



A French limited company with capital of €480,208.41

Registered office: 11, Cours Jacques Offenbach, Valence (26 000)

Trade and Companies Register no 533 149 688 of Romans (France)

## UNIVERSAL REGISTRATION DOCUMENT

### VALID AS THE 2022/2023 ANNUAL FINANCIAL REPORT



The French version of the Universal Registration Document was filed on 26 October 2023 with the French Financial Markets Authority (the 'AMF' – Autorité des Marchés Financiers), in its capacity as the competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The Universal Registration Document may be used for the purpose of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by an issue note and, where applicable, a summary and all amendments made to the Universal Registration Document. All of the above is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The Universal Registration Document valid as the annual financial report in pdf format is a reproduction of the official version of the Universal Registration Document valid as the 2022/2023 annual financial report, which was prepared in ESEF format and which is available on the Amplitude Surgical website – [www.amplitude-surgical.com](http://www.amplitude-surgical.com).

The Statutory Auditors' reports on the annual financial statements and on the consolidated financial statements relate to the financial statements approved by the Board of Directors as presented in the official version of the Universal Registration Document including the annual financial report, and not to their reproduction in this document.

Copies of this Universal Registration Document are available free of charge at the registered office of Amplitude Surgical, 11, Cours Jacques Offenbach, Valence (26000), and an electronic version is published on the Amplitude Surgical website ([www.amplitude-surgical.com](http://www.amplitude-surgical.com)) and on the website of the French Financial Markets Authority ([www.amf-france.org](http://www.amf-france.org)).

***This is a translation into English of the (universal) registration document of the Company issued in French and it is available on the website of the Issuer***

## GENERAL REMARKS

In this Universal Registration Document, unless indicated otherwise, the term ‘Company’ means Amplitude Surgical, a limited company with its registered office at 11, Cours Jacques Offenbach, Valence (26000), registered in the Trade and Companies Register of Romans under number 533 149 688 and the term ‘Group’ means the Company together with its consolidated subsidiaries.

### *General Meeting*

The Company’s Ordinary and Extraordinary General Meeting will be held on 13 December 2023.

### *Financial information*

In order to provide accounting information enabling an understanding of the Group’s financial position, this Universal Registration Document includes the separate financial statements of the Company for the financial year ended 30 June 2023 prepared in accordance with the French accounting standards as well as the Company’s consolidated financial statements for the financial year ended 30 June 2023, prepared according to International Financial Reporting Standards (‘IFRS’) as applicable on these dates.

Pursuant to Article 19 of EU Regulation No. 2017/1129 of 14 June 2017, this Universal Registration Document incorporates by reference, the following information to which readers are invited to refer:

- for the financial year ended 30 June 2022: the consolidated financial statements and the Statutory Auditors’ Report thereon, set forth in Chapter 6 of the Universal Registration Document filed with the AMF on 27 October 2022 under number D.22-0785;
- for the financial year ended 30 June 2022: the separate financial statements and the Statutory Auditors’ Report thereon, set forth in Chapter 7 of the Universal Registration Document filed with the AMF on 27 October 2022 under number D.22-0785;
- for the financial year ended 30 June 2021: the consolidated financial statements and the Statutory Auditors’ Report thereon, set forth in Chapter 6 of the Universal Registration Document filed with the AMF on 28 October 2021 under number D.21-0889;
- for the financial year ended 30 June 2021: the separate financial statements and the Statutory Auditors’ Report thereon, set forth in Chapter 7 of the Universal Registration Document filed with the AMF on 28 October 2021 under number D.21-0889.

The parts of these documents that are not included are either without relevance for investors or covered elsewhere in the Universal Registration Document.

The information incorporated by reference should be read in accordance with the table of concordance at the end of this Universal Registration Document. Any information not listed in this table of concordance but forming part of the documents incorporated by reference is provided for information purposes only.

### *Forward-looking information*

This Universal Registration Document contains information on the Company’s objectives and projections, specifically Section 5.3 ‘*Outlook*’ of this Universal Registration Document. This information is on occasion identified by use of the future and conditional tenses and forward-looking statements, such as ‘think’, ‘aim’, ‘expect’, ‘mean’, ‘should’, ‘with the ambition of’, ‘estimate’,

‘believe’, ‘wish’, ‘could’, etc. This information is based on data, assumptions and estimates considered reasonable by the Company. The information may evolve or be modified given uncertainties associated with the risks inherent in any activity and also the economic, financial, competitive, regulatory and climatic environment. The Company does not undertake to publish updates of the objectives, projections and forward-looking information set out in this Universal Registration Document, except in connection with any legal or regulatory obligation that may be applicable to it. In addition, the actual occurrence of certain risks described in Chapter 2 ‘*Risk factors*’ of this Universal Registration Document may affect the Group’s businesses and its ability to achieve its objectives. Moreover, the achievement of such objectives assumes the success of the strategy presented in the Section 1.3.5 “*Group strategy*” of this Universal Registration Document. The Company makes no commitments and gives no guarantees on the achievement of the objectives set forth in this Universal Registration Document.

### *Risk factors*

Investors are urged to carefully consider the risk factors described in Chapter 2 “*Risk factors*” of this Universal Registration Document before making an investment decision. The actual occurrence of all or some of these risks may adversely affect the businesses, the positioning, and the financial results of the Group or its objectives. In addition, other risks not yet identified or considered as insignificant by the Company may have the same adverse effect and investors may lose all or a portion of their investment.

### *Information on the business activities*

This Universal Registration Document includes, notably in Section 1.3 “*Business activity*” information on the business sectors in which the Group is present and its competitive positioning. Certain information contained in this Universal Registration Document comes from studies carried out by external organisations, in particular the Global data 2019, Avicenne and Millenium reports and the Global Orthopedic Large Joint Device Market Report – iData Research Inc. 2022, concerning lower limb prostheses market data. Other information set out in this Universal Registration Document is available to the public. The Company considers all the information to be reliable, but it has not been verified by an independent expert. The Company cannot guarantee that any third party using different methods to combine, analyse or calculate the data on these business sectors would obtain the same results. The Company and its shareholders make no commitments and give no guarantees concerning the accuracy of such information. Considering the rapid pace of change typical in the Group’s business sector in France and worldwide, it is possible this information could prove erroneous or out of date. The Group’s businesses may, as a consequence, evolve differently from how they are described in this Universal Registration Document. The Group does not undertake to publish updates of this information, except in connection with any legal or regulatory obligation that may be applicable to it.

### *Third-party information, declarations by experts and declarations of interest*

This Universal Registration Document contains information on the Group’s markets and its competitive positioning, including information on the size of its markets. In addition to the estimates carried out by the Group, the information on which the Group’s declarations are based is taken from studies and statistics from independent third parties and professional organisations, in particular the Global data 2019, Avicenne and Millenium reports, and the Idata Research Inc-Global market report suite for orthopaedic large joint devices-2022. To the Company’s knowledge, this information has been accurately reproduced and no fact has been omitted that would render said information inaccurate or misleading. However, the Company cannot guarantee that a third party using different methods to combine, analyse or calculate data on the business sectors would obtain the same results.

## *Glossary*

A glossary incorporating the definitions and the main scientific and technical terms used is set forth in the annexes to this Universal Registration Document.

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## CHAPTER 1 PRESENTATION OF THE GROUP

### 1.1 KEY FIGURES

The tables below present selected financial information for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023. The financial information presented below was taken (i) from the Group's consolidated financial statements for the financial year ended 30 June 2023, prepared according to the IFRS standards, shown in Chapter 6 of this Universal Registration Document and (ii) the Group's consolidated financial statements for the financial years ended 30 June 2022 and 30 June 2021, prepared according to the IFRS standards, incorporated by reference in this Universal Registration Document, and which were audited by the Company's Statutory Auditors.

The selected financial information set out in Chapter 1 must be read in conjunction with (i) the full financial data in Chapter 6 "*Consolidated financial statements*" and Chapter 7 "*Annual financial statements*" of this Universal Registration Document, (ii) the review of the Group's financial position and profit (loss) presented in Section 5.1 "*Review of the financial position and profit (loss) of the Company and the Group*" of this Universal Registration Document, and (iii) the review of the Group's cash and capital presented in Section 5.2 "*Cash and Capital*" of this Universal Registration Document.

#### *Principal key data from the Group's consolidated income statement*

On 29 June 2023, the Group published a press release announcing the completion of the disposal of the extremity surgery business activity (feet and ankles) run by the Novastep subsidiaries in France and the United States. In order to take into account the disposal, the Group applied IFRS 5 in its financial statements for the period ended 30 June 2023, as it had already done at 30 June 2022 when the Group announced that it was conducting a strategic review of these business activities. The contribution of Novastep's business activities to the Group's net income for financial year 2023, and the proceeds from the disposal, are presented on a single line as profit (loss) from discontinued operations. In order to ensure comparability of presentation, the income statement for the financial year ended 30 June 2021 has been restated to present the contribution of the Novastep entities by applying IFRS 5.

All financial aggregates presented in the Universal Registration Document on the consolidated financial statements refer to the consolidated financial statements after application of IFRS 5, unless otherwise stated.

Income statement (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
Revenue	82,713	87,559	100,200
Profit (loss) from continuing operations	863	6,761	10,312
Net financial result	(10,091)	(6,574)	(14,048)
Profit (loss) from discontinued operations	(996)	(1,972)	45,295
Net income	(14,667)	(4,794)	38,528
Of which:			
- Owners of the parent	(14,099)	(4,392)	39,246
- Non-controlling interests	(568)	(403)	(718)

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
Revenue	82,713	87,559	100,200
EBITDA	19,836	22,007	26,130
EBITDA margin	24.0%	25.1%	26.1%
Net income excluding extraordinary items	(7,025)	1,588	(1,126)

\* The Group has restated the income statement for the financial year ended 30 June 2021 by applying IFRS 5 in the same way as this standard was applied for the financial years ended 30 June 2022 and 30 June 2023 in order to reflect the classification of Novastep's business activities as assets and liabilities held for sale.

### ***EBITDA and EBITDA Margin***

EBITDA represents profit (loss) from continuing operations, plus depreciation and amortisation, less non-recurring items. The EBITDA margin represents EBITDA as a percentage of Group revenue. EBITDA and the EBITDA margin are not standardised accounting aggregates with a unique and generally accepted definition. They must not be considered as a substitute for operating profit (loss), net income, cash flow generated by operating activities or as a measure of liquidity. EBITDA and the EBITDA margin may be calculated differently by different companies with similar or different business activities. Hence, EBITDA and the EBITDA margin calculated by the Company may not be comparable to those used by other companies.

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
Profit (loss) from continuing operations	863	6,761	10,312
+ Depreciation and amortisation	14,843	12,656	12,440
+ Non-recurring items <sup>(1)</sup>	4,130	2,589	3,378
<b>EBITDA</b>	19,836	22,007	26,130
<b>EBITDA margin</b>	24.0%	25.1%	26.1%

\* The Group has restated the income statement for the financial year ended 30 June 2021 by applying IFRS 5 in the same way as this standard was applied for the financial year ended 30 June 2022 in order to reflect the classification of Novastep's business activities as assets and liabilities held for sale.

(1) The main non-recurring items include:

For the financial year ended 30 June 2021: non-recurring scrapping (€1.8 million), non-recurring fees and miscellaneous compensation (€1.5 million), non-recurring bonuses (€0.6 million), free share plan (€0.2 million), miscellaneous items (€0.1 million).

For the financial year ended 30 June 2022: non-recurring scrapping (€1.7 million), non-recurring fees and miscellaneous compensation (€0.7 million), and capital losses on the disposal of non-current assets (€0.2 million).

For the financial year ended 30 June 2023: non-recurring fees (€2.2 million), miscellaneous compensation (€0.4 million), non-recurring scrapping (€0.4 million), and miscellaneous items (€0.4 million).

### ***Net income excluding extraordinary items***

The Group shows net income excluding extraordinary items. This aggregate is equivalent to the net income which is restated for extraordinary items. This calculation is not a standardised accounting

calculation, with a single generally accepted definition. It should not be considered as a substitute for operating profit, net profit, cash flow from operating income, or as a measure of liquidity.

