

Tax rates by country :

| | Period 2024 |
|---------------|-------------|
| Germany | 30.0% |
| United States | 21.0% |
| Spain | 25.0% |
| France | 25.8% |
| Italy | 27.9% |
| Poland | 19.0% |
| Tunisia | 10.0% |

6.5.16 Assets and groups of assets held for sale and discontinued operations

A discontinued operation is either a component of an entity from which the latter has separated, or an operation that is classified as held for sale and :

- represents a distinct main line of business or geographical region ;
- is part of a single, coordinated plan to dispose of a distinct business line or geographic region; or
- is a subsidiary acquired exclusively with a view to sale.

Classification as a discontinued operation takes place at the time of disposal, or at an earlier date if the operation meets the criteria to be classified as held for sale. When an operation is classified as discontinued, the comparative income statement and cash flow statement are restated as if the operation had met the criteria of a discontinued operation as from the beginning of the comparative period.

In addition, all assets and liabilities relating to discontinued operations or operations held for sale are presented on a separate line of the balance sheet, as they would appear on disposal after elimination of intra-group positions.

Details of operations held for sale are given in note 7.4.

6.5.17 Revenue recognition

Sales of goods and services are recognized when control of the goods or services has been transferred to the customer.

Depending on the Group's various revenue streams and, where applicable, the specific features of each contract, the transfer of control takes place at a given date or progressively.

When it is established that the Group is progressively meeting its performance obligations to its customers, the Group recognizes sales using the percentage-of-completion method.

The amounts recognized as revenue are based on the transaction prices set out in the contracts, and correspond to the consideration that the Group expects to receive in application of the contractual clauses.

The transaction prices fixed in the contracts do not include any significant variable components requiring the use of estimates. Contracts entered into by the Group do not provide for payment terms in excess of one year, and no financing component is therefore recognized in this respect.

Contract acquisition costs, when material, are recognized as an asset and amortized over the contract duration. The Group applies this provision whenever this type of transaction is occurs.

6.5.18 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of shares outstanding during the year, excluding shares purchased by the company and held as treasury stock.

Diluted earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of shares outstanding during the year, adjusted for the conversion of dilutive instruments into ordinary shares.

The Group has dilutive instruments corresponding to bonus shares.

6.5.19 Segment reporting

The Group's segment reporting is based on the concept of business segments. The choice of this level and its breakdown reflect the Group's organizational structure and differences in risks and profitability.

The business segment is the Group's preferred level of segment reporting. The following 2 main business segments have been selected:

- LACROIX Electronics
- LACROIX Environment

The LACROIX City business segment is now presented as follows:

- The Road Sign BU is maintained in continuing operations for 4 months in 2024.
- The City-Mobility segment is presented as discontinued operations in 2024 (and restated as such in 2023).

6.5.20 Entry into force of the Pillar II amendment

Following the OECD's Pillar II recommendation, which led to the creation of a minimum tax regime for large international organizations in November 2021, the European Union adopted a directive on December 14, 2022, making this regime effective from January 1, 2024, or the date of transposition by EU member states, whichever is later.

EU member states were required to transpose the directive by December 31, 2023, and France voted to do so as part of the draft Finance Law 2024.

To date, the LACROIX Group is not yet subject to the application of this amendment, as the required thresholds have not been reached.

However, in order to prepare for potential future application, the Group has followed all OECD publications and draft legislation published in the countries in which it operates. At this stage of the review, and even though it is not yet subject to the application of Pillar II, the Group does not expect any significant additional tax burden.

7. COMPARABILITY OF FINANCIAL STATEMENTS AND SIGNIFICANT EVENTS DURING THE PERIOD

7.1 Accounting changes

See 6.2.1 General principles.

7.2 Changes in scope of consolidation and first-time consolidation of minority interests

On April 30, 2024, all the entities of the Road Sign BU were deconsolidated from the LACROIX Group following the final disposal of this segment (see below 7.3 Significant events).

This BU's contribution to Group earnings in 2024 is therefore 8 months lower than in 2023.

In addition, the City-Mobility segment is now presented as a discontinued operation (see 7.3 Significant events below). The financial statements for the 2023 fiscal year have been restated using the same presentation.

7.3 Significant events

7.3.1 Highlights of the period

Sale of the Road Sign BU :

On December 14, 2023, the LACROIX Group announced that it had entered into exclusive negotiations with AIAC with a view to acquiring the Road Sign BU.

As a reminder, at December 31, 2023, in application of IFRS 5 - Non-current assets held for sale and discontinued operations, the accounting and presentation impacts of this transaction were as follows:

- Impairment of goodwill and a share of assets to reflect the estimated capital loss on disposal in the amount of €3,735,000;
- Reclassification and presentation of the Road Sign BU's assets and liabilities on dedicated lines in the consolidated balance sheet.

As the Road Sign BU does not qualify as a discontinued operation as specified by IFRS 5, no presentation impact has been deferred in the consolidated income statement and cash flow statement.

On March 18, 2024, LACROIX announced the definitive sale of the Road Sign BU. This became definitively effective in the Group's consolidated financial statements on April 30, 2024. The activity of the Road Sign BU from January 1 to April 30, 2024 is included in the consolidated income statement and cash flow statement.

The main contributive aggregates of the Road Sign BU within the Group's interim consolidated financial statements break down as follows:

| In €K | Period 2024 (4 months) | Period 2023 (12 months) |
|--------|---------------------------|----------------------------|
| Sales | 17,898 | 58,320 |
| EBITDA | 251 | 3,058 |
| EBIT | 251 | 1,294 |

The changes in the scope of consolidation presented in the tables in these notes correspond to the disposal of assets or liabilities of the Signaling BU that changed during the year, historical assets and liabilities having already been reclassified in accordance with IFRS 5 at December 31, 2023.

Transfer of the Smart Lighting BU to the Environment activity and proposed sale of the City-Mobility segment:

On May 22, 2024, LACROIX announced that the Smart Lighting BU would be attached to the Environment activity, and that it planned to sell the City-Mobility segment in order to focus on markets with greater potential and positive impacts.

On January 21, 2025, LACROIX announced the completion of an agreement to sell the City-Mobility segment to SWARCO Group, a transaction expected to be effective no later than the end of the 1st quarter of 2025.

At December 31, 2024, the Group reviewed the application of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, and IFRS 8 - Operating Segments on the substance of these announcements and drew the following accounting conclusions and impacts:

- The Smart Lighting segment is now presented within the Environment activity;
- As the Group considers the sale of the City-Mobility segment to be highly probable, the assets and liabilities concerned have been reclassified under specific headings in the consolidated balance sheet;
- As the City-Mobility segment is destined to disappear permanently from the Group's portfolio of operations, it is now treated as a discontinued operation in the consolidated income statement and cash flow statement.

The impact on the LACROIX Group's consolidated financial statements is as follows:

- The Street Lighting segment is included in the income statement of the Environment activity - note 9.2 Segment information reflects this change with, in particular, the restatement of data relating to the 2023 financial year;
- The City-Mobility segment is presented as Net income from discontinued operations in the income statement, and Net cash flow from discontinued operations in the Consolidated cash flow statement. Fiscal 2023 has been restated accordingly.

Note 7.4 Available-for-sale assets and discontinued operations provides further details on this accounting presentation.

Tax audits :

During the 1st half of 2024, several LACROIX Group companies were notified of an audit of their accounts by the French tax authorities.

The various audits cover fiscal years 2020 to 2023.

In December 2024, LACROIX Sofrel was notified of a tax reassessment relating to the Research Tax Credit (CIR) for the 2020 financial year, covering the full amount of part of the projects audited. The audit is in progress for the other projects and years concerned (2021 and 2022).

The LACROIX Group intends to use all available means to contest this reassessment. However, in view of the potential undue risk, a provision of €1,266,000 has been set aside for all amounts relating to the CIR for the years 2020 to 2022.

The audit of LACROIX Electronics Beaupreau was finalized on September 21, 2024, with no adjustment for the Group.

The audit of LACROIX Electronics Cesson was still in progress at December 31, 2024. The main risk identified concerns the Research Tax Credit, for a maximum amount of €5,500,000.

7.4 Assets held for sale and discontinued operations

7.4.1 Assets and liabilities held for sale

| In €k | Assets | Period 2024 |
|--|----------------------------------|---------------|
| Non-current assets | | |
| | Goodwill | |
| | Intangible fixed assets | |
| | Property, plant and equipment | |
| | Rights of use | |
| | Non-current financial assets | |
| | Investments in associates | |
| | Deferred tax assets | |
| Total non-current assets | | |
| Current assets | | |
| | Inventories and work-in-progress | 6,493 |
| | Accounts receivable | 16,829 |
| | Other receivables | 3,237 |
| | Financial instruments assets | |
| | Cash and cash equivalents | |
| Total current assets | | 26,559 |
| Total assets of discontinued operations | | 26,559 |

| In €k | Liabilities | Period 2024 |
|---|--|---------------|
| Non-current liabilities | | |
| | Non-current provisions | 10,828 |
| | Long-term debt | |
| | Long-term rental liabilities | 287 |
| | Debts arising from business combinations - non-current | |
| | Deferred tax liabilities | 42 |
| Total non-current liabilities | | 11,157 |
| Current liabilities | | |
| | Short-term borrowings | |
| | Short-term rental liabilities | 389 |
| | Trade payables | 4,872 |
| | Financial instrument liabilities | |
| | Payables on business combinations - current | |
| | Other liabilities | 6,038 |
| Total current liabilities | | 11,299 |
| Total liabilities of discontinued operations | | 22,456 |

In view of the estimated disposal value of the City-Mobility segment, the LACROIX Group recognized an impairment loss of €12,544,000 in accordance with IFRS 5, breaking down as follows:

- Total impairment of non-current assets (including goodwill) of €3,188,000;
- Recognition of an additional provision for contingencies of €9,356,000.

7.4.2 Net income from discontinued operations

| Net income from discontinued operations | Period 2024 (12 months) | Period 2023 (12 months) |
|--|-------------------------|-------------------------|
| Revenue | 30,849 | 27,237 |
| Operating expenses | (33,324) | (31,823) |
| Current operating income | (2,475) | (4,586) |
| Other operating income and expenses (1) | (12,985) | (12) |
| Operating income | (15,461) | (4,598) |
| Net financial income | (143) | (161) |
| Taxes | (89) | 120 |
| Net income from discontinued operations | (15,692) | (4,638) |

(1) Of which 12,544 €k corresponds to the estimated capital loss on disposal.

8. EXPLANATION OF BALANCE SHEET AND INCOME STATEMENT ACCOUNTS AND THEIR VARIATIONS

The tables below form an integral part of the consolidated financial statements. Unless otherwise indicated, amounts are expressed in €k.

8.1 Goodwill

| | Gross value | | | | | Depreciation | | | | Net value | |
|---------------------|---------------|-------------------------------------|-----------------------------|-----------------------------------|---------------|-----------------|-------------------------------------|-----------------------------|-----------------|---------------|---------------|
| | Opening | Assets and businesses held for sale | Reallo-cation of activities | Currency translation adjust-ments | Closing | Opening | Assets and businesses held for sale | Reallo-cation of activities | Closing | Opening | Closing |
| LACROIX Electronics | 58,054 | | | 2,585 | 60,640 | (5,991) | | | (5,991) | 52,063 | 54,648 |
| LACROIX Environment | 17,045 | | 21,219 | | 38,264 | | | (6,821) | (6,821) | 17,045 | 31,443 |
| LACROIX City | 23,898 | (2,679) | (21,219) | | | (9,500) | 2,679 | 6,821 | | 14,398 | |
| Total | 98,997 | (2,679) | | 2,585 | 98,904 | (15,491) | 2,679 | | (12,812) | 83,506 | 86,091 |

8.1.1 Goodwill impairment

The main operating assumptions used for goodwill impairment testing are as follows:

- Discount rate of :
 - 8.60 % for the ENVIRONMENT CGU
 - 9.70% for the ELECTRONICS CGU
- Cash flows calculated on the basis of 5-year plans.
- Perpetual growth rate of 2%.
- Operating income per CGU is based on the latest plan approved by the Group's Board of Directors.
- Changes in WCR are taken from the closing balance sheets of CGUs, and normalized where necessary in the event of one-off deviations,
- Investments taken into account are sustaining investments.

