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VANTIVA

Société Anonyme

10, boulevard de Grenelle
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Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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For the year ended December 31, 2023

To the Annual General Shareholders' Meeting of Vantiva,

Opinion

In compliance with the engagement entrusted to us by your Annual General Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Vantiva for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R.821-180 of the French Commercial Code (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, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of liquidity risk

Notes 1.2.1 "Basis for preparation", 8.2.1 "Borrowings", 8.5.5 "Liquidity risk and management of financing and of capital structure" and 13.2 "Short term loan repayment" to the consolidated financial statements

Risk Identified

As of December 31, 2023, the available cash and cash equivalents of Vantiva Group amounts to €133 million, and gross financial debt including lease liabilities amounts to €541 million, i.e. a €112 million increase compared to

2022 mainly linked to the subscription of a short-term loan of €85 million. Furthermore, the Group's debt instruments are subject to various financial covenants. The breach of a covenant would make the financial debt payable immediately and represents a case in which the Group would lose the control it exercises over its subsidiaries

As described in note 1.2.1 to the financial statements, due to the variability of the operations and the recent acquisition of Home Networks, the company has an increased need for working capital until December 2024.

In response, management has initiated action plans and incorporated assumptions in the cash forecast for the next 12 months, as described in the note 1.2.1 to the consolidated financial statements.

In particular, the cash forecast for the next 12 months incorporates the following assumptions:

- Continued compliance with financial covenants linked to Barclays and Angelo Gordon loans maturing in 2026 and 2027;
- Achievement of the commercial objectives of the 2024 budget;
- Realization of the cost synergies linked to Home Networks' integration planned for the financial year 2024;
- Continuance throughout 2024, of extended payment terms agreed with key suppliers during Q1/2024;
- Incorporation of Home Networks assets in the \$125 million Asset Based Lending facility with Wells Fargo to increase its availability by \$50 million during the first half year and to increase it with a further \$50 million in July 2024. The availability of the line depends on the amounts of eligible inventories and trade receivables.

The action plans include the extension (settled in March 2024) to June 2024 of half of the €85 million short term loan contracted in October 2023 and initially maturing on March 31, 2024. Half of this loan (€42.5 million) has been repaid by anticipation on February 27, 2024.

The action plans and the reasonableness of the above-mentioned assumptions have been examined by the Board of Directors on March 26, 2024, which approved the budget as well as the cash flow forecasts.

In this context and considering that management's assumptions are essential when determining the cash forecasts, we considered the assessment of liquidity risk to be a key audit matter.

Our response

We reviewed the process and assessed the internal control environment enabling Vantiva's management to establish the twelve-month cash forecast. We have notably:

- assessed procedures implemented by the Group to ensure compliance as of December 31, 2023 with the debt covenants;
- reviewed the accounting treatment of factoring and reverse factoring programs, to validate their deconsolidating effect.

We have reviewed the action plans implemented and the assumptions on which the cash forecasts, examined by the Board of Directors on March 26, 2024, are based. In particular, we have:

- assessed these forecasts based on our knowledge of the business, the documentation of the assumptions, working capital requirement including Home Networks and the repayment deadlines of the debt, as well as the availability of credit lines;
- questioned management concerning its knowledge of any other subsequent events following the 2023 closing and Home Networks acquisition, which could affect the Group's liquidity and the cash forecast.

Finally, we assessed the appropriateness of disclosure provided in Notes 1.2.1, 8.2.1, 8.5.5 and 13.2 to the consolidated financial statements regarding the liquidity risk and the key assumptions of which are based the cash forecast.

Measurement of the recoverable amount of goodwill

Notes 4.1 "Goodwill" and 4.5 "Impairment on non-current operating assets" to the consolidated financial statements

Risk identified

Goodwill is recorded in the balance sheet as of December 31, 2023 at a net carrying amount of €468 million (after recognition of impairment losses of €133 million in 2023), representing 28% of total assets. Goodwill is recognized in the currency of the acquired subsidiary/associate and measured at cost less any accumulated impairment losses and translated into euros at the effective closing rate.

Goodwill is not amortized but is tested annually for impairment (as well as each time indicators show that an impairment loss may have been incurred). The terms of this testing are detailed in Note 4.5 to the consolidated financial statements. Each year, Management ensures that the carrying amount of goodwill does not exceed its recoverable amount, which is defined as the higher of the asset's fair value (less costs to sell) and its value in use. In impairment tests, judgments and assumptions play a significant role in determining value in use, depending on the case:

- future cash flow forecasts;
- perpetual growth rates adopted for projected cash flows;
- discount rates applied to future cash flows.

Any change in these assumptions is therefore likely to have a significant impact on the recoverable amount of this goodwill and an impairment loss may have to be recognized, if necessary.

For the goodwill on the CH Cash Generating Unit (CGU) amounting to €442 million at December 2023, the impairment test could not be done based on discounted cash-flows as your Group did not conduct a full stand-alone budget. Your Management assessed the recoverable amount using different fair value methods (attributable

value of the market cap to the CH business, EBITDA multiples), leading to valuations exceeding the carrying amount of the CGU with a headroom between €78 and €211 million.

For the SCS CGU, the impairment tests carried out in 2023 led to an impairment of €133 million of the goodwill amounting to a net value of €26 million at December 31, 2023. The assumptions taken into account by the Management in the valuation of the recoverable value of the SCS CGU are described in Note 4.5.1, and mainly relate to:

- the termination of the optical discs business over a 9-year period through a gradual decline,
- the exclusion of the Precision Bio Devices revenues given the current stage of development of the Business
- a 2% long-term growth rate for other stream of revenues, including Vinyl.

We consider the measurement of the recoverable amount of goodwill to be a key audit matter due to (i) its materiality in the Group's financial statements, (ii) the judgments and assumptions that are needed to determine this recoverable amount.

Our response

We analyzed the compliance of the methodologies adopted by your management with prevailing accounting standards, in particular with regard to the determination of CGUs and the methods of estimating recoverable amount.

We examined the models, the data and the key assumptions used to determine the recoverable amount of assets, assessed the sensitivity of the measurements to these assumptions and verified the calculations performed by your Group with the support of our valuation specialists.

For those which are exposed to a specific impairment loss (SCS CGU), our work mainly consisted in:

- appreciating the quality of the budgeting and forecasting process;
- reconciling the activity forecasts in the three-year plan underlying the determination of cash flows with the information approved by the Board of Directors;
- assessing the consistency of the perpetual growth rates adopted for projected cash flows with market analyses and the consensus of the main professionals;
- examining the consistency of the discount rates applied with underlying market assumptions and using internal specialists;
- obtaining and examining the sensitivity analyses performed by management, and comparing them with our own calculations.

Finally, we also assessed the appropriateness of the disclosures given in the Notes 4.1 and 4.5 to the consolidated financial statements, notably on assumptions and sensitivity analyses carried out by your Group.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended 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 the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements 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 responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Vantiva by the Annual General Meeting held on June 20, 2012 for Deloitte & Associés and on May 29, 1985 for Mazars.

As at December 31, 2023, *Deloitte & Associés* were in the 12th year of total uninterrupted engagement and Mazars were in the 39th year of total uninterrupted engagement, which are is the 25th year since securities of the Company were admitted to trading on a regulated market respectively.

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 risks 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.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, Avril 15, 2024

The Statutory Auditors

French original signed by

Mazars

Deloitte & Associés

Daniel ESCUDEIRO

Christophe PATOILLERE

Nadège PINEAU