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
Net income	(14,667)	(4,794)	38,528
+ other extraordinary items:			
• Provision for URSSAF dispute	+1,893	+2,014	+2,247
• Other non-recurring items <sup>(1)</sup>	+4,753	+2,396	+3,394
• Profit (loss) from discontinued operations, net of tax	+996	+1,972	(45,295)
<b>Net income excluding extraordinary items</b>	<b>(7,025)</b>	<b>1,558</b>	<b>(1,126)</b>

<sup>(1)</sup> The other non-recurring items are:

As at 30 June 2021

- Non-recurring items restated for EBITDA: €4,130K
- Change in provisions for impairment of R&D projects in progress: €456K
- Miscellaneous exceptional expenses: €166K

As at 30 June 2022

- Non-recurring items restated for EBITDA: €2,589K
- Impact of the disposal of the Japan and Romania subsidiaries: €(540)K
- Miscellaneous exceptional expenses: €347K

As at 30 June 2023

- Non-recurring items restated for EBITDA: €3,378K
- Miscellaneous exceptional expenses: €16K

\* The Group has restated the income statement for the financial year ended 30 June 2021 by applying IFRS 5 in the same way as this standard was applied for the financial years ended 30 June 2022 and 30 June 2023 in order to reflect the classification of Novastep's business activities as assets and liabilities held for sale.

### *Principal key data from the Group's consolidated balance sheet*

Balance sheet (in thousands of euros)	Financial year ended 30 June		
	2021	2022	2023
<b>ASSETS</b>			
Total non-current assets	174,644	162,807	170,560

Balance sheet (in thousands of euros)	Financial year ended 30 June		
	2021	2022	2023
Total current assets	94,428	96,655	95,456
<b>Total assets</b>	<b>269,072</b>	<b>259,462</b>	<b>266,016</b>
<b>LIABILITIES</b>			
Total equity	56,866	52,568	95,813
Total non-current liabilities	173,824	163,060	128,879
Total current liabilities	38,383	43,834	41,325
<b>Total liabilities</b>	<b>269,072</b>	<b>259,462</b>	<b>266,016</b>

*Principal key data from the Group's consolidated cash flow statement*

Cash flow (in thousands of euros)	Financial year ended 30 June		
	2021	2022	2023
Gross cash flow (before changes in working capital requirement)	6,261	8,961	1,178
Tax paid	(547)	(803)	(943)
Changes in working capital requirement	(3,370)	(175)	+7,861
Net cash flow from operating activities	+2,344	+7,983	+8,096
Net cash flow from investment activities	(9,164)	(12,412)	+45,544
Net cash flow from financing activities	736	(5,409)	(37,434)
Change in cash	(6,084)	(9,837)	16,205

## 1.2 HISTORY AND DEVELOPMENT

### 1.2.1 Company name

The name of the Company is “**Amplitude Surgical**”.

### 1.2.2 Registration place and number

The Company is registered with the Trade and Companies Register of Romans, France, under number 533 149 688.

The legal entity identifier (LEI) is 9695006Q1VL1OHK06336.

### 1.2.3 Date of incorporation and term of the Company

The Company was incorporated on 26 July 2011 and registered on 19 August 2011. The term of the Company is 99 years, unless early dissolution or extension is decided by the Extraordinary General Meeting in accordance with the law and the articles of association.

The financial year ends on 30 June of each year.

#### 1.2.4 Registered office, legal form, applicable law and website

The Company's registered office is located at 11, Cours Jacques Offenbach, 26000 Valence, France (Telephone number: +33 04 75 41 87 41).

The Company is a limited company (*société anonyme*) with a Board of Directors governed by French law, in particular by the legal and regulatory provisions of Book II of the French Commercial code.

Website: [www.amplitude-surgical.com](http://www.amplitude-surgical.com)

The information on the issuer's website is not intended to be part of the Universal Registration Document, as defined by Regulation (EU) 2017/1129, except for information incorporated by reference in this Universal Registration Document.

#### 1.2.5 Background of the Group

The Group was established in 1997 by Olivier Jallabert. PAI Partners acquired a stake in the Company's capital in 2020, following the investments by Initiative et Finance Investissement in 2004, Weinberg Capital Partners in 2008 and Apax Partners in 2011.

Since it was established, the Group has been designing and marketing a range of high-end products – prostheses, instrumentation and computer-assisted surgery (CAS) systems – for orthopaedic surgery on the lower limb joints.

Between 1999 and 2000, the Group initially targeted the hip replacement sector, launching cementless femoral stems (in particular, the INTEGRALE® product range associated with the HORIZON® acetabular cup). The product range was complemented by a full line of cemented stems (INITIALE® stems).

In the 2000s, the Group extended its range of hip prostheses with the addition of its SATURNE® dual-mobility acetabular cup and a line of revision stems. In 2002, the Group also diversified its business by marketing the SCORE® knee prosthesis as well as a computer-assisted surgery system: AMPLIVISION®, a system adapted for hip and knee arthroplasty.

At the end of the 2000s, the Group complemented its knee product range with a unicompartmental prosthesis (UNISCORE®) and a revision prosthesis (REVISION SCORE®).

For an overall offering for knee surgery, the Group launched its first patient-specific cutting guide (Patient Specific Instruments [PSI]): the i.M.A.G.E.® system, which uses additive manufacturing technology (3D printing).

The Group also offered a new (faster and more compact) generation of the AMPLIVISION® system.

The Group has continued to leverage its capacity for innovation to introduce new products, notably by adding a posterior stabilised, fixed bearing prosthesis to its knee product line: the ANATOMIC® prosthesis. The ANATOMIC® prosthesis was approved by the FDA in January 2017, thus opening the US market to the Group.

Over the last five years, the Group has significantly expanded its hip range, introducing more international products, such as the EVOK® stem, the C2/Austral acetabular cup and the E2 stem. It has also developed its flagship products to keep them competitive, notably with the introduction of the SATURNE II® acetabular cup.



In 2021, the Group obtained CE certification for three new hip femoral stems: the FAIR® stem, which completes the range with a product dedicated to anterior and/or minimally invasive hip surgery, and joins the range dedicated to this type of surgery, the EVOK® cemented and ACOR® cemented stems, which strengthen the EVOK® and ACOR® ranges with an option that is particularly in demand in calls for tenders.

In 2022, the Group signed an agreement with EVOLUTIS to acquire the STELLAR® range, currently exclusively distributed.

On 3 April 2023, the Group announced that it had signed a definitive agreement with Enovis Corporation to dispose of its entire Novastep business activity, which specialises in surgery of the extremities (feet and ankles). On 29 June 2023, the Group announced the completion of the disposal.

After establishing a presence Germany in 2010, the Group initiated its international expansion and established a presence in a number of different countries. The Group is present in 26 countries, in particular through 11 operational sales subsidiaries (5 in France and 6 internationally).

For a detailed description of the Group, see Section 1.4 “*ORGANISATION*” of this Universal Registration Document.

### **1.3 BUSINESS ACTIVITY**

#### **1.3.1 General description of the Group**

The Group is one of the leading French players in the global market for surgical technologies for lower limb orthopaedics (hips and knees).

The Group was established in December 1997 and launched its first products on the market in 1999. The Group designs and markets a complete and innovative range of orthopaedic products for surgical use, covering the main pathologies of the lower limbs, which could affect the hip and knee. The Group’s product range includes the SCORE® range of mobile bearing knee prostheses, and the ANATOMIC® range of fixed bearing knee prostheses. Hip prostheses include the INTEGRALE® stem, the SATURNE® and SATURNE®2 acetabular cup (double mobility acetabular cup), and the HORIZON®2 acetabular cup (in BioloX® Delta® ceramic).

For the financial year ended 30 June 2023, the Group sold 51,533 prostheses, including 21,734 hip prostheses and 29,799 knee prostheses.

This product offering is enhanced through additional innovative services with a high added-value (e.g. training, instrumentation, computer-assisted surgery, clinical follow-up). In particular, the Group has developed its AMPLIVISION® computer-assisted surgery system, the i.M.A.G.E.® tailor-made cutting guide system and the E.T.O.I.L.E.® technological platform (dedicated to anterior hip approaches).

The Group’s products are used in 562 establishments in France and over 342 internationally. The Group seeks to respond in the best way possible to the needs of patients, surgeons, and healthcare establishments. Its primary objectives are to increase the accuracy of fitting and insertion, patient safety in relation to operative follow-up and the timeframe of the operation itself in order to reduce patient rehabilitation time, as well as to offer surgeons ergonomic instruments which allow minimally invasive procedures. The Group distributes its products directly, through its subsidiaries, and indirectly, through agents and exclusive distributors, or through a combination of these by employing its own sales force or that of its distributors.

The Group has developed close relationships with surgeons, opinion leaders in France and abroad, with a view to developing innovative techniques and assuring clinical follow-up of the fitted prostheses.

During the financial years ended 30 June 2023 and 30 June 2022, the Group achieved revenue of €100.2 million and €87.6 million respectively, and an EBITDA of €26.13 million and €22.007 million respectively.

As at 30 June 2023, the Group had 426 employees, in France and overseas, including 40 engineers and technicians dedicated to research and development.

### 1.3.2 The Group's markets

#### 1.3.2.1 The global market for orthopaedic prostheses

##### **Market description**

In 2018, the global market for orthopaedic prostheses generated revenue of approximately \$44 billion. (Source: *Avicenne European Orthopedic Market 2018-2023 Summary*)

In 2021, the global market for large joint implants was valued at \$19 billion. The growth drivers in this market are: (Global Orthopedic Large Joint Device Market Report – iData Research Inc. 2022)

- Increase in target population
- Increase in the proportion of hip prostheses, while knee prostheses are down slightly
- Increase in revisions
- Increased adoption of new technologies and innovation
- Trend towards cementless implants and hybrid prostheses
- Brand awareness and patient education programmes
- CAGR estimated at 4.8%, potential in 2028: \$26.3 billion

The limiting effects on market growth are: (iData Research Inc. 2022)

- Market growth is limited by price pressure from purchasing groups and governments
- Regulations that are becoming more and more demanding. New technologies are approved more slowly than in the past
- Biological therapy is likely to compete with the prosthesis market in the future. For the moment, few treatments for arthritis are being studied and therefore this threat is rather remote

Effect of the COVID-19 pandemic :

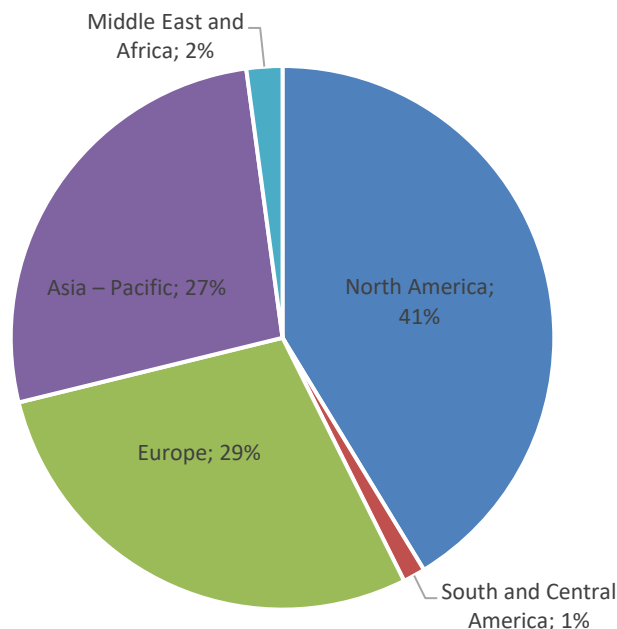
The effects of the pandemic on the global market have varied by segment. The decline of each market segment was close, but the hip replacement market was the most affected, followed by the bone cement and knee replacement markets. All three segments were able to fully recover and exceed pre-pandemic values in 2021, and should see double-digit growth in 2022, with the exception of the cement market,

to make up for lost growth in 2020 before returning to the usual pre-pandemic growth. (*Global Orthopedic Large Joint Device Market Report – iData Research Inc. 2022*)

The market for orthopaedic prostheses comprises the markets for knee prostheses (approximately 23% of the market), hip prostheses (approximately 16% of the market), and the market for implants for extremities (i.e. shoulder, elbow, ankle, foot, hand, etc.) (approximately 6% of the market). (*Source: Avicenne European Orthopaedic Market 2018-2023 Summary*)

The market for hip prostheses generated approximately \$7 billion in 2019, with average annual growth since 2015 of 3.9%, and the knee prostheses market generated almost \$10 billion in 2019, with average annual growth since 2015 of 2.9%. The hip prosthesis market is expected to reach \$8.7 billion in 2028, and the knee reach \$12.9 billion. (*Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*).