The recoverable amounts thus determined correspond to the values in use for each CGU.

Generally speaking, the assumptions made are corroborated by past experience. Where there is a material deviation, this is analyzed to determine whether it is one-off or structural, and is also recontextualized over the entire plan validated by the Board of Directors.

A reasonably possible change (in the order of 0.5 points) in the discount rate or OCR rate would not lead to an impairment of the goodwill of the ENVIRONMENT CGU.

For the ELECTRONICS CGU, the assumptions used have led to a significant reduction in the business plan and the associated OCR rate, to reflect the expected slowdown in business, particularly in the United States.

The discount rate used (9.70%) reflects all the inherent risks taken into account with regard to possible business trends.

At 12/31/2024, the ELECTRONICS CGU had an headroom of 9.5 million euros.

Sensitivity analyses lead to the following conclusions:

- an increase of 0.2 points in the discount rate would generate a negative impact of around 6.6 million euros on the CGU's headroom.
- an erosion of 0.2 points in the OCR rate would have a negative impact of around 12.8 million euros on the CGU's headroom, and lead to goodwill impairment of around 3.3 million euros.

8.2 Intangible assets

| | Opening | Additions | Disposals | Assets and businesses held for sell | Currency translation differences | Other variations | Closing |
|--|-----------------|-----------------|--------------|-------------------------------------|----------------------------------|------------------|-----------------|
| Gross values | | | | | | | |
| Set-up costs | 10 | | | | | | 10 |
| Research and development costs | 2,453 | | (10) | (38) | | 487 | 2,892 |
| Concessions, patents, licenses, software | 12,064 | 299 | (374) | (1,938) | 23 | 173 | 10,247 |
| Other intangible assets | 41,653 | 6 | (16) | | 2,508 | | 44,151 |
| Intangible assets in progress | 209 | 878 | | (3) | | (484) | 600 |
| Advances and deposits paid | | | | | | | |
| Total | 56,388 | 1,184 | (400) | (1,979) | 2,531 | 175 | 57,899 |
| Depreciation and provisions | | | | | | | |
| Set-up costs | (11) | | | | | | (11) |
| Research and development costs | (722) | (280) | 10 | 38 | | | (954) |
| Concessions, patents, licenses, software | (8,715) | (1,589) | 179 | 1 941 | (18) | 12 | (8,191) |
| Other intangible assets | (16,904) | (20,604) | 16 | | (1,813) | | (39,306) |
| Total | (26,351) | (22,474) | 205 | 1,980 | (1,831) | 12 | (48,460) |
| Total intangible assets, net | 30,037 | (21,290) | (195) | | 700 | 188 | 9,439 |

Other intangible assets" mainly comprise the 'Customer Relationships' asset identified in the process of purchase price allocation of Lacroix Electronics MI in 2021. The 'Customer Relationships' asset is amortized over 15 years.

The changes encountered by Lacroix Electronics MI over the period (notably in terms of higher payroll costs and operation efficiencies) have had a significant impact on the company's EBITDA rate, and led to a review of the assumptions used to value the "Customer Relationships" asset. As a result, the asset has been written down by \$10,814 K (€10,000 K) in 2023 and by \$20,000 K (€18,477 K) in 2024.

This write-down affects the Electronics business.

At 12/31/2024, the recoverable amount of the "Customer Relationships" asset was €4,620 K, representing its value in use.

The amounts shown under Assets and businesses held for sale refer to the City-Mobility BU assets reclassified as Available-for-sale assets.

8.3 Property, plant and equipment

| | Opening | Increase | Decrease | Change in scope of consolidation | Assets and activities held for sale | Currency translation adjustments | Other variations | Closing |
|--|------------------|-----------------|----------------|----------------------------------|-------------------------------------|----------------------------------|------------------|------------------|
| Gross values | | | | | | | | |
| Land | 2 749 | | | | (168) | 3 | | 2,584 |
| Buildings | 42,047 | 1,064 | | | (1,777) | 200 | 58 | 41,591 |
| Plant, equipment & out. | 121,086 | 8 339 | (1,692) | (8) | (2,177) | 3,193 | 4,273 | 133,012 |
| Other tangible fixed assets | 25,729 | 1,202 | (653) | 10 | (2,155) | 209 | 796 | 25,139 |
| Assets under construction | 797 | 2,282 | | (88) | (230) | 20 | (1,691) | 1,091 |
| Advance payments | 1,261 | 3,190 | | | | 2 | (3,797) | 656 |
| Total | 193,668 | 16,076 | (2,345) | (86) | (6,507) | 3 628 | (361) | 204,072 |
| Depreciation and provisions | | | | | | | | |
| Land | (34) | (177) | | | 168 | | | (44) |
| Buildings | (16,183) | (1,682) | | | 1,778 | (120) | 41 | (16,166) |
| Plant, equipment & out. | (65,047) | (10,920) | 1,663 | | 2,177 | (1,525) | | (73,651) |
| Other tangible fixed assets | (19,107) | (2,746) | 576 | (13) | 2,384 | (161) | 129 | (18,936) |
| Total | (100,370) | (15,524) | 2,239 | (13) | 6,507 | (1,806) | 170 | (108,796) |
| Total property, plant and equipment | 93,297 | 552 | (106) | (99) | | 1,822 | (191) | 95,277 |

The amounts shown under Assets and operations held for sale refer to BU City-Mobility assets reclassified as available-for-sale assets.

8.4 Lease contracts

8.4.1 Rights of use

| Rights of use | Opening | New contracts | Effects of changes in assumptions | Contract terminations | Assets and activities held for sale | Currency translation adjustments | Closing |
|------------------------------------|----------------|----------------|-----------------------------------|-----------------------|-------------------------------------|----------------------------------|-----------------|
| Gross values | | | | | | | |
| Real estate | 21,260 | 37 | 352 | (377) | (2,998) | 569 | 18,843 |
| Others | 3,164 | 1,353 | 314 | (691) | | | 4,140 |
| Total | 24,424 | 1,391 | 666 | (1,068) | (2,998) | 569 | 22,984 |
| Rights of use | Opening | New contracts | Effects of changes in assumptions | Contract terminations | Assets and activities held for sale | Currency translation adjustments | Closing |
| Depreciation and provisions | | | | | | | |
| Real estate | (8,021) | (3,752) | | 377 | 2,998 | (151) | (8,549) |
| Others | (1,738) | (949) | | 689 | | | (1,998) |
| Total | (9,759) | (4,701) | | 1,066 | 2,998 | (151) | (10,546) |
| Total Net rights of use | 14,665 | (3,311) | 666 | (2) | | 419 | 12,437 |

Leases classified under "Others" mainly comprise company and service car leases. The effects of changes in assumptions correspond mainly to the signing of lease renewals and the application of revaluation indexes.

The amounts shown under Assets and operations held for sale refer to BU City-Mobility assets reclassified under Available-for-sale assets.

8.4.2 Lease liabilities

| Lease liabilities | Opening | New contracts | Effects of changes in assumptions | Repayment of nominal value | Contract terminations | Assets and activities held for sale | Currency translation adjustments | Closing |
|-------------------|---------------|---------------|-----------------------------------|----------------------------|-----------------------|-------------------------------------|----------------------------------|---------------|
| Real estate | 13,581 | 37 | 352 | (2,411) | (1) | (625) | 453 | 11,387 |
| Others | 1,616 | 1,353 | 314 | (1,111) | (2) | (176) | | 1,995 |
| Total | 15,198 | 1,391 | 666 | (3,522) | (3) | (801) | 453 | 13 382 |

8.5 Non-current financial assets

| | Opening | Increase | Decrease | Change in scope of consolidation | Assets and activities held for sale | Other variations | Closing |
|---|--------------|--------------|--------------|----------------------------------|-------------------------------------|------------------|--------------|
| Gross value | | | | | | | |
| Investments in associates | 792 | | | | | 50 | 843 |
| Receivables from investments | | | | | | | |
| Other long-term investments | 118 | | | | | | 118 |
| Loans | 1,634 | | (497) | | (242) | 68 | 963 |
| Deposits and guarantees | 1,324 | 279 | (28) | 19 | (84) | | 1,512 |
| Other long-term receivables | 14 | | (14) | | | | |
| Total | 3,883 | 279 | (540) | 19 | (326) | 118 | 3,435 |
| Provisions for impairment | | | | | | | |
| Investments in associates | (149) | | 36 | | | | (114) |
| Receivables from investments | | | | | | | |
| Other long-term investments | (61) | | | | | | (61) |
| Loans | | (242) | | | 242 | | |
| Deposits and guarantees | | (84) | | | 84 | | |
| Total | (210) | (326) | 36 | | 326 | | (174) |
| Total net non-current financial assets | 3,673 | (47) | (504) | 19 | | 118 | 3,260 |

8.6 Inventories and work-in-progress

Inventories and work-in-progress break down as follows :

| | Period 2024 | Period 2023 |
|------------------------------------|----------------|----------------|
| Gross values | | |
| Raw materials | 102,969 | 112,273 |
| Work in progress | 13,285 | 16,048 |
| Intermediate and finished products | 19,443 | 17,778 |
| Goods | 3,268 | 4,172 |
| Total | 138,965 | 150,271 |
| Provisions for depreciation | | |
| Raw materials | (3,948) | (3,823) |
| Work in progress | (21) | (44) |
| Intermediate and finished products | (444) | (1,150) |
| Goods | (105) | (101) |
| Total | (4,517) | (5,118) |
| Total net inventories | 134,447 | 145,153 |

8.7 Accounts receivable

Trade receivables break down as follows:

| | Period 2024 | Period 2023 |
|------------------------------------|---------------|----------------|
| Trade receivables | 99,160 | 129,374 |
| Impairment | (392) | (696) |
| Total net trade receivables | 98,768 | 128,678 |

Receivables under reverse factoring contracts (see §6.5.7), not yet due at December 31, 2024 and paid before that date, amount to 19.8 million euros, versus 29.3 million euros at December 31, 2023.

Gross value and impairment of trade receivables by age are as follows:

| Aged balance at 12/31/2024 | Total trade receivables | On time - Not overdue | Past due < 30 days | Between 30 and 90 days past due | 90 to 180 days past due | Overdue > 180 days | Doubtful customers | Invoices to be issued |
|--|-------------------------|-----------------------|--------------------|---------------------------------|-------------------------|--------------------|--------------------|-----------------------|
| Total receivables | 99,160 | 53,821 | 31,741 | 8,754 | 4,159 | (1,241) | 375 | 1,551 |
| Total impairment | (392) | (8) | | | | (281) | (103) | |
| Total receivables net of impairment | 98,768 | 53,813 | 31,741 | 8,754 | 4,159 | (1,522) | 272 | 1,551 |

8.8 Other receivables and current assets

| | Period 2024 | Period 2023 |
|--|---------------|---------------|
| Gross value | | |
| Advances paid to suppliers | 1,311 | 2,361 |
| Social security receivables | 275 | 292 |
| Tax receivables (1) | 12,659 | 15,043 |
| Other miscellaneous receivables | 6,563 | 5,860 |
| Prepaid expenses | 2,445 | 3,345 |
| Total | 23,254 | 26,900 |
| Provisions for impairment | | |
| Impairment | | |
| Total Other receivables and current assets, net | 23,254 | 26,900 |

(1) Tax receivables include €8.2 million in RTC at December 31, 2024.

8.9 Cash and cash equivalents

| | Period 2024 | Period 2023 |
|--|---------------|---------------|
| Marketable securities ⁽¹⁾ | 18,236 | 27,960 |
| Cash and cash equivalents | 23,412 | 14,563 |
| Impairment | | |
| Total cash and cash equivalents | 41,648 | 42,523 |
| Bank overdrafts | (32,546) | (30,070) |
| Total net cash and cash equivalents | 9,101 | 12,453 |

(1) These include mutual funds, certificates of deposit and other investment products.

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with original maturities of less than three months

8.10 Shareholders' equity

8.10.1 Share capital of the consolidating entity

At December 31, 2024, the share capital comprised 4,829,096 shares with a par value of 6.64 euros.