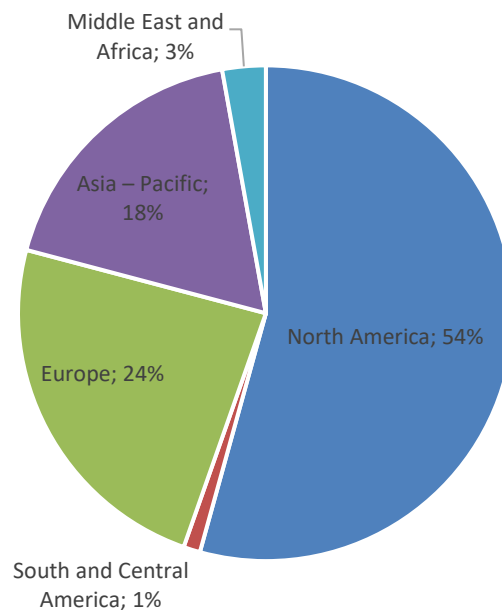
In 2019, the geographic distribution of the hip prostheses market was as follows:



(*Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC*)

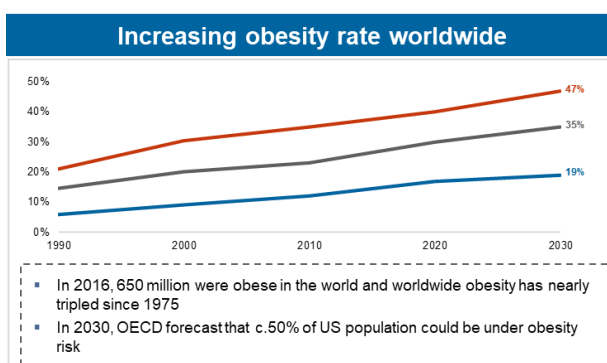
In 2019, the geographic distribution of the knee prostheses market was as follows:

(Source: Global data 2019 – Orthopedic Devices Knee\_Reconstruction Global 2015-2028 MedicalIC)



The main growth of this market pertains to:

- world population ageing: in 2015, there were approximately 901 million people aged over 60 and their number is expected to exceed 1.4 billion by 2030, representing 16.5% of the world population, and 2 billion in 2050, representing 21.5% of the world population;
- the increase in the global obesity rate: in the United States, from 1999-2000 to 2017-2018, the age-adjusted prevalence of obesity increased from 30.5% to 42.4%, and the prevalence of severe obesity increased from 4.7% to 9.2%. (Sources: OECD, NCHS Data Brief ■ No. 360 ■ February 2020 – Prevalence of Obesity and Severe Obesity Among adults United States, 2017–2018);



- sporting activity: injuries and “wear and tear” to knees and hips due to high-impact sports;
- the democratisation and expansion of the product ranges available from manufacturers enabling patients to be treated in larger numbers, and in particular the development of ambulatory surgery;
- the development of the revision surgery market, and products and techniques associated with these indications;
- innovation of products and/or associated technologies, resulting in a higher product mix, which stimulates the market.

In parallel, the orthopaedics market is seeing the following changes: progress has been made on many fronts in the anaesthetics and analgesics segment, surgery is now suitable for a younger population, doctors are making increasing use of the surgery offered by hospitals, and ambulatory surgery is developing in many countries.

On the technology side, surgical navigation is booming again and some market players are launching a robotic arm coupled with navigation to assist the surgeon in performing surgical procedures. Augmented reality is also appearing in training or assistance programmes for the fitting of prostheses.

### ***Growth outlook***

*(Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopaedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC).*

Industry consolidation is endemic in the global knee and hip reconstruction market, slowing overall market growth. Zimmer's mega-merger with Biomet in 2015 was an attempt to lock in their dominance of the hip and knee joint implant market. In the United States, Medicare's Comprehensive Care for Joint Replacement (CJR) model has introduced value-based care initiatives to improve outcomes and reduce the costs of hip and knee replacement procedures, leading companies to create programmes that help providers meet these requirements. In emerging markets, companies are pushing "mid-level" products designed to meet the growing demand for affordable healthcare.

Major players, such as Smith & Nephew with the acquisition of Blue Belt Technologies, Zimmer Biomet with its ROSA robot and Stryker's Mako, are focusing on robotic assistance and guidance technology for knee replacement procedures.

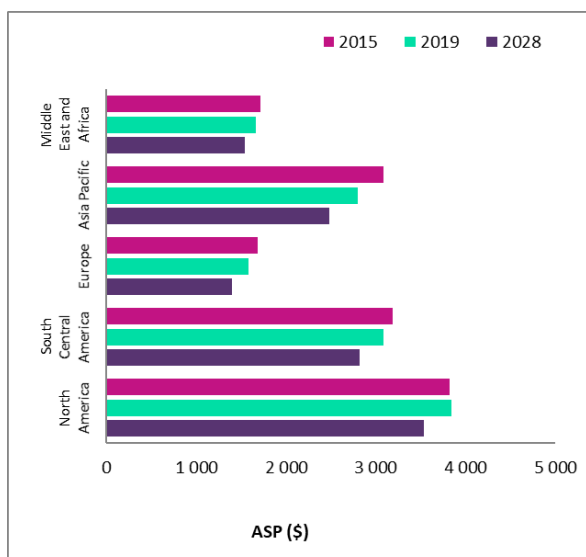
In the coming years, the launch and marketing of a broad joint portfolio with a clear value proposition will remain essential to the success of companies as they compete for market position. Meanwhile, a long-term position in the global knee prostheses market depends on the companies' ability to provide cost-effective, first-class care.

The hip and knee replacement markets are mature markets that are expected to grow moderately due to an increasingly ageing population, a trend towards earlier surgery among younger patients and further improvements in insurance coverage in emerging countries. However, as health officials scrutinise purchasing and use multiple channels to obtain orthopaedic devices at very competitive prices, revenue growth slows as average selling prices erode.

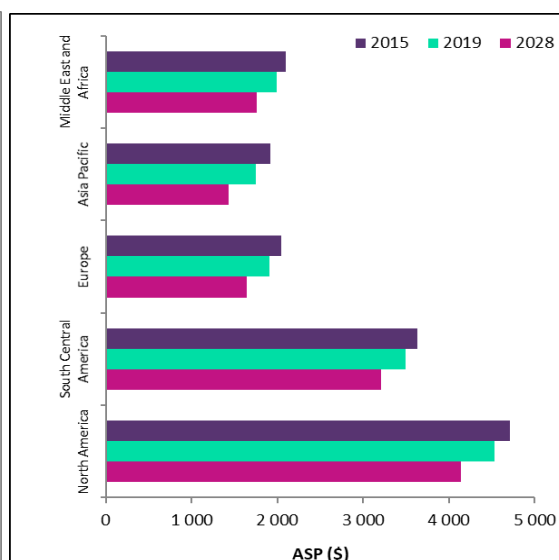
### ***Evolution of prices***

Price erosion for mature orthopaedic products has been a constant over the past 20 years. This trend is expected to continue, but some countries are experiencing greater price declines than others, particularly premium markets such as the United States.

Evolution of average selling prices (ASPs) in the different regions of the world:



Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC



Global data 2019 – Orthopedic Devices Knee\_Reconstruction Global 2015-2028 MedicalIC

### Competitive environment

The Group's main competitors comprise mainly large groups with a global footprint, with Zimmer Biomet being the leading market player following Biomet's merger with Zimmer in 2014/2015.

Main players:

Position	Knee prostheses market	Hip prosthesis market	Bone cement market
1	Zimmer Biomet	Zimmer Biomet	Stryker
2	Stryker	Stryker	Heraeus
3	Stryker	Stryker	Stryker

Source: Idata Research Inc – Global market report suite for orthopedic large joint devices-2022

In 2021, the top players in the global market share, in revenue, were as follows:

Company	Knee prostheses market share	Hip prostheses market share	Bone cements market share	Total market share
Zimmer Biomet	26.9%	22.4%	14.2%	24.5%
Stryker	18.6%	16.8%	31.2%	18.1%
Depuy Synthes	14.9%	18.2%	15.3%	16.4%
Smith & Nephew	9.2%	11.4%		10.0%
Microport	0.90%	1.40%		1.10%

Heraeus			27.20%	0.70%
Others	29.50%	29.90%	12.10%	29.20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total market value (US \$ M)</b>	<b>9,811.7</b>	<b>8,671.4</b>	<b>494.3</b>	<b>18,977.4</b>
<i>Source: Idata Research Inc – Global market report suite for orthopedic large joint devices-2022</i>				

### **In the knee prostheses segment** (IData Research Inc., 2022)

In 2021, Zimmer Biomet dominated the global prosthesis market. The Company's strong market share in the knee replacement market has been largely attributed to its Persona® personalised knee system. The Oxford® partial knee system is the most widely used partial knee replacement system in the world.

Stryker was the second-largest competitor in the global knee replacement market in 2021. The company's knee portfolio includes options for first-line and revision surgeries and implants for partial and total knee replacement. Stryker's flagship product is the Triathlon® knee system, available in cementless and cemented versions.

The third-largest competitor in the global knee arthroplasty market in 2021 was DePuy Synthes. One of DePuy's most popular knee implants is the Attune® Primary Total Knee System.

Currently, there are a few orthopaedic companies, such as Stryker, Smith & Nephew and OMNILife Sciences, which offer robotic solutions for orthopaedic procedures. The robotic application enables comprehensive surgery planning, increasingly precise implant placement and bone preparation. While the acquisition of robotic platforms requires significant financial resources from hospitals and potentially extends surgery times, there have been a number of reported benefits in favour of robotic assistance. Robotic technology is a less invasive procedure than conventional arthroplasty and can reduce patient hospitalisation and recovery time. Robotic assistance also has benefits for orthopaedic surgeons by simplifying surgical procedures.

### **In the hip prostheses segment** (Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC, corrected with Amplitude data)

Zimmer Biomet dominated the global hip replacement device market in 2021. Zimmer Biomet's strong market share was largely driven by sales of its Taperloc® hip system, Arcos® revision hip system and G7® Acetabular system, as well as the Continuum™ Acetabular system.

In 2021, DePuy Synthes held the second position in the global hip prosthesis market. DePuy's extensive experience and reputation in the orthopaedic market have enabled the company to maintain its position as a leader in the hip replacement market. The company's product portfolio includes the PINNACLE® Hip Solutions, the RECLAIM® acetabular revision system and the CORAIL® femoral stem.

In 2021, Stryker was the third-largest competitor in the global hip replacement market. Stryker was the third-largest competitor in North America and the second largest in Western Europe. Its hip product portfolio also includes total hip arthroplasty solutions for primary and revision procedures. Stryker also offers a robotic solution for the Mako™ hip.

### 1.3.2.2 The Group's markets

#### i. France

##### **Market description**

In 2019, France accounted for 14.9% of the European hip market (representing €242 million) and 11% of the knee market (representing €168 million). (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

In France, joint replacement prostheses are implantable medical devices that are reimbursed at 100% according to a fee schedule called “**LPPR**” (*Liste des Produits et Prestations Remboursables*). Private healthcare facilities purchase prostheses at this reimbursement price, while public hospitals arrange invitations to tender in accordance with France's current Public Contracts Code. After 25 years of price stability, the government modified this pricing in 2012, in order to control health expenditure, with a decrease of 10.5% (for hip prostheses) and 5.5% (for knee prostheses), over three years (in 2013, 2014 and 2015). (Source: *Avicenne, Strategic Report – European Orthopaedic Market 2016-2021 – Hip, Knee & Shoulders – May 2017*)

By a decision dated 3 December 2015, the French *Conseil d'État* annulled the decision reducing the prices initiated in 2013. Moreover, the French Economic Committee for Healthcare Products (*Conseil économique des produits de santé*), in a decision dated 19 February 2016, reduced the prices imposed on 14 March 2016 by 12.30% for hip prostheses and 7.40% for knee prostheses. Finally, in an order of 18 April 2016, the *Conseil d'État* cancelled the reduction for some hip implants only.

In June 2017, the French Economic Committee for Healthcare Products (CEPS) suggested a new plan for price reductions over two years. On 21 August 2017, a 3.5% decrease on average was applied to hip and knee implants.

In July 2018 an average decrease of 2.25% was applied to hip and knee implants. This decrease was applied in a product-specific manner. A new decrease took place between the months of May and June 2019, resulting in an average decrease of 2.93%.