8.10.2 Changes in treasury stock

Changes in the number of treasury shares were as follows:

| | Period 2024 |
|--------------------------------|----------------|
| Opening | 146,003 |
| Acquisitions | 14,780 |
| Disposals | (10,959) |
| Granted as part of an AGA plan | (3,030) |
| Closing | 146,794 |

The value of treasury shares at December 31, 2024 recorded in LACROIX Group's parent company financial statements amounted to €2,830k. On the basis of the average share price in December 2024, this amounted to €1,387,000.

8.10.3 Bonus shares

The Annual General Meetings of August 28, 2020 and May 6, 2002 approved plans for the distribution of free shares to certain employees:

2022 performance plan

15,002 performance shares have been allocated to Group employees. These performance shares vest in three tranches, from 2022 to 2024.

2023 performance plan

3,999 performance shares have been allocated to Group employees. These performance shares vest in three tranches, from 2023 to 2025.

2023 Attendance Plan

5,086 performance shares have been allocated to Group employees. These performance shares vest in three tranches between 2023 and 2025.

2024 performance plan

2,000 performance shares have been allocated to Group employees. These performance shares vest in three tranches, from 2024 to 2026.

In addition, 2,000 free shares, subject to the achievement of specific targets, have been allocated to Group employees. These shares vest in two tranches, in 2025 and 2026.

2024 Attendance Plan

7,697 free shares, subject to attendance conditions, have been allocated to Group employees. These performance shares vest in three tranches between 2024 and 2026.

In application of IFRS 2, the expense for the period in respect of the free share plan was €240,000 at December 31, 2024, compared with €403,000 in 2023.

Changes in the number of free shares during the year are detailed below:

| | Period 2024 |
|--|---------------|
| Opening | 24,200 |
| Granted | (3,030) |
| New plan(s) | 16,196 |
| Cannot be activated (due to departure) | |
| End of plan | |
| Closing | 37,366 |

8.10.4 Earnings per share

Earnings per share break down as follows:

| Earnings per share | Period 2024 | Period 2023 |
|--|-----------------|--------------|
| Weighted average number of shares before treasury stock | 4,829,096 | 4,829,096 |
| Number of treasury shares | (146,794) | (146,003) |
| Weighted average number of shares used to calculate earnings per share | 4,682,302 | 4,683,093 |
| Number of dilutive instruments (AGA) | 37,366 | 24,200 |
| Weighted average number of shares used for diluted earnings per share | 4,722,948 | 4,707,293 |
| Net income - Group share €k | (33,764) | 4,268 |
| Basic earnings per share (in €) | (7.21) | 0.91 |
| Diluted earnings per share (in €) | (7.15) | 0.91 |

8.11 Provisions for liabilities and charges

Changes in provisions for liabilities and charges can be analyzed as follows:

| | Opening | Charges | Used reversals | Change in scope of consolidation | Variation périmètre | Assets and businesses held for sale | Translation adjustments | Other changes | Closing |
|--|---------------|---------------|----------------|----------------------------------|---------------------|-------------------------------------|-------------------------|---------------|---------------|
| Provisions for end-of-career indemnities (1) | 10,006 | 1,080 | | (741) | (39) | (609) | 5 | (81) | 9,621 |
| Prov. for customer warranties | 772 | 220 | (17) | (86) | | (344) | | | 545 |
| Provisions for risks and litigation (2) | 1,531 | 11,723 | (330) | (1,189) | 428 | (9,875) | | | 2,288 |
| Prov. for other risks (3) | 872 | | | | | | | | 872 |
| Total | 13,181 | 13,022 | (347) | (2,015) | 389 | (10,828) | 6 | (81) | 13,326 |

⁽¹⁾ Provisions for retirement commitments have been calculated by independent actuaries using the projected unit credit method. Other changes correspond to the impact of changes in actuarial assumptions, mainly changes in discount rates.

⁽²⁾ Provisions for contingencies and litigation include in particular the provision for Lacroix Sofrel's RTC tax risk (€1,266,000), as well as the provision relating to the disposal of the City-Mobility segment (€9,356,000), which has been reclassified as a liability of discontinued operations.

⁽³⁾ In connection with the exercise of stock options by Sofrel employees, the Group undertook to buy back these shares at the beneficiaries' request. The amount of €872,000 corresponds to the valuation, at the end of December 2024, of the theoretical cost of repurchasing these shares.

The assumptions used for the calculations, for the France scope, are as follows:

- Discount rate of 3.35% (versus 3.2% in 2023)
- Salary increases, including inflation, based on the following table:

| Age groups | LACROIX |
|--------------------|---------|
| < under 29 | 5.00% |
| 30 to 39 years old | 3.50% |
| 40 to 44 years old | 3.00% |
| 45 to 49 years old | 3.00% |
| 50 to 54 years old | 2.50% |
| > over 55 | 2.00% |

- The mortality tables used are those of INSEE F 2016-2018,
- The retirement age is 64 for non-executives and 66 for executives. Reason for departure: 100% of departures are at the employee's initiative.
- Turnover probability according to the table below:

| | LACROIX City / LACROIX Group | Other entities |
|--------------------|------------------------------|----------------|
| Age groups | | |
| < under 29 | 15.00% | 8.00% |
| 30 to 39 years old | 8.00% | 5.00% |
| 40 to 44 years old | 5.00% | 3.00% |
| 45 to 49 years old | 5.00% | 3.00% |
| 50 to 54 years old | 3.00% | 2.00% |
| 55 to 59 years | 1.00% | 1.00% |
| > over 60 | 0.00% | 0.00% |

For Germany, the following assumptions have been applied:

- Discount rate of 3.41% (compared with 3.2% in 2023)
- Inflation of 2.25%
- Salary increase of 3%.
- Average turnover rate of 5%
- Retirement age is 64 for non-executives and 65 for executives

A 0.5 point change in the discount rate and/or salary increase assumptions would have the following impact on provisions for retirement commitments:

| Impact on pension provisions (€k) | (-0.5 point) | (+0.5 point) |
|-----------------------------------|--------------|--------------|
| Discount rate | 389 | (353) |
| Annual salary increases | (285) | 305 |

8.12 Borrowings and financial debt

8.12.1 Nature and maturity of borrowings

Borrowings can be broken down by maturity as follows:

| | Period 2024 | Period 2023 | Schedule 2024 ⁽¹⁾ | |
|-------------------------------------|----------------|----------------|------------------------------|----------------------------|
| | | | <1 year (Current) | > 1 year (non-current) |
| Borrowings from credit institutions | 100,447 | 103,844 | 22,507 | 77,940 |
| Other borrowings ⁽²⁾ | 23,129 | 23,172 | 10,946 | 12,182 |
| Bank overdrafts | 32,546 | 30,070 | 32,546 | |
| Total borrowings | 156,122 | 157,086 | 66,000 | 90,122 |

⁽¹⁾ Non-current portion of financial debt: of which €k 6,664 due in more than 5 years

⁽²⁾ Including : VINILA INVESTISSEMENTS current account (shareholder) for €k 9,884 in 2024, compared with €k 10,143 in 2023.

8.12.2 Change in borrowings

| | Period 2024 | Period 2023 |
|---|----------------|----------------|
| Opening | 127,015 | 114,655 |
| Subscriptions | 16,934 | 33,892 |
| Repayments | (21,357) | (21,665) |
| Change in scope of consolidation | | |
| Assets and businesses held for sale | | (325) |
| Translation adjustments | 495 | 10 |
| Other changes | 488 | 449 |
| Borrowings excluding bank overdrafts | 123,575 | 127,015 |
| Bank overdrafts | 32,546 | 30,070 |
| Total borrowings | 156,122 | 157,085 |

8.12.3 Breakdown by interest rate

The breakdown of debt between fixed and variable rates is as follows:

| | Period 2024 | Period 2023 |
|---|----------------|----------------|
| Fixed-rate borrowings | 41,593 | 49,765 |
| Variable-rate borrowings ⁽¹⁾ | 58,854 | 54,079 |
| Total borrowings | 100,447 | 103,844 |

⁽¹⁾ A significant portion of which is hedged by financial instruments (see §9.1.2)

8.12.4 Breakdown by main currencies

| | Period 2024 | Period 2023 |
|--|----------------|----------------|
| Borrowings denominated in euros | 95,088 | 98,485 |
| Borrowings denominated in foreign currencies | 5,359 | 5,359 |
| Total borrowings | 100,447 | 103,844 |

8.13 Debts arising from business combinations

| | Period 2024 | Period 2023 |
|---|---------------|---------------|
| Opening | 12,088 | 12,978 |
| Change in scope of consolidation | | |
| Revaluation with equity impact ⁽¹⁾ | (1,627) | (743) |
| Payments ⁽²⁾ | | |
| Translation adjustments | 114 | (147) |
| Other changes | | |
| Debts arising from business combinations | 10,575 | 12,088 |

⁽¹⁾ These include the impact of undiscounting and revaluation on existing cross options with minority shareholders of Lacroix Electronics Beaupreau, and the updating of assumptions on existing cross options with minority shareholders of Lacroix Electronics Michigan.

8.14 Current liabilities

Other current liabilities comprise the following items :

| | Period 2024 | Period 2023 |
|--|----------------|----------------|
| Suppliers | 121,277 | 126,644 |
| Advances received from customers | 9,232 | 9,328 |
| Tax and social security liabilities | 32,453 | 33,904 |
| Other miscellaneous payables | 5,343 | 6,802 |
| Deferred income | 4,737 | 7,120 |
| Total other current liabilities | 173,042 | 183,797 |

8.15 Personnel

8.15.1 Personnel expenses

| | Period 2024 | Period 2023 |
|---|------------------|------------------|
| Salaries and wages | (71,347) | (74,674) |
| Social security charges | (32,748) | (35,678) |
| Profit-sharing | (3,431) | (2,534) |
| Non-Group employees | (57,897) | (57,109) |
| Pension expenses | (105) | 88 |
| Share-based compensation (IFRS 2) and/or target-based compensation following integration of newly-acquired entities | 351 | (1,003) |
| Total employee-related expenses | (165,177) | (170,910) |

8.15.2 Workforce

The workforce employed by the Group's activities at the end of the year breaks down as follows:

| | LACROIX Electronics | | LACROIX Environment | | LACROIX City | | LACROIX Group | | Total activities | |
|------------------------------------|------------------------|----------------|------------------------|----------------|-----------------|----------------|------------------|----------------|---------------------|----------------|
| | Period 2024 | Period 2023 | Period 2024 | Period 2023 | Period 2024 | Period 2023 | Period 2024 | Period 2023 | Period 2024 | Period 2023 |
| Managers | 395 | 415 | 156 | 163 | 55 | 162 | 54 | 51 | 660 | 791 |
| Technicians & Employees | 541 | 768 | 205 | 203 | 45 | 193 | 4 | 7 | 795 | 1,171 |
| Manual workers | 1 757 | 1,812 | 78 | 38 | 27 | 127 | | | 1,862 | 1,977 |
| Total Number of employees | 2,693 | 2,995 | 439 | 404 | 127 | 482 | 58 | 58 | 3,317 | 3,939 |
| On secondment ⁽¹⁾ | 1,286 | 1,346 | 15 | 2 | 10 | 39 | | | 1,311 | 1,387 |
| Total workforce operational | 3,979 | 4,341 | 454 | 406 | 137 | 521 | 58 | 58 | 4,628 | 5,326 |

* Employees of fully consolidated entities

⁽¹⁾ Full-time equivalents for temporary staff and freelance workers in Mexico.

8.16 Depreciation, amortization and provisions, net of reversals

Depreciation, amortization and provisions, net of reversals, included in recurring operating income can be broken down as follows:

| | Period 2024 | Period 2023 |
|--|-----------------|-----------------|
| Net charges to and reversals of non-current assets | (17,044) | (17,945) |
| Net allowances and reversals on rights of use | (3,603) | (3,725) |
| Net charges to and reversals of inventories | (1,280) | (629) |
| Net charges to and reversals of other current assets | 170 | (441) |
| Net charges to and reversals of provisions for liabilities and charges | (45) | (195) |
| Net charges to and reversals of other assets | | |
| Total depreciation, amortization and provisions, net ⁽¹⁾ | (21,802) | (22,935) |

⁽¹⁾ Excluding reversals used, charged directly to the income statement items affected.