##### **Growth outlook**

France follows global and regional trends for Europe.

The hip reconstruction market in France is mainly driven by easy access to healthcare and the growth of the ageing population.

In France, over the 2018-2023 period, growth in the volume of products sold is expected to reach 3.2% in the hips segment and 4.2% in the knee segment. (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopaedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

##### **Competitive environment**

The Group's main competitors in the French market include major international groups with a local presence.



In 2022, the main players in the French market for orthopaedic prostheses in terms of market share were as follows:

In the knee prostheses segment in income (*Source: ATIH 2022*):

Rank	Manufacturer	Market share 2020	Market share 2021	Market share 2022
1	Zimmer Biomet	23%	22%	21%
2	<b>Amplitude</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>
3	Stryker	7%	10%	11%
4	Johnson & Johnson	7%	6%	6%
5	United	3%	4%	6%
6	Medacta	4%	5%	5%
7	Smith & Nephew	5%	5%	5%
8	Xnov	3%	4%	4%
9	Symbios	3%	3%	4%
10	Microport	2%	2%	3%
11	Implantcast	2%	2%	2%
12	Adler	2%	2%	2%
13	FH	3%	2%	2%
14	Corin	2%	2%	2%
15	Mathys	2%	2%	2%
16	Protheos	4%	2%	2%
17	Lima	1%	1%	1%
18	Evolutis	1%	1%	1%
19	Osteal	1%	1%	1%
20	Exactech	1%	1%	1%

In the hip prostheses segment in income (*Source: ATIH 2022*):

Rank	Manufacturer	Market share 2020	Market share 2021	Market share 2022
1	Serf	11%	12%	14%
2	Medacta	9%	9%	10%
3	Zimmer Biomet	10%	8%	8%
4	Evolutis	7%	7%	8%
5	<b>Amplitude</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>
6	Corin	7%	7%	6%
7	Johnson & Johnson	5%	6%	5%
8	Symbios	4%	5%	5%
9	Xnov	4%	4%	5%
10	Dedienne	3%	4%	4%
11	ATF	4%	4%	4%
12	Lepine	3%	3%	3%
13	Mathys	3%	3%	3%
14	FH	3%	3%	2%
15	Protheos	3%	2%	2%
16	Osteal	2%	2%	2%
17	Smith & Nephew	2%	2%	2%
18	Adler	2%	2%	2%
19	Stryker	2%	2%	1%
20	Generic	2%	1%	1%

## ii. Europe

- **European market**

### ***Market description and growth outlook***

In 2019, the European market (including France) for knee prostheses generated approximately €2 billion in revenue, and is expected to reach €2.4 billion in 2023. The hip replacement segment generated revenue of around €1.7 billion in 2019 and is expected to reach €1.9 billion in 2023. (*Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

Europe's ageing population is fuelling the demand for hip and knee reconstruction procedures. In most European countries, patients have access to knee and hip replacement procedures in public hospitals, which require a small financial contribution from the patient. However, austerity measures are pushing many European markets to reduce funding for advanced hospital technologies, such as computer-assisted knee replacement procedures. In addition, cost control efforts are likely to limit the use of premium products in favour of cheaper generic products, and some countries are limiting the number of knee or hip replacement procedures, forcing patients to postpone elective knee replacement procedures.

Overall, the European market is expected to remain stable due to some of these price and reimbursement factors. Although the number of procedures continues to increase, revenues are not expected to increase as sharply in the future due to continued downward pressure on prices. (*Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopaedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

### ***COVID impact***

For the knee prosthesis market, the market in Western Europe decreased by 13.4% in 2020, and increased by 16.8% in 2021. The majority of European countries have not fully recovered the 2019 market level in 2021. Full catch-up is expected in 2022.

For the hip prostheses market, the market in Western Europe decreased by 14.2% in 2020, and increased by 18.4% in 2021. The majority of European countries have not fully recovered the 2019 market level in 2021. Full catch-up is expected in 2022. (*Source IData Research Inc. 2022*)

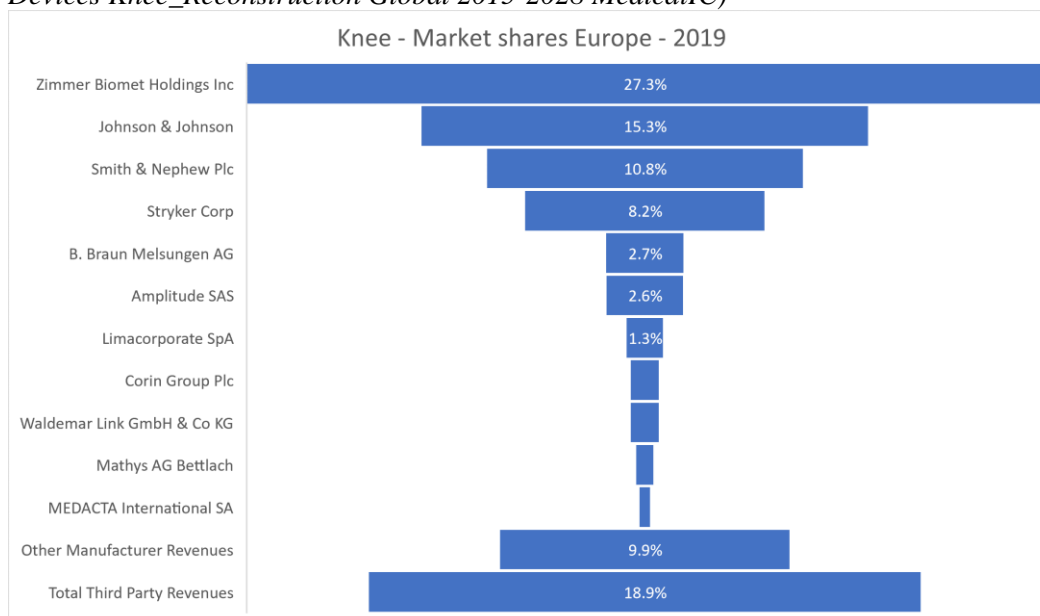
### ***Competitive position***

In 2019, the main players in the French market for orthopaedic prostheses<sup>1</sup> in terms of market share were as follows:

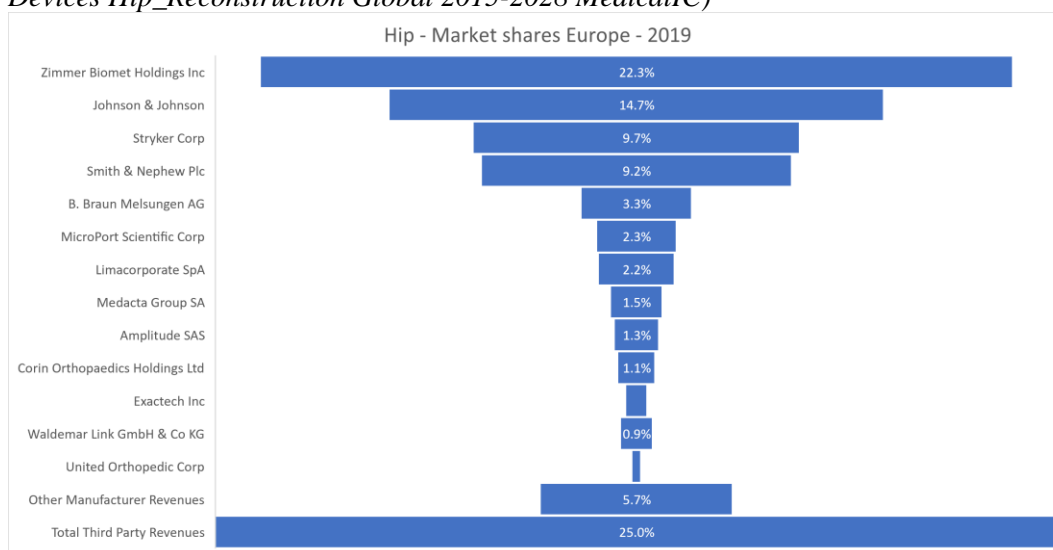
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<sup>1</sup> Calculated in terms of revenue

In the knee prostheses segment, in income: (Source: Global data 2019 – Orthopedic Devices Knee\_Reconstruction Global 2015-2028 MedicalIC)



In the hip prostheses segment, in income: (Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC)



iii. International (outside Europe)

- North America (United States, Canada and Mexico)

**Market description**

In 2019, the North American orthopaedic prosthesis market in which the Group operates generated revenue of approximately \$5.3 billion for knee prostheses and \$2.8 billion for hip prostheses. (Source:

*Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopaedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC)*

In North America, the world's largest market for reconstruction, the main growth driver for the knee and hip replacement market has been the increase in the ageing population and the desire of these patients to maintain an active and productive lifestyle. This has led to a continued, albeit slow, growth in the market, which is expected to continue over the coming years. However, the downward pressure on prices that has offset the increase in the number of procedures and cost control initiatives is having a direct impact on the adoption of higher priced products and technologies, which will continue to slow market growth.

The United States follows global and regional trends for North America. A recent significant change in the market is the Comprehensive Care for Joint Replacement (CJR) programme, launched by the CMS Innovation Center in 67 randomly selected US metropolitan areas in April 2016. CJR is a new payment model for care interventions related to total knee and hip replacements under Medicare from the start of surgery through 90 days after discharge that aims to reward or penalise hospitals based on clinical outcomes and costs. Although the CJR does not threaten implant prices in the short term, hospitals are working on ways to reduce the cost of care. In the long term, hospitals may demand lower-cost implants if they are unable to meet the cost of care targets, which would require them to pay a penalty to the CMS to cover the excess cost.

Medicare's Comprehensive Care for Joint Replacement (CJR) model has introduced value-based care initiatives to improve outcomes and reduce the costs of hip and knee replacement procedures, leading companies to create programmes that help providers meet these requirements.

Canada follows global and regional trends for North America. Reimbursement can be difficult to obtain for knee replacement surgery due to high government eligibility criteria, leading many patients to seek other options.

Mexico follows global and regional trends for North America. Due to the growing elderly population and the high involvement in sports, leading to an increase in sports injuries, Mexico is experiencing a growing market for knee replacement. The market is expected to continue to experience healthy growth.

### ***Growth outlook***

Over the next few years, the growing obesity rate and US population ageing are expected to have a positive impact on demand for orthopaedic devices (with increased demand for knee prostheses in particular).

The annual growth outlook for the US knee prosthesis market in revenue terms should be around 1.6% until 2023, and the US hip prosthesis market should be 1.9% until 2023. *(Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC)*

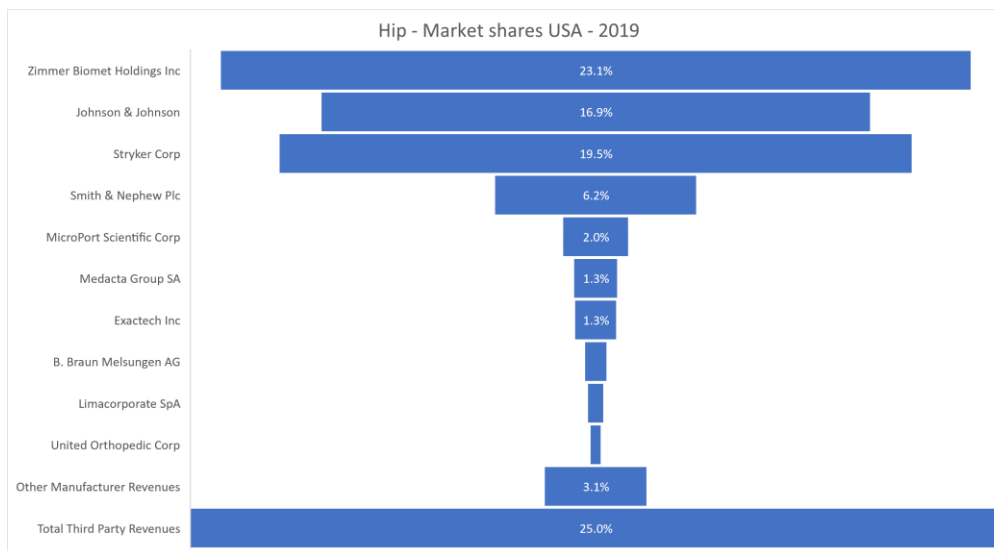
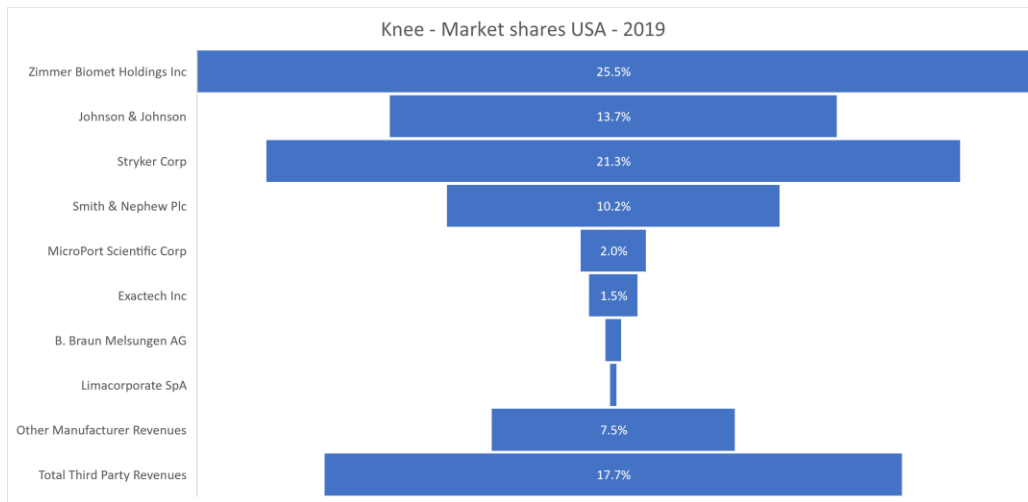
### ***Competitive environment***

The Group's main competitors include major international groups.

In 2019, in terms of market share for hip and knee prostheses<sup>2</sup>, the top players in the US market were: *(Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC)*

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<sup>2</sup> Calculated in terms of revenues generated



- **Asia-Pacific**

***Market description***

In 2019, the Asia-Pacific (Australia, China, India, Japan, New Zealand, South Korea and Taiwan) knee prostheses market generated revenue of approximately \$1.8 million, and the hip prostheses market generated revenue of approximately \$1.8 million. (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopaedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

The stability of the Asia-Pacific orthopaedic prosthesis market is explained by the fact that the Japanese market experienced a slowdown in growth during the past five years given public healthcare policies to lower reimbursements, thus driving prices lower, as well as the fall in the yen. China represented, in 2015, 31.8% of this market. (Source: *GlobalData, Hip and Knee Reconstruction – Global Analysis and Market Forecast – July 2016*)

### **Growth outlook**

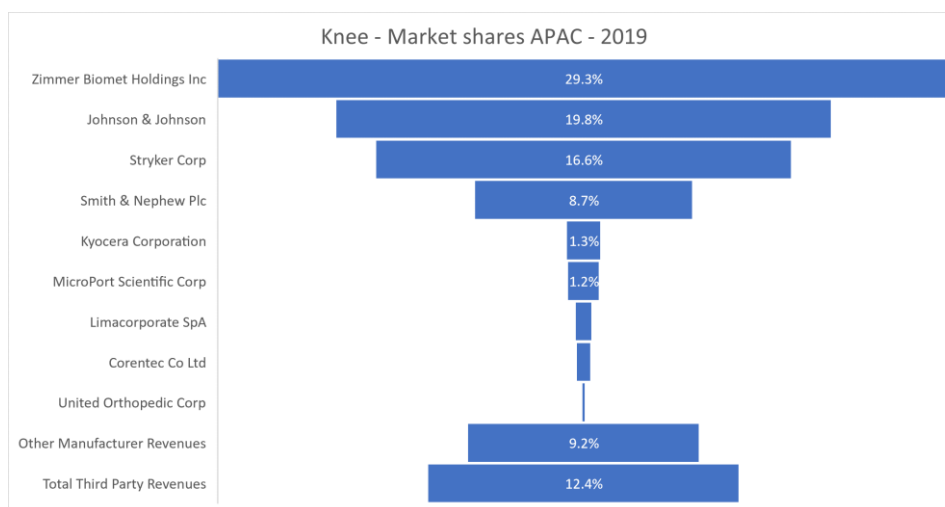
In a society that continues to seek a more westernised way of life, Asia’s ageing population is growing rapidly. With the growth of the Chinese and Indian economies, the disposable income of the average family has increased over the years. This means that orthopaedic surgeries, such as hip and knee replacements, will now be within the incomes of more families and will be affordable. In addition, there has been a slow and steady change in the mentality of patients, and more older people are now willing to undergo the required joint replacement surgeries, essentially opening up a new population demographic on the market. (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopaedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

The Asia-Pacific orthopedic prosthesis market in which the Group operates is expected to generate revenue of around \$6 million in 2028. (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

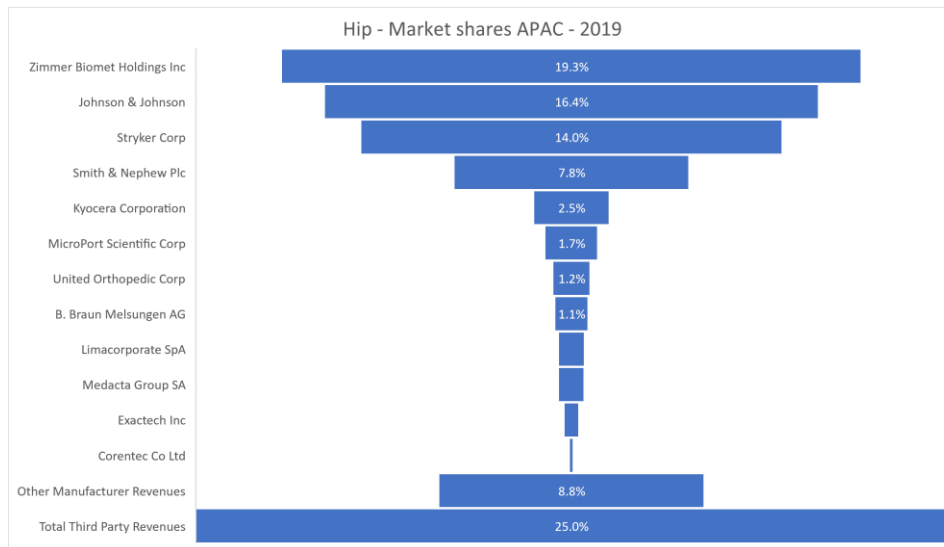
### **Competitive environment**

The Group’s main competitors include major international groups.

In 2019, in terms of market share and revenue, the top players in the Asia-Pacific hip and knee prostheses<sup>3</sup> market were: (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)



<sup>3</sup> Calculated in terms of revenues generated



In 2019, in Australia, where the Group operates with a subsidiary, the market share for knee prostheses was 5.1% and 1.9% for hip prostheses.

- **Brazil**

***Growth outlook***

As South America modernises, healthcare spending is increasing, resulting in a steady growth in procedures for musculoskeletal disorders. The knee replacement market is expected to grow faster than the global average as adoption increases. However, as the cost of implants can make up the majority of the operating room supply cost in an orthopaedic procedure, hospitals are engaging in cost-cutting measures, which will reduce revenues. (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthoedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

Brazil follows global and regional trends for South America. Despite continued uncertainty about reimbursement, growth in the large Brazilian common market will be fuelled by several factors, including the improving economic situation in Brazil, an ageing population and increasing demand for advanced medical care. However, accessibility remains a barrier for many potential patients. This is particularly the case in rural areas, given the extent to which healthcare financing in Brazil has been concentrated in fiscally-constrained urban areas. (Source: *Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthoedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

The demand for orthopaedic prostheses in the Brazilian market is expected to increase in the next few years in response to a combination of factors:

- a general increase in life expectancy;
- an improvement in the population’s quality of life and their purchasing power;
- the development of public health policies and governmental commitment to providing local populations with access to a public or private health system;
- the development of a form of medical tourism; and
- the growing and increasingly widespread use of surgery and orthopaedic prostheses.

## ***Competitive environment***

The market for implants in Brazil comprises an “entry-level” segment (public hospitals and contracts) essentially geared towards local players, and a high-end segment (private clinics) where the players are the same as those in every other country where orthopaedic products and services offer high added value.

The Group’s main competitors include major international groups.

In 2019, in terms of market share for hip and knee prostheses<sup>4</sup>, the main players in the Brazilian market were as follows: (*Source: Global data 2019 – Orthopedic Devices Hip\_Reconstruction Global 2015-2028 MedicalIC & Orthopedic\_Devices Knee Reconstruction Global 2015-2028 MedicalIC*)

For knee prostheses, market share in terms of revenue:

- o Zimmer Biomet<sup>5</sup>, with a market share of approximately 26%;
- o DePuy Synthes, with a market share of approximately 25.2%;
- o Smith & Nephew, with a market share of approximately 12.8%;
- o Baumer SA, with a market share of approximately 8.5%; and
- o Stryker, with a market share of approximately 10.3%.

For hip prostheses, market share in terms of revenue:

- o DePuy Synthes, with a market share of approximately 22.1%;
- o Zimmer Biomet<sup>6</sup>, with a market share of approximately 14.9%;
- o Smith & Nephew, with a market share of approximately 11.5%;
- o Baumer SA, with a market share of approximately 7.7%; and
- o Stryker, with a market share of approximately 6.2%.

The Group is present on the Brazilian market with a market share in 2019 of 4.6% for knee prostheses and 4% for hip prostheses.

### **1.3.3 Group business activities**

#### ***1.3.3.1 An innovative, extensive product range***

Research and Development (R&D) activity is central to the Group’s strategy. As at 30 June 2023, 1.8% of its revenue, i.e. €1.8 million, had been devoted to R&D (excluding capitalised R&D). Research and development expenditure (excluding capitalised R&D) amounted to 2.1% of revenue as at 30 June 2022, i.e. €1.8 million.

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<sup>4</sup> Calculated in terms of revenues generated

<sup>5</sup> The Zimmer Group (USA) merged with the Biomet Group (USA) in 2015

<sup>6</sup> The Zimmer Group (USA) merged with the Biomet Group (USA) in 2015



At the date of this Universal Registration Document, the Group uses 30 patent families.

The Group has a dedicated, experienced R&D team comprising some 60 engineers and/or doctors in charge of developing and industrialising implants, instruments and associated technologies. The Group has also set up a “technology watch” system that allows it to continually monitor technical and medical advances, so that it remains permanently at the forefront of progress. The Group has established partnerships with renowned professors, surgeons, clinical facilities and universities.

This enables the Group to develop its innovations and regularly launch new products: implants and/or associated technologies (navigation software, personalised guides, augmented reality applications, etc.).

See Section 1.8 “*Research and Development*” of this Universal Registration Document for further details.

#### *1.3.3.2 A complete product range*

##### *i. Range of disorders addressed*

The Group’s products are intended to correct the occurrence of a variety of disorders. This is mainly the case for osteoarthritis (which comes in several forms, such as coxarthrosis for the hip or gonarthrosis for the knee), osteonecrosis, fracture of the neck of the femur, polyarthritis, lesions of the meniscus of the knee and cruciate ligament tears, as well as sports-related disorders.

For more information on these various disorders, see “*Definitions*” in the annex to this Universal Registration Document.

To respond to these disorders, the Group offers prostheses of the knees and hips. To support the fitting of these implants it provides special instruments and related ancillary services.

As at 30 June 2023, the Group had developed four ranges of primary knee implants, including one unicompartamental range, one range of revision knee implants, seven ranges of primary hip femoral implants, five ranges of hip acetabular implants and five ranges of revision hip femoral implants.

For the financial year ended 30 June 2023, sales of knee prostheses and associated instrumentation accounted for 66.69% of Group revenue, sales of hip prostheses accounted for 32.25% of Group revenue and sales of other products 1.06% of Group revenue.

##### *ii. Knee prostheses*

The Group offers a comprehensive range of knee prostheses. In the financial year, it sold 29,799 knee prostheses, generating revenue of €63.4 million as at 30 June 2023 (compared to €55.8 million as at 30 June 2022).

The fitting of all the Group’s knee prostheses is compatible with the AMPLIVISION® computer-assisted surgery system offered by the Group.

Similarly, all the primary prostheses (UNISCORE®, SCORE®, SCORE® II and ANATOMIC®) can be fitted using the i.M.A.G.E.® technique (made-to-measure instruments based on scan or MRI images).