8.17 Other operating income and expenses

| | Period 2024 | Period 2023 |
|---|-----------------|-----------------|
| Reorganization expenses ⁽¹⁾ | (2,139) | (860) |
| Asset disposals ⁽²⁾ | (3,707) | (3,042) |
| Litigation ⁽³⁾ | (113) | 424 |
| Other non-current expenses ⁽⁴⁾ | (20,009) | (10,599) |
| Total | (25,968) | (14,077) |

⁽¹⁾ Reorganization costs for fiscal 2024 correspond to departures not replaced.

⁽²⁾ Asset disposals correspond to the impact of the sale of the Road Sign BU:

| | Period 2024 | Period 2023 |
|---|----------------|----------------|
| Expenses related to the disposal of the Road Sign BU | | (1,667) |
| Consolidation gain on disposal of building and other assets | 183 | 2,360 |
| Impairment of Road Sign BU goodwill | | (1,350) |
| Impairment of Road Sign BU non-current assets | | (2,385) |
| Additional loss on post-closing adjustments | (3,890) | |
| Total | (3,707) | (3,042) |

⁽³⁾ The income recognized in litigation arises from the activation of the asset and liability guarantee in connection with a previous acquisition

⁽⁴⁾ In 2024, other non-current expenses correspond mainly to the provision relating to the Lacroix Sofrel tax audit and to the accelerated depreciation of the 'Customer Relationship' asset recognized in connection with the Firstronic acquisition. In 2023, this item includes the exceptional costs incurred following the cyber attack and the accelerated depreciation of the 'Customer Relationship'.

8.18 Financial income and expense

Net financial expense breaks down as follows

| | Period 2024 | Period 2023 |
|--|-----------------|----------------|
| Cost of gross financial debt ⁽¹⁾ | (8,526) | (8,183) |
| Income from cash and cash equivalents | 503 | 330 |
| Net cost of debt | (8,023) | (7,853) |
| Foreign exchange gains/(losses) | (1,834) | 1,955 |
| Other financial income and expenses ⁽²⁾ | (2,605) | (2,479) |
| Total financial income by nature | (12,462) | (8,377) |
| Summary | | |
| Total income | 4,482 | 11,555 |
| Total expenses | (16,944) | (19,932) |
| Total financial income | (12,462) | (8,377) |

⁽¹⁾ The cost of gross financial debt increases slightly from one year to the next, as average interest rates in 2024 are higher than in 2023.

⁽²⁾ Including €330,000 in financial expenses linked to the provisioning of retirement indemnities, €631,000 in financial expenses on rental debts and €1,243,000 in financing costs in connection with receivables assigned under reversfactoring contracts..

8.19 Corporate income tax

8.19.1 Analysis of corporate income tax

Income taxes break down as follows:

| | Period 2024 | Period 2023 |
|-------------------|--------------|--------------|
| Current tax | (2,198) | (4,609) |
| Deferred tax | 1,944 | 6,425 |
| Income tax | (254) | 1,817 |

8.19.2 Proof of tax

| Tax rationalization | Period 2024 |
|---|-----------------|
| Consolidated net income | (49,225) |
| Neutralization of share in net income of ME companies | |
| Income tax | (254) |
| Net income before tax | (48,971) |
| Theoretical tax at 25,83% | (12,649) |
| Tax differential | (12,903) |

The reconciliation between corporate income tax in the income statement and the theoretical tax that would be payable at the current French rate is as follows:

| Analysis of this difference | |
|--|-----------------|
| Change in tax rate | |
| Effect of permanent differences between consolidated income and taxable income (1) | (4,375) |
| Previously unrecognized tax loss carryforwards utilized or capitalized during the year | 608 |
| Losses of tax loss-making subsidiaries not capitalized | (5,653) |
| Deactivation or utilization of previously recognized tax losses | (78) |
| Reduced or increased tax rates for certain categories of transactions | (2,109) |
| Taxation of subsidiaries' earnings at rates different from those of the parent company | (2,021) |
| Tax credits (2) | 904 |
| Other income taxes (CVAE) | (237) |
| Adjustments relating to prior periods | 59 |
| | (12,903) |

⁽¹⁾ This amount includes in particular the effect of the impairment of the City-Mobility segment for 3,240 €k.

⁽²⁾ The RTC recognized in 2024 is 3,106 €k.

8.19.3 Analysis of deferred taxes

Details of deferred tax assets and liabilities are as follows:

| | Opening | Impact on reserves | Currency translation adjustment | Impact on income | Changes in scope of consolidation | Other changes | Closing |
|--|----------------|--------------------|---------------------------------|------------------|-----------------------------------|----------------|----------------|
| Deferred tax assets | | | | | | | |
| C3S and construction effort | 43 | | | 7 | | | 50 |
| Employee profit-sharing | 379 | | | 49 | (5) | | 423 |
| Retirement indemnities | 1,246 | 35 | | 123 | (8) | (157) | 1,239 |
| Margins on inventories | 319 | | | (129) | (2) | (1) | 187 |
| Other deferred taxes Poland | 505 | | 7 | (305) | | | 207 |
| Losses carried forward ⁽¹⁾ | 9,111 | | 131 | (838) | | | 8,404 |
| Other | 343 | | | (66) | | (60) | 217 |
| DTA/DTL offset ^(*) | (4,813) | | | | | (917) | (5,730) |
| Total DTA | 7,133 | 35 | 138 | (1,159) | (15) | (1,135) | 4,997 |
| Deferred tax liabilities | | | | | | | |
| Regulated provisions | (2,322) | | | (386) | 16 | 131 | (2,561) |
| Finance leases | 114 | | | | | | 114 |
| Amortization method Non-current assets | (35) | | | 1 | | | (34) |
| Effect of net foreign investments | | (1,062) | | 179 | | | (883) |
| Fair value of real estate assets | (362) | | | (225) | (4) | | (591) |
| Intangible assets on acquisitions ⁽²⁾ | (9,917) | | (391) | 3,286 | | | (7,022) |
| Fair value of financial instruments | (101) | 311 | 10 | 248 | | | 468 |
| Other | 7 | | | | | | 7 |
| DTA/DTL offset ^(*) | 4,813 | | | | | 917 | 5,730 |
| Total DTL | (7,803) | (751) | (381) | 3,103 | 12 | 1,048 | (4,772) |
| Total net DT | (670) | (716) | (243) | 1,944 | (3) | (87) | 225 |

⁽¹⁾ The activated base for the French tax consolidation group is €16.2 million, i.e. all tax loss carryforwards.

⁽²⁾ These include deferred taxes on "Customer relations", which are recognized as intangible assets and are reduced as these intangible assets are amortized (see 8.2). The Group also recognizes deferred tax liabilities on the tax amortization of goodwill in the United States and Germany.

(*) this item enables the Group to take into account the obligation to present deferred taxes in net value, at the level of the tax consolidation group (Note 6.5.15), after an overall analysis of net IDA and IDP by nature.

9. OTHER INFORMATION

9.1 Group exposure to financial risks

9.1.1 Foreign exchange risk

With the exception of the LACROIX Electronics business, the Group has a non-material exposure to currency risks.

In the Electronics business, the Group is exposed to exchange-rate risk mainly in connection with component purchases, which are often made in USD or JPY, as well as other personnel costs and/or purchases of services invoiced in TND, MXN and PLN.

As regards purchases in USD and JPY, the Company has contracts with its main customers enabling it to adjust the selling price of products according to changes in the EUR/USD exchange rate. As a result, foreign exchange risk is controlled for this portion. With regard to the balance, the Company hedges part of its needs to cover a target rate set for each financial year. Purchases in USD and JPY represent an annual amount of around €70 million, 80% of which is passed on to the customer through contracts. The remaining part is hedged to secure a “budget” exchange rate.

Expenditure in TND, MXN and PLN (around €72M) mainly concerns salaries and social charges for employees at the Tunisian, Mexican and Polish sites, and some local purchases. The Group's policy is to take out forward cover on the basis of forecast requirements, enabling us to cover a “budget” course (one-year horizon). Changes in labor costs are also taken into account in new commercial offers.

As a general rule, financial instruments are used only to meet business needs, and not for speculative purposes.

In addition, specifically for financing activities, at the end of 2021, the Group set up a USD cross-currency swap (CCS) on a €30 million loan.

9.1.2 Interest-rate risk

Note 8.12.3 “Borrowings and financial debts” shows that of €k100,447 in debt, €k41,593 is at fixed rate and €k58,854 at variable rate.

The Group uses financial instruments of various maturities to limit this risk. At the end of December 2024, the proportion of variable-rate financing covered by CAPs, SWAPs and COLLARS represented around 58% of the nominal amount. Total debt (variable-rate and fixed-rate) is hedged at 75%.

9.1.3 Liquidity risk

The Group's gross debt amounts to €k 156,122.

Available cash amounted to €k 41,648.

As a result, the Group considers itself to be only marginally exposed to this risk.

9.1.4 Credit risk

Each of the Group's businesses has set up its own customer risk monitoring and management system, sometimes supported by credit insurance contracts, enabling it to hedge against potentially risky customers.

The typology of customers by business sector is as follows

| Activities | Typology of main customers |
|----------------------------|---|
| Electronics Environment | French and international companies Public bodies and major players in water and electricity management |

9.1.5 Capital risk

The Group closely monitors its capital by controlling changes in its debt-to-equity ratio.

| | Period 2024 | Period 2023 |
|--|----------------|----------------|
| Borrowings and financial debts | 123,576 | 127,015 |
| Bank overdrafts | 32,546 | 30,070 |
| Other net financial assets and liabilities | (1,152) | (1,634) |
| Cash and cash equivalents (Note 8.9) | (41,648) | (42,523) |
| Net indebtedness ⁽¹⁾ | 113,323 | 112,928 |
| Total shareholders' equity | 140,383 | 190,057 |
| Gearing ratio | 80.7% | 59.4% |

⁽¹⁾ Debts arising from business combinations are not included in the Group's debt-to-equity ratio.

9.1.6 Classification of financial assets and liabilities measured at fair value by fair value hierarchy

IFRS 13 requires a hierarchy of valuation techniques for each financial instrument. The categories are defined as follows:

Level 1: direct reference to quoted prices (unadjusted) available on active markets, for identical assets or liabilities;

Level 2: valuation technique based on data concerning the asset or liability, other than quoted prices included in level 1 data, which are directly or indirectly observable;

Level 3: valuation technique based on unobservable inputs.

At 12/31/2024

| ASSETS | Amortized cost | Fair value by OCI | Fair value by P&L | Balance sheet value | Level |
|---|----------------|-------------------|-------------------|---------------------|-------|
| Financial assets at fair value through profit or loss | | | 843 | 843 | 2 |
| Other long-term investments at amortized cost | 2,417 | | | 2,417 | |
| Trade receivables | 98,768 | | | 98,768 | |
| Financial instruments with hedge accounting ⁽¹⁾ | | 1,547 | | 1,547 | 2 |
| Marketable securities | | | 18,236 | 18,236 | 1 |
| Cash and cash equivalents | 23,412 | | | 23,412 | |
| LIABILITIES | | | | | |
| Long-term debt at amortized cost | 90,122 | | | 90,122 | |
| Liabilities arising from business combinations accounted for at cost by the equity method | | 10,574 | | 10,574 | 2 |
| Short-term financing | 33,454 | | | 33,454 | |
| Trade payables | 121,277 | | | 121,277 | |
| Financial instrument liabilities with hedge accounting ⁽¹⁾ | | 3,666 | | 3,666 | 2 |
| Bank overdrafts | 32,546 | | | 32,546 | |

⁽¹⁾ The ineffective portion of hedging instruments is recognized in the income statement.