The Group offers the following products:

- **The UNISCORE® unicompartmental knee prosthesis:**



This unicompartmental knee prosthesis for primary surgery comprises various prostheses for replacing the internal or external femorotibial compartments of the knee. There are three parts to this implant: (i) the femoral component which replaces the distal end of the femur; (ii) the tibial tray which replaces the proximal end of the tibia; and (iii) the mobile or fixed insert for connecting the femur and the tibia.

The Group offers this prosthesis in seven different sizes, in cemented and cementless versions. As at 30 June 2023, approximately 14,333 prostheses had been fitted throughout the world since the launch of the product in 2008.

- **The Group offers three total knee prosthesis ranges: the SCORE® prosthesis, the SCORE® II prosthesis and the ANATOMIC® prosthesis.**

- **The SCORE® prosthesis:**



This mobile-bearing total knee prosthesis for primary surgery comprises various parts for replacing the knee joint without preserving the posterior cruciate ligament. It comprises three parts: (i) the femoral component which replaces the distal end of the femur; (ii) the tibial tray which replaces the proximal end of the tibia; and (iii) the patellar button which “resurfaces” the patella, a mobile insert that connects the femur and the tibia.

This prosthesis is available in cemented and cementless versions and is compatible with the SCORE® revision surgery system (see section below). As at 30 June 2023, approximately 176,202 prostheses had been fitted throughout the world since the launch of the product in 2002.



Following the onset of hypersensitivity in a proportion of the population to some of the materials used in the SCORE® prosthesis design, the Group now offers a hypoallergenic version, the SCORE® AS (Allergy Solution) prosthesis. This has the same properties as the SCORE prosthesis, but is coated with a layer of titanium nitrate which acts as a barrier between the body and the chromium cobalt, thus limiting the release of allergenic metal ions.

- **The SCORE® II prosthesis:**



Designed to adapt to different morphologies, this prosthesis is based on the design and clinical success of the first version in order to improve patient satisfaction and to take into account the requirements of surgeons during surgery. The range of instrumentation offered with this version has thus evolved and been diversified.

As at 30 June 2023, approximately 25,265 prostheses had been fitted throughout the world since the launch of the product in 2018.

o **The ANATOMIC® prosthesis:**



This fixed-bearing total knee prosthesis for primary surgery comprises various prostheses for replacing the knee joint without preserving the posterior cruciate ligament. As with the SCORE® prosthesis, there are three parts to this implant: (i) the femoral component which replaces the distal end of the femur; (ii) the tibial tray which replaces the proximal end of the tibia; and (iii) the patellar button which replaces the articular surface of the patella, a fixed insert to connect the femur and the tibia.

The Group offers this prosthesis in nine different sizes and six different insert thicknesses, in cemented and cementless versions. As at 30 June 2023, approximately 105,144 prostheses had been fitted throughout the world since the launch of the product in 2013. In January 2017, the Group obtained 510(k) approval from the FDA (Food and Drug Administration) for the sale of this prosthesis in the United States.

• **The SCORE® revision prosthesis:**



This mobile-bearing total knee prosthesis for revision surgery is intended to replace and/or reconstruct the knee joint without preserving the posterior cruciate ligament in cases of revision surgery for a unicompartmental knee prosthesis, osteotomy or total knee prosthesis and in case of major deformity in primary prostheses. There are three parts to the implant: (i) the femoral component which replaces the distal end of the femur; (ii) the tibial tray which replaces the proximal end of the tibia; and (iii) the patellar button which replaces the articular surface of the patella, a mobile insert to connect the femur and the tibia.

The Group offers this prosthesis in four different sizes. It is only supplied in cemented form. As at 30 June 2023, approximately 10,272 prostheses had been fitted throughout the world since the launch of the product in 2005.

iii. *Hip prostheses*

The Group offers a comprehensive range of hip prostheses for primary, revision and reconstructive surgery. In the financial year, it sold 21,734 hip prostheses, generating revenue of €32.3 million as at 30 June 2023 (compared to €27.8 million as at 30 June 2022).

The total hip prosthesis for primary surgery comprises various prostheses for replacing the hip joint. It consists of two parts: (i) the femoral stem, which attaches to the femur, and (ii) the acetabular cup, which attaches to the acetabulum of the natural joint, with the prosthetic femoral head providing the functional connection.

- **The INTEGRALE® stem:**



The Group offers this prosthetic stem in eight different sizes. Highly ergonomic instruments provide various types of rasp handles to address practitioners' needs, with versions available in straight and curved-handle forms, for use in manual or navigated procedures via anterior or posterior approaches. There is no requirement to cement this prosthesis as its self-stabilising form provides its primary means of fixing and hydroxyapatite coating promotes osteoinduction. As at 30 June 2023, 73,485 stems had been fitted throughout the world since the Group's launch of the product in 1999.

This stem has the advantage of using a neck with a finer diameter, reducing impingements and thereby reducing post-operative dislocations. Its ovoid form maximises the filling of the femoral medullary canal, ensuring long-term attachment of the implant. The fitting of this prosthesis is compatible with the Group's AMPLIVISION® computer-assisted surgery system.

- **The EVOK® stem:**



The Group offers this straight femoral stem with a quadrangular cross-section in a wide range including three types of offsets, each declined in different sizes (8 to 12 sizes depending on the versions). The global range is thus composed of 54 stems. The highly ergonomic instruments offer several types of broach handles to adapt to the different approaches used by surgeons. The prosthesis is intended for cementless fixation, its fixation being ensured by a self-locking design, and a press-fit effect provided by a hydroxyapatite coating acting as an osteo-inductive element. The EVOK® stem differs in particular due to its evolutive lateralised version, as well as the design of its collar. Since its launch in April 2018, 15,503 stems have been sold worldwide as at 30 June 2023.

A cemented version of the EVOK stem was CE marked in the spring of 2021, and was launched at the end of 2021. This option will provide a complementary solution for patients with insufficient bone quality for cementless fixation.

- **The FAIR® stem:**



The Group offers this new range of femoral stems specifically dedicated to minimally invasive hip surgery, and in particular to the anterior approach. This product was CE marked in spring 2021 and launched in October 2021. This range includes nine sizes of prostheses, available in two types of offset: standard and lateralised. It is accompanied by instrumentation dedicated to minimally invasive and anterior surgery. The prosthesis is intended for cementless fixation, its fixation being ensured by a self-locking design, and a press-fit effect provided by a hydroxyapatite coating acting as an osteo-inductive element.

- **The SATURNE® acetabular cup:**

This acetabular cup is categorised as part of a total hip prosthesis and comprises a steel cup that can be fixed with or without cement and a mobile insert inside the cup. It is designed to replace the acetabular cavity, in primary or revision surgery. These dual-mobility acetabular cups are designed for use with other Group prostheses (stems and heads), to provide a total hip prosthesis.

The range comprises four product families: SATURNE®, SATURNE® to be cemented, SATURNE® for reconstruction and SATURNE®II, and the Group offers them in different sizes. As at 30 June 2023,

approximately 113,105 SATURNE® acetabular cups had been fitted since the Group's launch of the product in 2000.

The Dual-Mobility acetabular cup was invented in France by an orthopaedic surgeon to eliminate post-operative dislocations. Taking this basic concept, the Group has improved it by further developing the materials and surface treatments, as well as the form of the implant and the instruments that it uses. As this type of product remains little known on the international stage, the Group intends to promote it widely and win over numerous surgical teams, all of whom are concerned about post-operative dislocation, one of the main complications following the fitting of a prosthetic hip. The fitting of this prosthesis is compatible with the Group's AMPLIVISION® computer-assisted surgery system.



- **HORIZON® 2 acetabular cup (with BioloX® delta ceramic insert):**



As a total hip prosthesis, this acetabular cup makes use of a ceramic-on-ceramic bearing. It is used with certain inserts and ceramic femoral heads developed by the Group (the BioloX® delta Amplitude range). It is intended to be fitted without cement. The fitting of this prosthesis is compatible with the Group's AMPLIVISION® computer-assisted surgery system.

The Group offers this acetabular cup in two different versions and nine different sizes. The HORIZON® 2 cup with holes allowing secondary fixation with screws, and the HORIZON® 2 cup without a hole with a pre-assembled ceramic insert (in a clean room), facilitating and securing the surgery.

As at 30 June 2023, the Group had fitted 23,632 HORIZON® 2 acetabular cups since the launch of the product in 2013. The main advantage of this acetabular cup lies in the use of BioloX® Delta ceramic. This ceramic is much more durable than the ceramics used in the past and has the particular characteristic of ongoing wear resistance.

iv. *Ligament reconstruction*

• **ACLip®**



ACLip® is an implant for graft fixation during anterior cruciate ligament reconstruction. The ACLip® consists of a male implant, a female implant, and a dedicated instrumentation. Its design offers the surgeon great simplicity and reproducibility of placement while allowing fixation as close as possible to the graft's healing zone.

Since launched by the Group in 2018, more than 10,350 implants have been carried out.

1.3.3.3 *Related services*

The Group has developed and manufactured specific instruments for every type of prosthesis. These instruments are made available to surgeons. These instruments are compatible with all surgical practices and fitting techniques. The Group offers four categories of instrumentation: (i) standard mechanical instrumentation; (ii) computer-assisted surgery (AMPLIVISION®); (iii) patient-specific instrumentation (i.M.A.G.E.®); and (iv) instrumentation allowing the intervention by anterior approach (E.T.O.I.L.E.®).

i. *Standard instruments*

Standard instruments include all instruments developed specifically for fitting implants and are the focus of numerous innovations (the E.T.O.I.L.E.® platform, for example). They are also used in conjunction with the i.M.A.G.E.® and AMPLIVISION® systems.

ii. *Computer-assisted surgery and the AMPLIVISION® system*

The Group offers a navigation system known as AMPLIVISION®. It is an electronic tool that helps the surgeon to visualise and therefore to prepare for the surgical procedure with greater accuracy. The tool is easy for the surgeon to use and is applicable for both hip and knee prostheses. A navigator comprises an infra-red camera and special software, both developed in-house. Sensors are fixed to the patient's bone during the procedure, providing dynamic, real-time visualisation on the navigator screen (as computer-generated images) of the various calibrations that the surgeon can make when fitting the prosthesis. This allows the positioning of the prostheses, the axes, the balancing of the spaces and the ligament tensions to be checked. The AMPLIVISION® system can be adapted to different approaches and can also be used to visualise the surgical instruments.

Using this technology, the Group can: (i) provide the patient with better prosthesis positioning and alignment and guarantee an implant that is suitable for their body shape and size; (ii) with knees, reduce the risk associated with "hip-knee-ankle" (HKA) alignment by offering increased accuracy, improve ligament balance and improve confidence with the final post-operative outcome; (iii) with hips, reduce the risk of dislocation (through better management of prosthesis orientation), provide better management of differences in leg length, reduce wear and the risk of limping ("offset") and navigate the range of movement.



iii. *The i.M.A.G.E.® system*

The i.M.A.G.E.® system provides made-to-measure instrumentation for knees, using additive manufacturing technology (3D printing). The Group produces a made-to-measure guide for use in making incisions when implanting knee prostheses. The design of the guide begins with MRI or scan images of the patient in the first instance, to which are added technical data selected by the surgeon during pre-operative preparatory work on computer-generated images (the Group has created a dedicated website for this purpose). The cutting guide is then produced on a 3D printer and is delivered (non-sterile) to the surgeon a few days before the procedure.

This system helps to achieve ideal implant positioning based on the individual patient, at the same time as limiting the associated blood loss. Correspondingly, the risk of embolism falls as a result of the limitation in tourniquet time and the reduced incision, both anaesthetic time and nosocomial infections are also reduced. For the surgeon, this type of system allows them to plan for the surgical intervention, thus reducing the operating time (which represents time saving for the surgeon and cost saving for the facility), the volume of ancillaries required and the cost of sterilisation.

iv. *Instrumentation for procedures using the anterior approach (E.T.O.I.L.E.®)*

The aim of this overall concept is to promote the minimally invasive fitting of hip prostheses via the anterior approach, in contrast to the posterior approach. The anterior hip approach allows for less muscle cutting and faster rehabilitation of the patient, some of whom can be operated on as an outpatient. This concept requires a training programme for the surgical team and specific equipment for the operating room. To meet these aims, the Group offers:

- *an E.T.O.I.L.E.® operating table extension and specific instrumentation:* this equipment facilitates the surgical procedure and the Group offers specific instruments for use with this technique;
- *training in this new operating technique:* the Group provides special training for surgical teams to help them to master the anterior approach. Managed by a dedicated product lead within the Group, this “Keep Moving Forward” training relies on various pilot sites in France and elsewhere, and on theoretical and practical application in the anatomy lab. Personalised support for surgeons allows them to adjust to this technique under conditions of maximum safety;
- *a new range of femoral stems and instrumentation dedicated to this anterior surgical technique:* the FAIR® range.

The new technique offers numerous advantages for the various parties involved:

- for the patient: anterior hip surgery is less invasive and post-operative management is more straightforward. Patient rehabilitation is swift and significantly different from the rehabilitation required after posterior surgery. The Group's aim is for patients using this technique to have their operations on an outpatient basis;
- for the surgeon: performing the anterior approach is a significant differentiating factor between professional peers; and
- for the facility: it offers a means of reducing the length of patients' stays.

#### *1.3.3.4 Products and services under development*

The Company is pursuing its development strategy to complete its product lines and related instrumentation. It is continuing to expand its range of implants, in particular by developing products for the Australian and American markets, and is developing new navigation software to adapt to the latest trends in terms of surgical techniques, including software for hip navigation that will allow an anterior approach.

The "Technology" development team is also investigating new technologies to improve implant placement, including augmented reality systems and surgical robotics.

A partnership has been signed with the Grenoble-based company Ecential Robotics for the development of a robot for knee surgery. Our development teams are working with the Ecential Robotics teams to develop a robotic arm connected to the AMPLIVISION®, as well as an application dedicated to Amplitude knee prostheses on the Ecential Robotics open platform.

Amplitude is expected to submit a CE marking application in the second half of 2024.

#### *1.3.3.5 Procurement*

The Group has a network of approximately 38 suppliers, of which approximately 84% are located in France.

The production/procurement department has a number of sources for each of the following services:

- smelting;
- machining;
- polishing; and
- packaging.

This allows the Group to: (i) distribute the workload evenly amongst them; (ii) optimise delivery deadlines; (iii) compensate for any in-house issues that the subcontractor may have; (iv) handle peaks in activity; and (v) ensure a more flexible working relationship with suppliers. Additionally, some of these suppliers, who are particularly important to the Group (such as in the areas of polishing and machining) are located close to the company's registered office in Valence, which improves turnaround times, encourages well-organised interaction and helps in maintaining good technical relationships.

Every agreement with a supplier is a real partnership, with a technical specification being agreed along with the contract. All of the Group's subcontractors are ISO 13485-compliant or are audited by the Group with reference to this quality framework. The Group's quality and purchasing department conducts a regular review to monitor the management of and adherence to the contract, compliance with standards and technical specifications. It formulates corrective actions to be taken if required.



Between 1 July 2022 and 30 June 2023, the Group paid its top 10 and top 20 suppliers €23.7 million and €27.0 million respectively (compared to €14.3 million and €16.7 million respectively for the financial year ended 30 June 2022).

#### *1.3.3.6 Manufacturing*

##### *i. Sofab Orthopédie*

The Sofab Orthopédie Group was founded in 2007 in the Valence region, near Amplitude's registered office, and consisted of three companies – all ISO 13 485 certified. On 30 June 2021, all companies in this group were merged with the parent company Sofab Orthopédie.

Sofab Orthopédie specialises in the manufacturing of implants and instruments for orthopaedics, with machining, engraving and manual or robotic polishing workshops. It is fully owned by Amplitude SAS.

In 2019 the Group invested in new equipment at Sofab Orthopédie to increase its manufacturing capacity, such as machining centres, a polishing robot and a drag-finisher.

In 2023, the Group invested with the construction of a new 4,700 m<sup>2</sup> production building, located in Valence, delivered in July 2023.

The Group announced the merger of the SOFAB group into Amplitude SAS on 1 July 2023. This merger is effective as of the date of this Universal Registration Document.

##### *ii. Cleaning – conditioning*

Currently two lines have been qualified and validated: HAP line and PE line.

The third metal line was qualified in 2023: the metal line should start production in early 2024.

The clean room has been audited by a Notified Body and obtained certification. Production started on 20 July 2018. Today, more than 100,000 implants are processed in this room each year.

#### *1.3.3.7 Organisation of logistics and transport*

Central inventory is stored at the Group's registered office location in Valence, in the Drôme department of France, in a warehouse of approximately 4,000 m<sup>2</sup>.

This location holds the implant inventory of the Group. Inventory is monitored and replenished by the purchasing departments, based on purchase requests from the ERP system, based on sales forecast. The Group also owns and manages an inventory of ancillaries, which is made available to its customers, either on loan or for purchase. The Group's ability to produce a new ancillary at any time from its inventory of parts, means that it can be responsive to each and every customer request, both in France and elsewhere. Every international subsidiary has a central inventory resource for distribution in the country in question.

In France, the sales administration department forwards orders to the logistics department and they are processed the same day, with delivery before 9 a.m. the following day.

The Group makes use of transport service providers for all deliveries and returns within France. Delivery requests are allocated on the basis of the following criteria:

- required delivery deadlines: before 8 a.m., before 9 a.m., before midday or during the day;

- related services: delivery straight to the operating room, acceptance of heavy items (such as computer-assisted surgery stations or orthopaedic table extensions, etc.); and
- the ability to provide high quality service in sometimes remote regions.

On the international front, delivery to the end customer is handled in exactly the same way as in France, but is overseen by the subsidiary or distributor representing the Group in the country in question. Upstream, supplies for export are delivered weekly, monthly or quarterly from the Group's central inventory in France, based on customer requirements or requests.

The interface between the customer and the Group's logistics and sales departments (France or export) is ensured by an assistant attached to the "sales administration/operations" department, which makes it possible to guarantee the monitoring of transport services in almost real time and to communicate certain information, if necessary, to customers on the progress of their delivery.

#### *1.3.3.8 Sales*

##### *i. The Group's customers*

#### **The Group's customers in France**

As at 30 June 2023, the Group's customers included 378 private sector facilities and 184 hospitals (departmental, regional, university and military) (compared to 503 and 217 as at 30 June 2022, respectively). The Group works with the main healthcare companies.

The Group's top 10 customers in France make up 0.86% of the total number of customers and are responsible for 19.44% of the Group's revenue in France as at 30 June 2023, while the top 20 customers make up 1.73% of the total number of customers and generated 19.44% of the Group's revenue.

#### **The Group's international customers**

Depending on the distribution channels (see below Section ii "Distribution channels" in this Universal Registration Document), the Group works with a variety of contacts (subsidiaries, distributors and sales agents) but is also in touch with surgical teams throughout the world who use the Group's products.

The Group's top 10 international customers make up 2.92% of the total number of customers and are responsible for 30.32% of the Group's revenue internationally as at 30 June 2023, while the top 20 customers make up 5.85% of the total number of customers and generated 46.21% of the Group's international revenue.

##### *ii. Distribution channels*

#### **Distribution in France**

The Group relies, on the one hand, on a network of exclusive, independent agents who provide a local, technical and commercial service, and on the other hand, on direct subsidiaries that carry out the technical services with the practitioners. Approximately 44 people (distributors and sales agents) work in the field, including overseas departments and territories, and 27 people through its French

subsidiaries, making it one of the largest technical and commercial teams in France devoted entirely to hip and knee surgery.

As at 30 June 2023, the Group was generating 63.2% of its revenue in France through sales agents and 36.8% through its French subsidiaries.

Only one distributor remains active, generating less than 1% of revenue in France as at 30 June 2023 (compared to less than 1% at 30 June 2022).

### **International distribution**

The Group often arranges international distribution through its subsidiaries. Having established its first subsidiary in Germany in 2010, it has rolled out seven foreign subsidiaries. The table below sets out the Group's subsidiaries and their status as at the date of this Universal Registration Document.

<b>Country</b>	<b>Name of subsidiary</b>	<b>Date established</b>	<b>Nature of organisational structure</b>	<b>Method of distribution</b>	<b>Status</b>
Germany	Amplitude GmbH	2010	Wholly-owned subsidiary	Direct	Active subsidiary
Australia	Amplitude Australia Pty	2013	Wholly-owned subsidiary	Direct and short channel	Active subsidiary
Belgium	Amplitude Benelux	2015	Wholly-owned subsidiary	Direct	Active subsidiary
Brazil	Amplitude Latin America	2014	Wholly-owned subsidiary	Short channel	Active subsidiary
Switzerland	Amplitude Suisse SA	2014	Wholly-owned subsidiary	Direct	Active subsidiary
United States	Amplitude Orthopedic Corp.	2015	Wholly-owned subsidiary	Direct	Non-operational subsidiary
South Africa	Amplitude South Africa Pty Ltd	2015	Wholly-owned subsidiary	Direct	Active subsidiary

In countries where the Group does not directly market its products, it uses a network of distributors, most of them exclusive, including: Algeria, Argentina and Paraguay, Bosnia, Bulgaria, Denmark, United Arab Emirates, Spain, Guadeloupe, French Guiana, Iraq, Italy, Malaysia, Mali, Morocco, Moldova, New Caledonia, Netherlands, Poland, Romania, Senegal, Slovenia, Tunisia, Vietnam.

As at 30 June 2023, the top 10 distributors accounted for 5% of Group revenue and the top 20 distributors for 7% of the Group's revenue (compared to, respectively, 4% and 6% of the Group's revenue as at 30 June 2022).

#### *iii. The Group's distribution models*

The Group makes use of two distribution models, which have a direct impact on its overall profit (loss).

The Group may use its direct sales forces, i.e. its technical sales employees or sales agents. In this case, the Group's customers are public and private healthcare facilities. The revenue recognised by the Group is derived by adding a portion of the price of the implants (i.e. the unit price of an implant as set locally by public or private health insurance bodies multiplied by the number of implants sold) to the revenue generated by the AMPLIVISION® computer-assisted surgery systems (i.e. the hire or sales price of the software, depending on the country, multiplied by the number of copies of the software supplied).

The Group recognises revenue when the implant is used by the surgeon and comes out of the Group's customer consignment stock.

Offsetting revenue, the Group covers the costs of:

- associated operating expenses, such as commission paid to sales agents (i.e. a percentage of the sale price), and sales and marketing expenses;
- investment expenditure incurred by the Group with a distinction being drawn between “growth” investments which are recognised when ancillaries and associated services are first made available (calculated on the basis of a percentage of the additional revenues generated) and “maintenance” investments related to the replacement of ancillaries; and
- costs of inventories (which are a Group expense).

The Group also makes use of distributors to sell its products; in this case, the distributors are the Group's customers. The revenue recognised by the Group is derived by adding a portion of the price of the implants multiplied by the number of implants sold to the revenue generated by ancillaries and the provision of other services (i.e. the unit cost of the Group's products and services as invoiced to the distributor, multiplied by the number of products and services provided).

Revenue is recognised by the Group when the implants and ancillaries are dispatched to distributors.

In addition, investment expenses for ancillaries are covered by the distributor directly, as is the cost of carrying the inventory that is made available to customers and distributors.

#### *iv. Organisation and sales policy*

### **Group pricing policy**

The Group has introduced an appropriate pricing policy in each country.

In France, joint replacement prostheses are implantable medical devices that are reimbursed at 100% according to a fee schedule called “LPPR” (*Liste des Produits et Prestations Remboursables*).

Private healthcare facilities purchase prostheses at this reimbursement price, while public hospitals arrange invitations to tender in accordance with France's current Public Contracts Code. Instrumentation is loaned to healthcare facilities and surgeons in France.

Internationally, there are two approaches. When the Group uses subsidiaries, they buy the products and then resell them, either through direct distribution channels or through indirect distribution channels or using mixed models that combine direct and indirect sales. When the Group uses distributors, they benefit from purchase prices that are set when the contract is signed, and their pricing policy in respect of the end customer is then managed independently. Internationally, instrumentation and navigators are sold to sales partners (both subsidiaries and distributors).

### **Quality management system**

The Group has also implemented a quality management system for its products. The Group's products are classified as medical devices and, as such, are subject to specific normative and regulatory requirements in all countries where they are designed, manufactured, tested or marketed. To meet these requirements, the Group has implemented a quality management system that has been certified by a third-party organisation (a “**Notified Body**”) in accordance with the applicable regulatory requirements, the ISO 13485 standard and the international standards of the MDSAP (Medical Device Single Audit

Program). The quality management system covers the full range of activities for the devices, from design to distribution. This system applies to all products without distinction and is audited annually by a Notified Body, to ensure that it remains effective.