At 12/31/2023

| ASSETS | Amortized cost | Fair value by OCI | Fair value by P&L | Balance sheet value | Level |
|---|----------------|-------------------|-------------------|---------------------|-------|
| Financial assets at fair value through profit or loss | | | 792 | 792 | 2 |
| Other long-term investments at amortized cost | 2,880 | | | 2,880 | |
| Trade receivables | 128,678 | | | 128,678 | |
| Financial instruments with hedge accounting | | 2,384 | | 2,384 | 2 |
| Marketable securities | | | 27,960 | 27,960 | 1 |
| Cash and cash equivalents | 14,563 | | | 14,563 | |
| LIABILITIES | | | | | |
| Long-term debt at amortized cost | 95,619 | | | 95,619 | |
| Liabilities arising from business combinations accounted for at cost by the equity method | | 12,088 | | 12,088 | 2 |
| Short-term financing | 31,397 | | | 31,397 | |
| Trade payables | 126,644 | | | 126,644 | |
| Financial instrument liabilities with hedge accounting ⁽¹⁾ | | 1,615 | | 1,615 | 2 |
| Bank overdrafts | 30,070 | | | 30,070 | |

⁽¹⁾ The ineffective portion of hedging instruments is recognized in the income statement.

9.2 Segment reporting

9.2.1 Consolidated income statement

Following LACROIX's announcement on May 22, 2024 (see Note 7.3 Significant events), the presentation of the income statement by activity has changed as follows:

- The SmartLighting segment is now part of the LACROIX Environnement business - fiscal 2023 has been restated accordingly;
- The City activity, including the City-Mobilité segment, is now treated as a discontinued operation and is therefore no longer included in the income statement by business segment;
- The Road Sign BU, which was definitively sold on April 30, 2024, is presented separately, as the 2024 activity comprises only 4 months..

The assignment of the Street Lighting segment to the Environment division meets the criteria set out in IFRS 8, namely:

- A centralized managerial approach to business management;
- Similar economic characteristics reflected, in particular, by the financial performance of each of the BUs in the Environment activity;
- Similar products and services, including the use of common technological platforms;
- Customers who operate public energy, water and electricity networks.

The financial information by segment presented below corresponds to the Group's internal reporting system and provides information on the internal segmentation used by management to manage and measure performance.

Inter-segment sales correspond to internal Group sales and are made at market prices.

Results by business segment for the period ended December 31, 2024 are detailed below:

| | LACROIX Electronics | | LACROIX Environment | | LACROIX Signalisation | | Holding | | Total Group | |
|---|------------------------|----------------|------------------------|----------------|--------------------------|----------------|----------------|----------------|----------------|----------------|
| | Period 2024 | Period 2023 | Period 2024 | Period 2023 | Period 2024 (*) | Period 2023 | Period 2024 | Period 2023 | Period 2024 | Period 2023 |
| Revenue from ordinary activities | | | | | | | | | | |
| Sales to external customers | 510,869 | 578,375 | 123,790 | 114,194 | 17,952 | 59,189 | | | 652,611 | 751,758 |
| Inter-segment sales | (16,669) | (16,232) | (367) | (711) | (54) | (869) | | | (17,090) | (17,812) |
| Total revenue activities | 494,200 | 562,143 | 123,423 | 113,483 | 17,898 | 58,320 | | | 635,521 | 733,946 |
| Operating income before non-recurring items | (15,886) | 1,852 | 21,687 | 19,900 | 251 | 1,294 | (901) | (611) | 5,151 | 22,435 |
| Net depreciation of property, plant and equipment and intangible assets | 17,773 | 17,151 | 2,406 | 2,248 | | 1,764 | 469 | 508 | 20,648 | 21,671 |
| Share-based compensation (IFRS 2) and/or target-based compensation following integration of newly acquired entities | (591) | 599 | | | | | 240 | 403 | (351) | 1,002 |
| EBITDA | 1,296 | 19,602 | 24,093 | 22,148 | 251 | 3,058 | (192) | 300 | 25,448 | 45,108 |

Alternative performance indicators

The LACROIX Group uses EBITDA (Earnings Before Interests Taxes, Depreciation and Amortization), an operating aggregate that is not strictly accounting in nature, which corresponds to recurring operating income plus

- depreciation and amortization of property, plant and equipment, intangible assets and rights of use. Where applicable, also those recognized in the context of a business combination.
- IFRS 2 charge for share-based payments and/or the achievement of targets following the integration of newly-acquired entities.

Sales breakdown

The Group's top 10 clients account for approximately 45% of the Group's revenue. Of these, the largest accounts for just over 8% of total Group sales.

9.2.2 Consolidated balance sheet

The table below details segment assets and liabilities, as well as acquisitions of non-current assets during the period:

| | LACROIX Electronics | | LACROIX Environment | | LACROIX City | | Holdings | | Total Group | |
|--|------------------------|----------------|------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| | Period 2024 | Period 2023 | Period 2024 | Period 2023 | Period 2024 | Period 2023 | Period 2024 | Period 2023 | Period 2024 | Period 2023 |
| Segment assets | | | | | | | | | | |
| Non-current assets | 122,550 | 142,165 | 45,448 | 42,991 | | 4,153 | 43,504 | 43,003 | 211,502 | 232,312 |
| Current assets of which held for sale | 166,932 | 148,014 | 61,090 | 46,538 | 26,559 | 5,465 | 71,641 | 174,773 | 326,222 | 374,790 |
| Total segment assets | 289,482 | 290,179 | 106,538 | 89,529 | 26,559 | 9,618 | 115,145 | 217,776 | 537,724 | 607,102 |
| Segment liabilities | | | | | | | | | | |
| Non-current liabilities | 52,332 | 57,710 | 9,004 | 6,385 | | 2,514 | 68,513 | 73,908 | 129,849 | 140,517 |
| Current liabilities | 179,902 | 177,507 | 29,316 | 26,194 | 22,456 | 42,384 | 35,819 | 30,442 | 267,493 | 276,527 |
| Total current and non-current liabilities | 232,234 | 235,217 | 38,320 | 32,579 | 22,456 | 44,898 | 104,332 | 104,350 | 397,342 | 417,044 |
| Acquisitions of non-current assets | 13,330 | 13,731 | 3,225 | 1,282 | 119 | 1,306 | 25 | 34 | 16 699 | 16,353 |

9.2.3 Geographical breakdown

In accordance with IFRS 8.33, we present below the sales and non-current assets allocated to individually significant countries, notably Germany, the United States, Poland and Tunisia.

For the Electronics business, certain geographical areas mainly represent the place where products are manufactured, and not the final market of use, which we have no knowledge of (the customer factories to which we deliver our products integrate them and may ship them to different countries on a given continent). As a result, Poland and Tunisia sales are mainly to the European continent.

| | FR | GER | USA | PL | TN | Other | Total |
|--|---------|--------|---------|---------|--------|--------|---------|
| Total income from ordinary activities 2024 | 187,499 | 57,289 | 141,133 | 169,662 | 62,787 | 17,151 | 635,521 |
| Total income from ordinary activities 2023 | 203,976 | 57,642 | 165,399 | 231,994 | 55,877 | 19,058 | 733,946 |

| | FR | GER | USA | PL | TN | Other | Total |
|-------------------------|--------|--------|--------|--------|-------|-------|---------|
| Non-current assets 2024 | 66,178 | 26,679 | 80,130 | 20,882 | 9,863 | 7,770 | 211,502 |
| Non-current assets 2023 | 67,975 | 26,395 | 97,324 | 22,020 | 9,867 | 8,732 | 232,312 |

9.3 Off-balance sheet commitments

Commitments given or received by the Group break down as follows:

| Commitment category | Period 2024 | Period 2023 |
|--|-------------|-------------|
| Commitments given | | |
| For financing purposes ⁽¹⁾ | 52,114 | 54,316 |
| Leases commencing after the balance sheet date | | |

⁽¹⁾ The commitments mentioned are already recorded in the Group's consolidated balance sheet. The above table simply repeats these amounts when collateral or guarantees are given to financial institutions in return for asset financing or bank overdraft authorizations.

The amount of €52,114,000 includes €22,500,000 in guarantees given in 2021 in connection with one of the loans obtained to finance the acquisition of Lacroix Electronics MI.

9.4 Related parties

9.4.1 Related-party transactions

Note 8.12.1 refers to a debt (current account) owed to one of the shareholders, VINILA INVESTISSEMENTS.

Remuneration paid to VINILA INVESTISSEMENTS for management services is mentioned in 9.4.2.1.

9.4.2 Executive compensation

Remuneration paid in respect of the year to members of the Group's management and administrative bodies for their duties within the Group breaks down as follows:

9.4.2.1 General management

| | Period 2024 | Period 2023 |
|---|-------------|-------------|
| Short-term benefits | 540 | 471 |
| Post-employment benefits | 69 | 70 |
| Other long-term benefits | | |
| Share-based payments ⁽¹⁾ | | 113 |
| Management benefits paid to related parties | 49 | 49 |
| Total amounts allocated | 658 | 703 |

Of the total amounts allocated for the year, variable compensation is subject to approval by the Annual General Meeting.

⁽¹⁾ Corresponding to 3,280 free shares provisioned in 2023 out of a total plan of 17,500 free shares subject to conditions and running until 2025.

9.4.2.2 Members of the Board of Directors

Remuneration paid during the year breaks down as follows:

| | Period 2024 | Period 2023 |
|--------------------------|-------------|-------------|
| Short-term benefits | 66 | 60 |
| Post-employment benefits | | |
| Other long-term benefits | | |
| Share-based payments | | |
| Payment in shares | | |
| Total | 66 | 60 |

9.5 Auditors' fees

The table below gives details of the fees paid by the Group to the auditors and members of their networks, in accordance with AMF 2006-10.

| | Ernst & Young | | | | Mazars | | | |
|---|---------------|-------------|------------|-------------|------------|-------------|------------|-------------|
| | 2024 | % | 2023 | % | 2024 | % | 2023 | % |
| Audit | | | | | | | | |
| Statutory auditors | 290 | 97% | 282 | 93% | 312 | 82% | 274 | 82% |
| Issuer | 56 | | 49 | | 51 | | 46 | |
| Fully consolidated subsidiaries | 178 | | 233 | | 237 | | 228 | |
| Certification of sustainability information | 56 | | | | 24 | | | |
| Other procedures and services directly related to the statutory auditors' engagement | 10 | 3% | 5 | 2% | 6 | 2% | 17 | 5% |
| Issuer | 1 | | 1 | | 1 | | 1 | |
| Fully consolidated subsidiaries | 9 | | 4 | | 5 | | 16 | |
| Sub-total Audit | 300 | 100% | 287 | 95% | 318 | 84% | 291 | 87% |
| Other services | | | 15 | 5% | | | 45 | 13% |
| Legal, tax, social security | | | | | 60 | | 45 | |
| Other services | | | 15 | | | | | |
| Sub-total Other services | | | 15 | 5% | 60 | 16% | 45 | 13% |
| Total | 300 | 100% | 302 | 100% | 378 | 100% | 336 | 100% |

9.6 Subsequent events

On February 28, 2025, LACROIX Group confirmed the final and effective sale of City-Mobility segment to SWARCO Group, following the sale agreement signed on January 21, 2025.



PART 03

*ACCOUNTING
& FINANCIAL ITEMS*
(ANNUAL FINANCIAL STATEMENTS)

1. BALANCE SHEET

| BALANCE SHEET - ASSETS (in €K) | Note | Period 2024 | | | Period 2023 |
|--|-------|----------------|----------------|----------------|----------------|
| | | Gross | Amort. & Prov. | Net | Net |
| Intangible assets | 3.3.1 | 699 | 568 | 130 | 225 |
| Tangible assets | 3.3.1 | 1 445 | 647 | 798 | 917 |
| Financial assets ⁽¹⁾ | 3.3.1 | 174 510 | 49 564 | 124 946 | 113 326 |
| FIXED ASSETS | | 176 654 | 50 779 | 125 875 | 114 468 |
| Advance payments on orders | | | | | 15 |
| Trade accounts receivable & Related accounts | 3.3.2 | 7 602 | | 7 602 | 5 750 |
| Other receivables | 3.3.2 | 138 376 | | 138 376 | 161 174 |
| Short-term deposits ⁽²⁾ | 3.3.3 | 19 454 | | 19 454 | 29 236 |
| Cash in hand | | 136 | | 136 | 228 |
| Prepaid expenses | 3.3.8 | 462 | | 462 | 505 |
| CURRENT ASSETS | | 166 029 | | 166 029 | 196 908 |
| Currency translation differences - assets | | | | | 174 |
| OVERALL TOTAL | | 342 683 | 50 779 | 291 904 | 311 550 |

⁽¹⁾ Including €k 134,409 in investments in subsidiaries and affiliates.

⁽²⁾ Including treasury shares for €k 1,280

| BALANCE SHEET - LIABILITIES (in €K) | Note | Period 2024 | Period 2023 |
|---|-------|----------------|----------------|
| Share capital | 3.3.4 | 32 055 | 32 055 |
| Premiums for issuance, merger, and contribution | 3.3.4 | 39 645 | 39 645 |
| Legal reserve | 3.3.4 | 3 206 | 3 206 |
| Other reserves | 3.3.4 | 105 000 | 95 000 |
| Balance carried forward | 3.3.4 | 1 948 | 1 519 |
| Regulated provisions | 3.3.4 | 89 | 113 |
| Income | 3.3.4 | (22 997) | 13 706 |
| SHAREHOLDERS' EQUITY | | 158 945 | 185 245 |
| Provisions for other liabilities and charges | 3.3.5 | 819 | 833 |
| PROVISIONS | | 819 | 833 |
| Bank borrowings ⁽²⁾ | 3.3.2 | 85 712 | 87 920 |
| Borrowings and other financial debts | 3.3.2 | 37 434 | 30 567 |
| Trade accounts payable & Related accounts | 3.3.2 | 2 534 | 2 082 |
| Tax and social debts | 3.3.2 | 2 094 | 2 470 |
| Debts on fixed assets | 3.3.2 | | |
| Other | 3.3.2 | 671 | 784 |
| TOTAL DEBTS ⁽¹⁾ | | 128 445 | 123 823 |
| Currency translation differences - liabilities | | 3 695 | 1 649 |
| OVERALL TOTAL | | 291 904 | 311 550 |

⁽¹⁾ Deferred debts and incomes of less than one year

60 380

50 731

⁽²⁾ Including bank overdrafts, bank credit balances

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2. INCOME STATEMENT

| CONSOLIDATED INCOME STATEMENT (in €K) | Note | Period 2024 | Period 2023 |
|--|--------------|-----------------|----------------|
| Net revenue | | 15 463 | 13 291 |
| Reversals from provisions & Transfer of charges | | 402 | 95 |
| Other income | | 21 | 66 |
| OPERATING INCOME | | 15 887 | 13 451 |
| Other external purchases | | 8 960 | 7 017 |
| Taxes, duties, and similar | | 319 | 329 |
| Personnel expenses | 3.5.1 | 8 155 | 7 374 |
| Depreciation, amortisation and provisions | | 320 | 469 |
| Other expenses | | 66 | 67 |
| OPERATING EXPENSES | | 17 821 | 15 257 |
| OPERATING PROFIT (I) ^{(1) (2)} | | (1 934) | (1 805) |
| Income from investments ⁽³⁾ | | 8 688 | 9 302 |
| Income from other securities and receivables for capital assets ⁽³⁾ | | | |
| Other Inter. & Simil. income ⁽³⁾ | | 10 376 | 9 933 |
| Reversals from provisions & Transfer of charges | | 10 375 | 104 |
| Income / disposals of short-term deposits | | | |
| FINANCIAL INCOME | | 29 440 | 19 338 |
| Depreciation, amortisation and provisions | | 49 955 | 3 896 |
| Interest & Comparable Expenses ⁽⁴⁾ | | 4 450 | 3 946 |
| Expenses / disposals of short-term deposits | | | |
| FINANCIAL EXPENSES | | 54 404 | 7 842 |
| NET FINANCIAL INCOME (LOSS) (II) | | (24 964) | 11 494 |
| OPERATING PROFIT BEFORE TAXES (I + II) | | (26 898) | 9 691 |
| On capital operations | | | 26 |
| Reversals from provisions | | 36 | 41 |
| TOTAL EXTRAORDINARY INCOME | | 36 | 67 |
| On management operations | | 5 | |
| On capital operations | | 118 | 74 |
| Depreciation, amortization and provisions | | 11 | 33 |
| TOTAL EXTRAORDINARY EXPENSES | | 134 | 108 |
| = EXTRAORDINARY PROFIT | 3.4.1 | (98) | (41) |
| Employee contributions (IX) | | | |
| Taxes on profits (X) | 3.4.2 | (4 000) | (4 056) |
| Total income | | 45 363 | 32 857 |
| Total expenses | | 68 360 | 19 151 |
| PROFIT OR LOSS | | (22 997) | 13 706 |

⁽¹⁾ Of which income relating to previous financial years

⁽²⁾ Of which expenses relating to previous financial years

⁽³⁾ Of which income from affiliated companies

⁽⁴⁾ Of which interest from affiliated companies

18 484

1 269

18 736

1 077

3. APPENDIX

3.1 Major events of the financial year

Sale of the Road Sign BU:

On March 18, 2024, LACROIX announced the definitive sale of the Road Sign BU. This became definitively effective in the Group's consolidated financial statements on April 30, 2024.

Proposed sale of the City-Mobility Segment

On December 12, 2024, LACROIX announced that it had entered into exclusive negotiations with SWARCO Group with a view to selling the City-Mobility segment.

On January 21, 2025, LACROIX announced that it had reached an agreement to sell the City-Mobility segment to SWARCO Group, a transaction that should be effective by the end of the 1st quarter of 2025 at the latest.

Other events

On September 1, 2024, LACROIX agreed to increase the capital of its subsidiary LACROIX North America, by incorporating its high current account of \$53,900 thousand, converted for an amount of €48,615 thousand, at the rate prevailing on the transaction date.

3.2 Accounting principles and methods

French accounting rules and methods have been applied with due respect for the principle of prudence, in accordance with the following basic assumptions:

- going concern,
- consistency of accounting methods from one year to the next.
- independence of accounting periods,

and in accordance with the general rules governing the preparation and presentation of annual financial statements, in compliance with ANC regulation no. 2016-07 relating to the French General Chart of Accounts.

The basic method used for valuing items recorded in the accounts is the historical cost method.

Changes in accounting policies, valuation methods and estimates

None

The main methods used are as follows:

3.2.1 Intangible assets

Intangible assets are valued at their acquisition cost and are amortised using the straight-line method:

- Concessions, patents, licenses, software - 1 to 10 years,
- Research & Development costs - 3 to 5 years.

3.2.2 Tangible assets

Tangible assets are valued at their acquisition cost (purchase price and related expenses, other than expenses incurred in asset acquisition) or at their production cost. Interest on loans specific to asset production are not included in the cost of production of these assets.

Amortizations are calculated using the straight-line method according to expected used full:

- Installations and fittings - 9 to 30 years,
- Office IT equipment - 3 to 6 years,
- Furniture - 15 years.

3.2.3 Financial assets

The gross value of investment securities and other long-term investments corresponds to the purchase cost excluding related expenses. Receivables from investments and loans are valued at their historical cost.

A provision for impairment is created where the value in use of investment securities is lower than the gross value. This value in use is assessed on a case-by-case basis, taking particular account of the general situation, business prospects, results of each of the companies concerned, and in line with the Group's development plans.

3.2.4 Receivables

Receivables are valued at their nominal value. A provision for impairment is created where the carrying value of investment securities is lower than the book value.

3.2.5 Short-term deposits

Their gross value corresponds to the purchase cost excluding related expenses. Where the carrying value corresponding to the closing price is lower than the gross value, a provision for impairment is recorded at closing.

Stock options are recorded in the accounts as short-term deposits.

3.2.6 Foreign currency transactions

Foreign currency expenses and income are recorded at their counter value in the reference currency on the transaction date. Currency liabilities, receivables, and cash equivalents are shown on the balance sheet at their counter value at the end of the financial year.

The difference resulting from revaluation of currency liabilities and receivables at the latter rate is included in the balance sheet under "Currency translation differences". Unrealised exchange losses not compensated are included in a provision for other liabilities.

3.2.7 Provisions for other liabilities and charges

Provisions for liabilities and charges are set aside to cover the company's obligations to third parties, which are likely or certain to result in an outflow of resources to the third party, without at least equivalent consideration, and whose due date or amount are not precisely defined. They are measured on the basis of available information and, where appropriate, after consultation with the company's experts and advisors.

The amount recognized as a provision for pensions has been measured using the actuarial "projected unit credit" method, otherwise known as the "pro rata entitlement to future benefits" method. No deferred tax asset has been recognized in this respect."

Since the closing of the 2013/2014 financial year, the company has applied ANC recommendation R 2013-02. The company has opted for method no. 2, which allows actuarial gains and losses to be treated using the corridor method. Under this method, actuarial gains and losses within the corridor are recognized in off-balance sheet commitments, while those outside the corridor are amortized to income.

3.2.8 Extraordinary income

Extraordinary income includes elements of income not related to the ordinary activities of the Company.

It also include elements which, while related to ordinary activities, are exceptional in terms of their amounts and their occurrence.

3.2.9 Income taxes

On September 27, 1996, LACROIX GROUP (the Group's head company) and its consolidated subsidiaries (all of which are over 95%-owned) decided to opt for the group tax consolidation regime provided for under Articles 223 A et seq. of the French General Tax Code, for a period of 5 years from October 1, 1996. Since October 1, 2001, the option for tax consolidation has been tacitly renewed.

The tax charge borne by subsidiaries is that which they would have borne in the absence of tax consolidation, with the parent company recognizing provisional or definitive tax differentials arising from the application of the system in the income statement.

At December 31, 2024, the tax consolidation scope includes the following entities:

| List of subsidiaries | Registered office |
|----------------------------|---------------------|
| LACROIX Electronics | BEAUPREAU-EN-MAUGES |
| LACROIX Electronics Cesson | CESSON-SEVIGNE |
| LACROIX Sofrel | VERN SUR SEICHE |
| LACROIX City | SAINT HERBLAIN |
| LACROIX Environment | SAINT HERBLAIN |
| LACROIX VI | SAINT HERBLAIN |
| LACROIX City Carros | SAINT HERBLAIN |
| LACROIX City Les Chères | LES CHÈRES |
| LACROIX City Ploufragan | CRÉTEIL |
| LACROIX II | SAINT HERBLAIN |

3.3 Balance sheet notes

Unless otherwise stated, the amounts are in €K.

3.3.1 Variation in capital assets, amortizations and provisions

| GROSS VALUES | Opening | Additions | Disposals | Closing |
|---|----------------|---------------|------------|----------------|
| INTANGIBLE ASSETS | | | | |
| Preliminary and development expenses | 420 | | | 420 |
| Other intangible assets | 279 | | | 279 |
| TANGIBLE ASSETS | | | | |
| Buildings, office equipment, IT, installations | 1 420 | 25 | | 1 445 |
| FINANCIAL ASSETS | | | | |
| Investment securities | 85 793 | 48 615 | | 134 409 |
| Other long-term investments | 73 | | | 73 |
| Loans and other financial assets ⁽¹⁾ | 37 532 | 2 781 | 284 | 40 028 |
| TOTAL | 125 516 | 51 422 | 284 | 176 654 |

| Amortizations and provisions | Opening | Additions | Deductions | Closing |
|--|---------------|---------------|---------------|---------------|
| INTANGIBLE ASSETS | | | | |
| Preliminary and development expenses | 249 | 69 | | 318 |
| Other intangible assets | 224 | 26 | | 250 |
| TANGIBLE ASSETS | | | | |
| Buildings, office equipment, IT, installations | 503 | 144 | | 647 |
| FINANCIAL ASSETS | | | | |
| Investment securities ⁽²⁾ | 10 000 | 48 615 | 10 000 | 48 615 |
| Other long-term investments | 60 | | | 60 |
| Loans and other financial assets | 12 | 888 | 12 | 888 |
| TOTAL | 11 048 | 49 742 | 10 012 | 50 779 |

Transactions involving loans and other financial assets relate to treasury shares not allocated to the various plans and the liquidity contract.

⁽¹⁾ Other financial assets for €k40,028, including :

- two loans of K\$33,957 and K\$5,277 with LACROIX NORTH AMERICA, valued at €k 37,766 at December 31, 2024,
- guarantee deposits of €k 776.

⁽²⁾ In view of LACROIX City's restructuring prospects (planned merger with LACROIX Environment), the impairment of €k 10,000 on the shares has been reversed.

Lacroix North America shares were written down in their entirety to €k 48,615.

3.3.2 Status of receivables and liabilities

| STATUS OF RECEIVABLES & LIABILITIES | Gross amount | At 1 year max. | At over 1 year and at 5 years max. | At over 5 years |
|--|----------------------------------|----------------|------------------------------------|-----------------|
| Status of receivables | | | | |
| Receivables from investments | | | | |
| Loans | 37 766 | | | 37 766 |
| Other financial assets | 2 263 | 174 | | 2 088 |
| Doubtful or disputed trade accounts | | | | |
| Other trade accounts receivable | 7 602 | 7 602 | | |
| Receivables representing loaned securities | | | | |
| Personnel and related accounts | 10 | 10 | | |
| Social security and other social bodies | 1 | 1 | | |
| | Taxes on profits | 7 939 | 7 939 | |
| | | | | |
| | Value added tax | 64 | 64 | |
| State and other public authorities | | | | |
| | Other taxes, duties, and similar | | | |
| | Sundry | | | |
| Group and associates | 130 250 | 130 250 | | |
| Miscellaneous debtors | 111 | 111 | | |
| Prepaid expenses | 462 | 462 | | |
| TOTALS | 186 468 | 146 515 | | 39 854 |
| Status of debts | | | | |
| Convertible bonds | | | | |
| Other convertible bonds | | | | |
| | At 1 year max. from origin | | | |
| Bank borrowings | | | | |
| | At over 1 year from origin | 85 712 | 17 745 | 61 202 |
| | | | | 6 765 |
| Borrowings and other financial debts | | | | |
| Suppliers and related accounts | 2 534 | 2 534 | | |
| Personnel and related accounts | 875 | 875 | | |
| Social security and other social bodies | 708 | 708 | | |
| | Taxes on profits | | | |
| | Value added tax | 440 | 440 | |
| State and other public authorities | | | | |
| | Guaranteed bonds | | | |
| | Other taxes, duties, and similar | 72 | 72 | |
| Debts on capital assets and related accounts | | | | |
| Group and associates | 37 434 | 37 434 | | |
| Other debts | 671 | 671 | | |
| Debts representing loaned securities | | | | |
| Deferred income | | | | |
| TOTALS | 128 445 | 60 380 | 61 202 | 6 765 |
| Borrowings taken out during the financial year | 13 000 | | | |
| Borrowings repaid during the financial year | 15 242 | | | |

LACROIX GROUP took out new loans totalling €k 13,000 during the year.

3.3.3 Short-term deposits

| | Period 2024 | Period 2023 |
|--------------------------------|---------------|---------------|
| Treasury shares ⁽¹⁾ | 1 280 | 1 338 |
| Investment ⁽²⁾ | 18 173 | 27 898 |
| TOTAL | 19 454 | 29 236 |
| PROVISIONS | | |
| NET VALUES | 19 454 | 29 236 |

⁽¹⁾ At year-end, the company held 58,440 shares worth €1,280,000. The treasury shares held cover all commitments relating to the current bonus share plan.

⁽²⁾ Other investments, comprising mutual funds, certificates of deposit and other investment products, amounted to 18,173 €k at December 31, 2024.

3.3.4 Capital

The share capital is made up of 4,829,096 shares, for a total of 32,055,239 euros. Double voting rights are granted to all registered shares held for more than three years by the same shareholder, representing 2,821,933 shares.

3.3.4.1 Changes in shareholders' equity

| | Opening balance | Allocation Previous year net income | Variation | Closing balance |
|-------------------------|-----------------|---|-----------------|-----------------|
| Share capital | 32 055 | | | 32 055 |
| Share premiums | 39 645 | | | 39 645 |
| Legal reserve | 3 206 | | | 3 206 |
| Other reserves | 95 000 | 10 000 | | 105 000 |
| Balance carried forward | 1 519 | 428 | | 1 948 |
| Net income | 13 706 | (13 706) | (22 997) | (22 997) |
| Regulated provisions | 113 | | (25) | 89 |
| TOTAL | 185 245 | (3 278) | (23 022) | 158 945 |

Distribution of dividends for €3 278K.

3.3.4.2 Changes in treasury shares

The number of treasury shares has changed as follows:

| | Period 2024 |
|----------------|----------------|
| Opening | 146 003 |
| Acquisitions | 14 780 |
| Disposals | (10 959) |
| Variation | (3 030) |
| Closing | 146 794 |

The value of treasury shares at December 31, 2024, recorded in LACROIX GROUP's corporate financial statements at historical cost, amounts to €k 2,764, net of provisions.

Treasury shares are broken down by type: 58,440 shares recorded under marketable securities and 88,354 treasury shares recorded under long-term investments.

3.3.5 Status of provisions

| | Opening | Additions | Deductions | Closing |
|---|------------|------------|------------|------------|
| Provisions for other liabilities and charges | | | | |
| - Stock option exercising contingencies | | | | |
| - Exchange losses | 174 | | 174 | |
| - Retirement benefits | 258 | 42 | 3 | 297 |
| - Other liabilities | 132 | | 112 | 20 |
| - Other charges ⁽¹⁾ | 268 | 502 | 268 | 502 |
| TOTAL | 833 | 544 | 557 | 819 |

⁽¹⁾ Provisions for other expenses correspond to the new bonus share plans implemented in January 2021.

The company makes provisions for retirement indemnities, based on the provisions of the collective bargaining agreement.

This is a defined-benefit plan. The provision is valued by an independent actuary using the projected unit credit method.

The assumptions used for the calculations, for France, are as follows:

- Discount rate of 3.35% (versus 3.20% in 2023)
- Average salary increases according to the table below (including inflation)

| Age brackets | LACROIX Group |
|--------------------|---------------|
| < 29 years old | 5.00% |
| 30 to 39 years old | 3.50% |
| 40 to 44 years old | 3.00% |
| 45 to 49 years old | 3.00% |
| 50 to 54 years old | 2.50% |
| > 55 years old | 2.00% |

- The mortality tables used are those of INSEE F 2016-2018.
- The retirement age is 64 for non-managerial staff and 66 for managerial staff.
Reason for retirement: 100% of departures are at the initiative of the employee.
- Staff turnover probability as per the table below:

| Age brackets | LACROIX Group |
|--------------------|---------------|
| < 29 years old | 15.00% |
| 30 to 39 years old | 8.00% |
| 40 to 44 years old | 5.00% |
| 45 to 49 years old | 5.00% |
| 50 to 54 years old | 3.00% |
| 55 to 60 years old | 1.00% |
| > 60 years old | 0.00% |

3.3.6 Stocks options

There were no plans ongoing at the balance sheet date.

3.3.7 Free shares allocation plans

The Annual General Meetings of August 28, 2020 and May 6, 2022 approved plans for the allocation of existing bonus shares to certain employees.

The plans gave rise to a provisional allocation of 19,476 shares in respect of the 2024 financial year.

These shares are subject to financial and non-financial performance conditions, as well as conditions of presence. The final allocation of shares will take place by 2025.

The shares will be held for a period of 2 years from the grant date.

The expense for the period in respect of the bonus share plan is €292,000, plus €14,000 in employer's contributions, estimated on the basis of a share value of €9.45 at December 31, 2024.

The number of shares is detailed below:

| | Period 2024 | Period 2023 |
|-------------------------------|---------------|---------------|
| Opening | 24 200 | 8 733 |
| Options granted | (3 030) | (2 091) |
| New plan(s) | 16 196 | 18 196 |
| Options lost and expired | | (638) |
| Closing ⁽¹⁾ | 37 366 | 24 200 |

⁽¹⁾ including 17,500 free shares provisioned for a total plan subject to conditions and running until 2025.

3.3.8 Adjustment accounts

Accrued income

| | Period 2024 | Period 2023 |
|--|--------------|--------------|
| Trade accounts receivable and related accounts | 1 466 | 1 540 |
| French State | | 554 |
| Accrued interest | 91 | |
| Miscellaneous accrued income | 22 | 1 |
| Total | 1 580 | 2 095 |

Prepaid expenses

| | Period 2024 | Period 2023 |
|--------------------|-------------|-------------|
| Operating expenses | 462 | 505 |
| Financial expenses | | |
| Total | 462 | 505 |

Accrued expenses

| | Period 2024 | Period 2023 |
|---|--------------|--------------|
| Bank borrowings | 118 | 89 |
| Trade accounts payable and related accounts | 1 146 | 1 076 |
| Tax and social debts | 1 303 | 1 303 |
| Cash in hand, accrued expenses | | |
| Other debts | 643 | 784 |
| Total | 3 211 | 3 252 |

3.4 Net Income

Unless otherwise stated, the amounts are in €K.

3.4.1 Breakdown of exceptional income and expenses

| | Period 2024 | Period 2023 |
|---|-------------|-------------|
| Expenses in previous financial years | 5 | |
| Disposal of capital assets | | |
| Disposals of short-term deposits | | |
| Share buy-back loss | 118 | 74 |
| Allowance for special tax amortizations | 11 | 33 |
| Provision for investment securities | | |
| Other | | |
| Total expenses | 134 | 108 |
| Disposal of capital assets | | |
| Disposal of short-term deposits | | |
| Share buy-back gains | | 26 |
| Reversal of provision for other liabilities and charges | | |
| Reversal of special tax amortizations | 36 | 41 |
| Total income | 36 | 67 |
| EXTRAORDINARY PROFIT | (98) | (41) |

3.4.2 Tax breakdown

| | Profit before taxes | Tax | After taxes |
|-------------------------------|---------------------|--------------|---------------|
| Operating Profit | 21 717 | | 21 717 |
| Extraordinary Profit | (98) | | (98) |
| Investment | | | |
| Tax Consolidation: Tax Income | | 4 000 | 4 000 |
| NET PROFIT | 21 619 | 4 000 | 25 618 |

3.4.3 Tax consolidated companies

The company is the head of a tax group. The list of entities in this tax group is presented in note 3.2.9.

The difference between the tax recorded and the theoretical tax calculated in the absence of tax consolidation is a saving of €4,000,000.

3.4.4 Increases and decreases in future tax debts

| | Opening | | Changes | | Closing | |
|---|---------|-------------|---------|-------------|---------|-------------|
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| TYPE | | | | | | |
| I. Certain or potential differences | | | | | | |
| Temporarily non tax-deductible expenses | | | | | | |
| Provision for taxes | | | | | | |
| Retirement benefits | 258 | | 39 | | 297 | |
| Other | | | | | | |
| II. Impact of items to be charged (previous to tax consolidation) | | | | | | |
| Amortizations deemed deferred | | | | | | |
| Tax loss carryforwards | | | | | | |
| Long-term capital losses | | | | | | |
| III. Tax consolidation regime | | | | | | |
| Amortizations deemed deferred | | | | | | |
| Tax loss carryforwards | 20 244 | | (4 060) | | 16 184 | |
| Net long-term capital losses | | | | | | |
| IV. Potential taxation elements | | | | | | |
| Unrealised capital gains (securities) | | | | | | |
| Amount of special reserve for long-term capital gains (tax base) | | | | | | |
| Net long term capital gains | | | | | | |

3.5 Miscellaneous details

3.5.1 Workforce

| | Period 2024 | Period 2023 |
|-----------------------------|-------------|-------------|
| Manual | | |
| Employees | 4 | 1 |
| Technical (and Supervisors) | 1 | - |
| Managerial | 57 | 56 |
| Apprenticeship contract | 8 | 6 |
| TOTAL | 70 | 63 |

3.5.2 Identity of consolidating company

VINILA INVESTISSEMENTS

Simplified joint-stock company with a share capital of €65,000

SIRET no.: 354 034 993 00023

3.5.3 Financial commitments

| | Period 2024 |
|---|-------------|
| Endorsements and guarantees given to subsidiaries | |
| Debts guaranteed by security interests | |
| Derivative financial instruments | 1 756 |
| Commitments concerning pensions, retirement, and benefits | (52) |
| Commitment to share buy-backs | 872 |

3.5.4 Compensation of the company officers

Compensations paid, in respect of the financial year, to members of the administrative and management bodies for their duties within the Company amount to €664K.

Compensations to members of the administrative bodies, in respect of the financial year, were provisioned for €80K but were not paid as at 31 December 2023. Attendance fees are allocated on the basis of proposals from the compensation committee and depend on participation in various bodies (Board of Directors, Strategy Committee, Audit committee, compensation committee).

3.5.5 Subsidiaries and investments

| | Share capital (3) | Other equity (3) | Share of capital held | Book value of securities held | | Loans and advances granted and not repaid | Amount of guarantees and investments given | Revenue before taxes for the last financial year | Income for the last financial year | Dividends received during the financial year |
|--|----------------------|---------------------|-----------------------|-------------------------------|---------------|---|--|--|------------------------------------|--|
| | | | | Gross | Net | | | | | |
| 1. Subsidiaries held at more than 50% | | | | | | | | | | |
| LACROIX ENVIRONMENT | 13 575 | 11 223 | 100% | 13 575 | 13 575 | | | 1 140 | 9 683 | 8 688 |
| LACROIX ELECTRONICS | 15 000 | (13 967) | 100% | 46 427 | 46 427 | 46 389 | | 9 581 | (1 624) | |
| LACROIX CITY | 9 373 | (47 560) | 100% | 14 999 | 14 999 | 65 857 | | 10 346 | (35 181) | |
| LACROIX VI | 5 | (1) | 100% | 5 | 5 | | | | | |
| LACROIX NORTH AMERICA INC ⁽¹⁾ | 53 900 | (11 185) | 100% | 48 615 | | 44 161 | | | (3 378) | |
| LACROIX II | 5 | | 100% | 5 | 5 | | | | | |
| LACROIX SINGAPORE ⁽²⁾ | 610 | (417) | 100% | 406 | 406 | | | | (92) | |
| LACROIX ENVIRONMENT GMBH | 25 | 7 371 | 100% | 10 387 | 10 387 | 10 882 | | | 2 794 | |
| 2. Shares between 10 and 50% | | | | | | | | | | |
| None | | | | | | | | | | |
| 3. Shares less than 10% | | | | | | | | | | |
| Other shares | | | | | | | | | | |
| TOTAL | | | | 134 419 | 85 804 | 167 290 | | | | 8 688 |

⁽¹⁾ Results of the subsidiary in USD have been converted at the closing rate in €.

⁽²⁾ Results of the subsidiary in SGD have been converted at the closing rate in €.

⁽³⁾ In local currency.

3.5.6 Post-closing events

Disposal of the City-Mobility BU

On February 28, 2025, LACROIX Group confirmed the final and effective sale of City-Mobility segment to SWARCO Group, following the sale agreement signed on January 21, 2025.

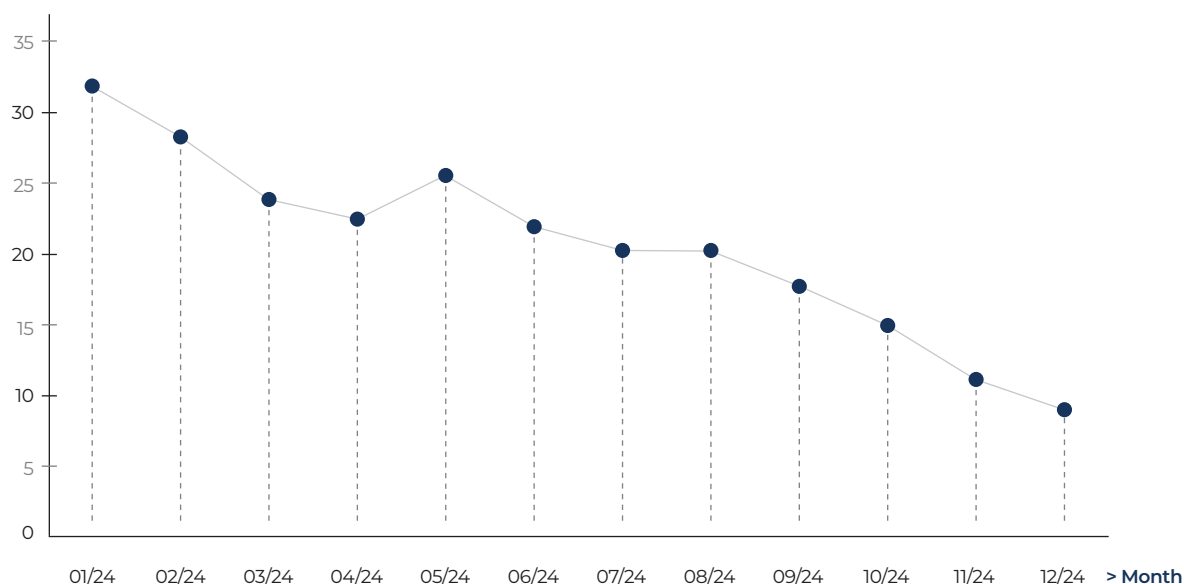


PART 04

SHARE PRICE TREND

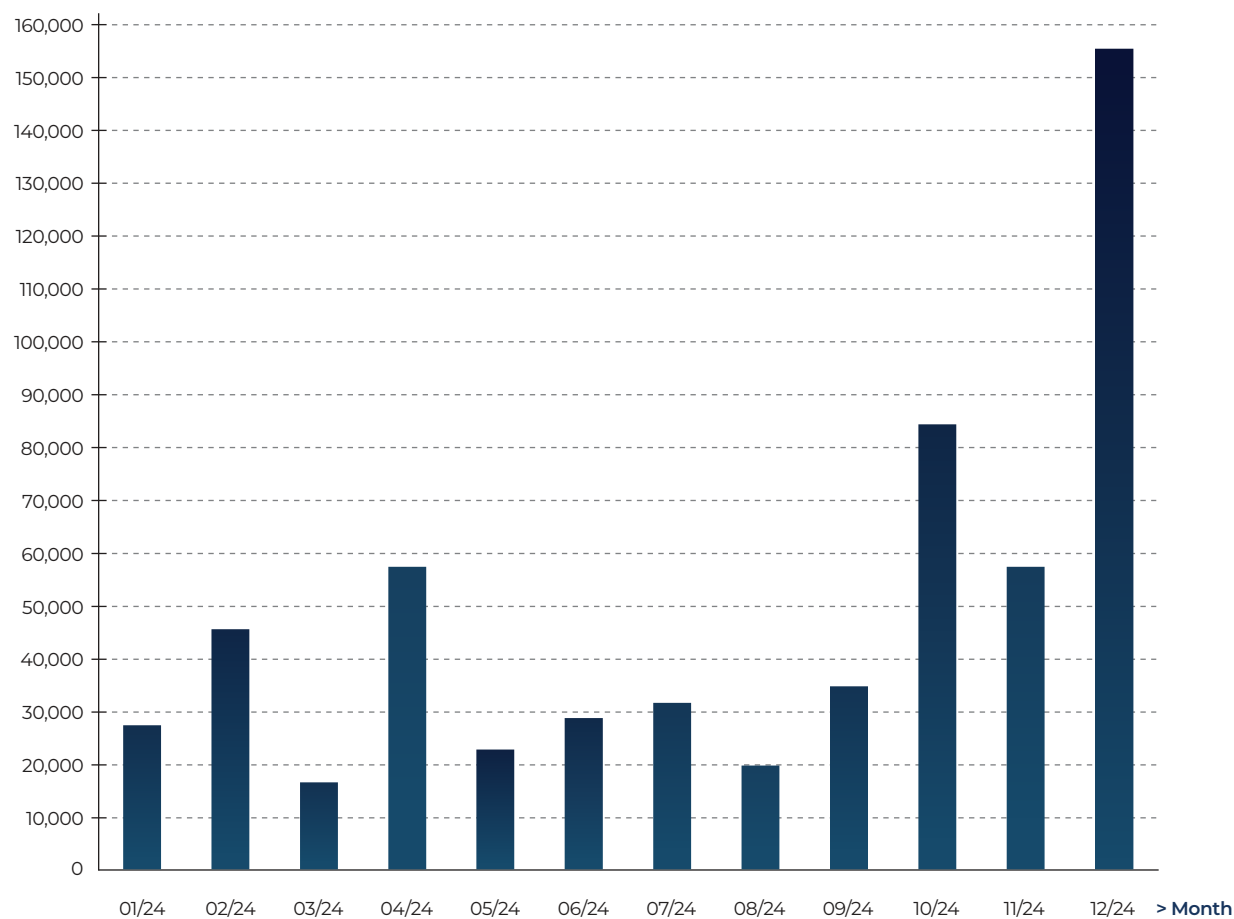
1 - CHANGES IN SHARE PRICE

Weighted average price (in euros)



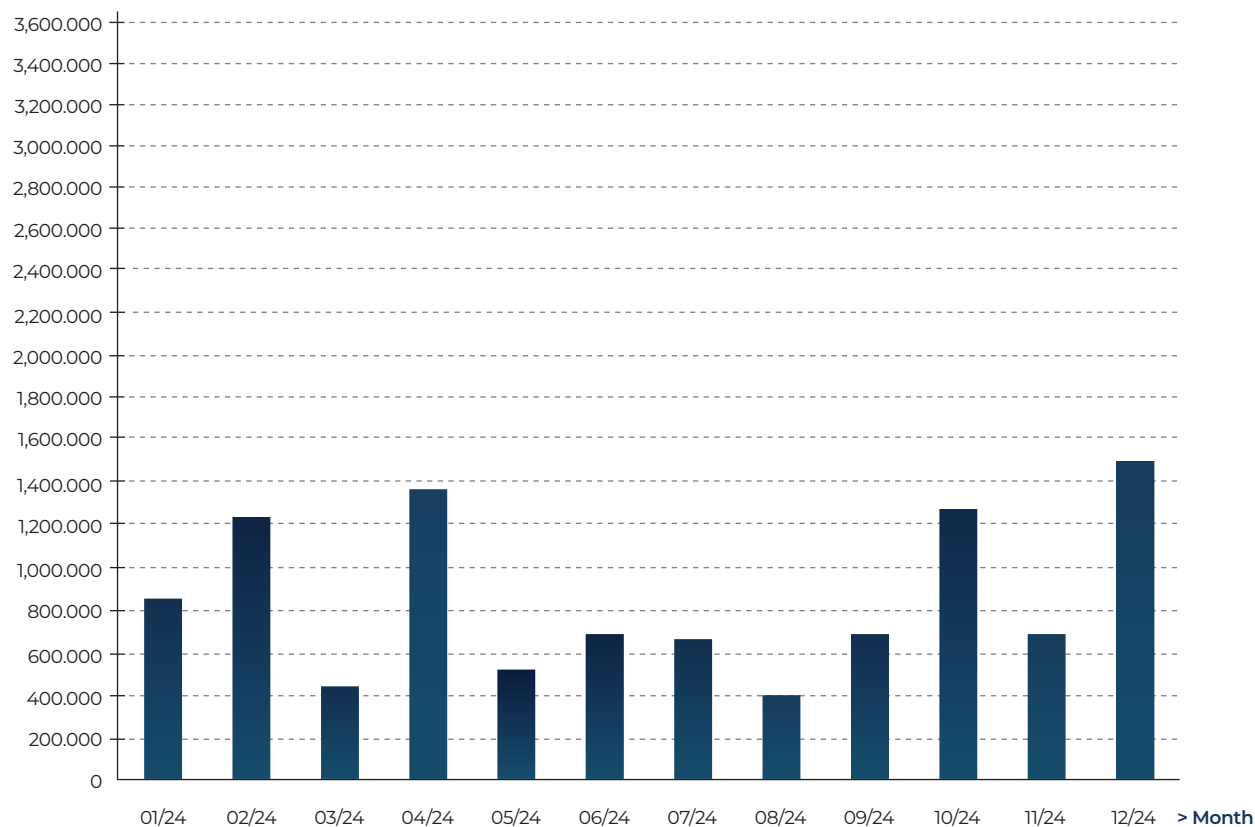
2 - NUMBER OF SHARES TRADED

Number



3 - CAPITAL TRADED IN EUROS

Number of shares X value of shares





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