The Group's quality and regulatory system already complies with the requirements of the new European regulation EU MDR, which has been in force since May 2021. The Group's Notified Bodies are already approved by the European Commission for this new regulation.

The quality system is based on documented procedures for the following activities in particular:

- quality management;
- design;
- product manufacture, inspection and quality assurance;
- conduct of clinical studies;
- control of subcontracting;
- detection and handling of any non-compliant internal or external product;
- identification and implementation of corrections or corrective and preventive actions;
- product labelling;
- product storage and distribution;
- product identification and traceability;
- data storage and quality record procedures; and
- post-marketing surveillance and reporting of incidents or risk of incidents resulting from the use of medical devices after launch.

A dedicated team of 15 people within the Group works to verify all stages of the manufacturing process of the Group's products on a daily basis. These inspections are conducted in compliance with the Group's procedures.

### **Marketing resources**

The Group's marketing team is made up of 16 people and is organised into product divisions: knee, hip and ligamentoplasty, supplemented by a clinical follow-up team of 11 people.

### **Management of product ranges**

The product management team attends design meetings and arranges and manages product launches. The product managers also provide technical responses to the sales team and directly to surgeons in the operating room.

### Management of training

The training division is responsible for training programmes for product users and all Group staff. One of its objectives is to design and deliver courses on surgical techniques and the use of instrumentation, as well as on the technical solutions intended for the sales teams.

### Management of communications tools

During this financial year, the Group took part in the main conferences in France and internationally, through its local representatives where applicable. Digital means of communication have also been developed in order to allow the remote communication necessary for product promotion (webinars, surgical technique, video, technical data sheets).

### Managing clinical follow-up

The Group has to demonstrate that its medical devices are reliable and effective. Demonstrations based solely on bibliographic comparisons with previous products are no longer accepted in the new EU MDR regulation.

Data from clinical trials are the norm for obtaining and renewing the CE mark in Europe and equivalent approvals throughout the world. To support this, the Group has developed its own “CLINIRECORD®” software and website for all user surgeons to collect clinical data. The clinical follow-up software developed by Amplitude has been declared compliant with the methodology of the CNIL.

The clinical department is structured to accomplish the following:

- set up the collection and analysis of product safety and clinical performance data according to regulatory requirements;
- collect, archive and restore clinical data on all Amplitude products in accordance with the CNIL requirements;
- encourage and support scientific publication and communication on the key products; and
- arrange for collection, storage and summary of medical literature.

#### 1.3.4 The Group’s competitive strengths

##### *1.3.4.1 One of the leading French players in the global market for orthopaedic lower limb prostheses*

Established in December 1997, the Group began to market its first products in France in 1999. Since then, the Group has progressed to become one of the leading players in France in the orthopaedic lower limb prostheses market.

In 2021, it was ranked second and fourth in terms of its share of the French market for knee and hip prostheses, respectively. The Group is also ranked sixth and tenth in terms of its share of the European market for knee and hip prostheses, respectively. (*Source: Knee Reconstruction & Hip Reconstruction Global Market 2015-2028 – Global Data 2019*)

To achieve this positioning, the Group has relied on: (i) the development of a comprehensive range of high value-added products adapted to the needs of patients, surgeons and healthcare facilities; (ii) the variety of the services it offers; and (iii) a research and development activity focused on cutting-edge technical innovation.

*i. An extensive, comprehensive range of high-end products appropriate for all surgical philosophies*

The Group has chosen to develop high-end products. This position is reflected in a product and instrument range that comply with high standards of quality, as well as ergonomics that meet the needs and demands of the most complex surgical techniques.

The Group offers a comprehensive, innovative range of orthopaedic products, along with ancillaries and a variety of innovative related services, including its AMPLIVISION® computer-assisted surgery system, i.M.A.G.E.® system and E.T.O.I.L.E.® technology platform.

The products offered by the Group cover the main lower limb disorders that affect the hip and knee. For the financial year ended 30 June 2023, the Group sold 51,533 prostheses, including 21,734 hip prostheses and 29,799 knee prostheses.

The Group's products are appropriate for all surgical philosophies. The Group's products also include prostheses for both primary and revision surgery. The Group offers them in all available sizes and in versions with or without cement.

The ANATOMIC® fixed-bearing knee prosthesis launched by the Group in April 2013 illustrates the Group's focus on the needs expressed by different surgical practices. The Group has developed the ANATOMIC® knee prosthesis to meet demand from surgeons for fixed-bearing, postero-stabilised knee prostheses. The product complements the Group's historic SCORE® range, which employs mobile-bearing technology that is less widespread on international markets. The ANATOMIC® knee is registered in Europe, Australia, Brazil and the United States.

The design reflects the latest advances and surgical philosophies in prostheses, ancillaries and materials. The ANATOMIC® knee has helped the Group to increase the addressable proportion of markets where it can offer its products and services. The success of this product is reflected in an increase in the number of products sold by the Group, which rose from 9,769 ANATOMIC® knee prostheses in 2016, to 12,690 prostheses in 2023. Total sales of knee prostheses totalled 29,799 over the last financial year.

The Group also relies on its related services, which add significant value to its product offering. In particular, these include the AMPLIVISION® computer-assisted surgery system, the i.M.A.G.E.® system and the E.T.O.I.L.E.® technology platform (which includes a table extension, sophisticated instruments, computer-assisted surgery capabilities and a training programme, dedicated to anterior approaches; see Section 1.3.3.2 Universal Registration Document). The range of related services helps to attract and build loyalty amongst surgeons and healthcare facilities.

*ii. The Group has been able to differentiate itself through the diversity and suitability of the products and services it offers*

The Group offers high-end products and services. The Company is ISO 13485 certified. The ISO 13485 standard specifies the quality management system (QMS) requirements for the medical devices industry. All the medical devices developed by the Company comply with the regulatory requirements of the countries in which they are marketed (EU MDR on medical devices or local regulations).

The Group has developed its products in collaboration with teams of renowned surgeons and in consideration of different surgical philosophies and different technologies. The Group also takes into account the various geographical specificities (in particular those linked to the size of individuals, the sometimes local pathologies or the training model of surgeons). The Group seeks to offer a range of products adapted to the demand of surgeons, whatever their surgical technique training or the targeted pathology.

The Group provides technical support for healthcare facilities and surgeons, either directly or via a sales agent, giving operating room-specific technical guidance during the surgical procedure. This day-to-day support is available at the pre-and post-operative stage. The Group offers a wide range of products and services, as well as tools that help in planning for and facilitating surgery (e.g. i.M.A.G.E.® technology, AMPLIVISION®, and the E.T.O.I.L.E.® platform).

The Group has a clinical follow-up department which is responsible for analysing pre-, per- and post-operative medical and surgical data. To this end, the Group has developed the CLINIRECORD® software, which is available to surgeons. To date, the database includes over 48,731 files of knee and hip prostheses, providing the Group with a tool for tracking its products. Scientific studies have been conducted and published by the surgical teams who contribute to research in partnership with the clinical follow-up department, using the CLINIRECORD® software.

Whether managed directly or via sales agents, the Group's close day-to-day relationship with surgeons provides it with access to almost immediate feedback on the products and services that it provides. The Group can adapt as effectively as possible to customer requirements. By continually enhancing its products, the Group can provide surgeons with solutions that save time and increase efficiency and accuracy. This responsiveness is a real advantage for both surgeons and patients, reducing recovery time and the risk of post-operative complications.

*iii. Research and development activity focused on leading-edge technical innovation*

Research and development are central to the Group's business.

The Group seeks to respond in the best way possible to the needs of patients, surgeons, and healthcare establishments. In terms of innovation, the aim is to increase the accuracy of placement, allow a minimally invasive surgical approach, save time in the operating room and optimise costs while offering patients rapid rehabilitation and optimal post-operative safety.

The Group's research and development activities are fully in-house, and are organised into three research divisions: mechanical engineering, software development and electronics. A dedicated and highly qualified team of 40 employees is dedicated to this on a daily basis.

The Group uses approximately 30 patent families. The Group has ownership or joint ownership of a number of patents. It also works in close collaboration with renowned surgical teams to develop new products and innovations that will help maintain its position at the forefront of technological advances. In these instances, the corresponding patents are registered in the names of the relevant surgeons. The Group is then granted exclusive operating licences for the term of these patents by the groups of surgeons with whom it has developed the products and services in question.

These innovations are a contributory factor in fostering loyalty to the Group amongst existing customers as well as attracting new customers, thereby helping it to gain market share. The AMPLIVISION® computer-assisted surgery systems are offered to surgeons either by agents or distributors, or directly by the Group itself. As at the date of this Universal Registration Document, the Group thus installed over 164 AMPLIVISION® machines (computer-assisted surgery systems) with customers.

The Group devotes a significant proportion of its budget to its research and development activity. As a result, research and development expenditure amounted to 1.8% of revenue for the financial year ended 30 June 2023, i.e. approximately €1.8 million, compared to 2.1% of revenue for the financial year ended 30 June 2022, or approximately €1.8 million. Accordingly, the Group can adapt to the specific requirements of patients, surgeons and healthcare facilities and provide them with new technologies.



iv. *Renowned expertise provided by experienced teams*

The Group's management team has proven experience in research, innovation and business development. The members of the Group's management team have extensive experience in the area of orthopaedic surgery and more specifically, in the design and sale of joint prostheses. Several members of the management team previously held a variety of roles with competitors of the Group. Prior to co-founding the Group in 1997, Olivier Jallabert was R&D Project Manager at Biomet. Dimitri Borchtch (Vice President of Finance) was previously Chief Financial Officer of a service company. He joined the Group in 2019. Bruno Jugnet (Vice President of International Marketing and Sales for France) was Marketing Manager for knees at Tornier before joining the Group in 2005. Mireille Lemery (Vice President Regulatory Quality) was previously Director of International Regulatory Affairs at Tornier before joining the Group in 2015. Muriel Benedetto (Director of Operations) was previously Global Director of a major product line at Zimmer Biomet and has more than 20 years of experience in the orthopaedic medical device industry.

The Group is able to recruit highly qualified staff who receive ongoing training, which means that it can respond to the specific regulatory and technical requirements for its business sector.

1.3.4.2 *A rapidly consolidating market creating opportunities for the Group*

i. *Consolidation of the markets for hip and knee prostheses*

The market for orthopaedic prostheses is currently undergoing a period of consolidation amongst the various players in the sector. In 2015, the Zimmer Group (United States) announced plans to merge with the Biomet Group (United States). Similarly, Tornier (France) announced plans to merge with US-based Wright Medical Group. The main transactions that have taken place over the last few years have been as follows:

<b>Date</b>	<b>Purchaser</b>	<b>Target company</b>	<b>Main market segments</b>
06/2023	Restor3d	Compliance	Knee
06/2023	Enovis	Novastep	Extremities
05/2023	Zimmer Biomet	OSSIS	Personalised 3D implants
01/2022	Smith & Nephew	Engage surgical	Knee
06/2021	DJO	Mathys AG	Hip Knee Shoulder
05/2021	Shelby	Consensus Orthopedics	Orthopaedic implants
01/2021	Stryker	Orthosensor	Sensor technology
12/2020	Exactech	MUVR Labs	Smart patient wearables 01/2021
09/2019	Globus Medical	StelKast	Hip – Knee
03/2019	Smith & Nephew	Brainlab ortho	Hip – Knee Navigation
03/2019	Permira	OSI	Hip – Knee Navigation
03/2019	Corin	Omni	Navigation
02/2019	Colfax	DJO Global	Hip – Knee
10/2018	Permira	GLOBAL	Hip – Knee
05/2018	Permira	Corin	Hip – Knee
04/2018	AK Medical	JRI Orthopaedics	Hip and shoulder
03/2018	TPG Capital	Exactech	Hip Knee Shoulder

02/2018	Depuy Synthes	Orthotaxy	Navigation
01/2018	EKKIO	FX Solutions	Shoulder
10/2016	Corin	Tornier	Hip – Knee
07/2016	Zimmer	Medtech	Robotics
06/2016	Medtronic	Responsive Orthopedics	Hip – Knee
05/2016	Stryker	Satnmore Implants	Hip – Knee
04/2015	Zimmer	Biomet	Hip – Knee – Extremities – Trauma – Biomaterials – Sports medicine

The Group may be able to add value to its R&D activity, given that the reduced competition resulting from consolidation amongst the major players could slow the pace of innovation.

Furthermore, consolidation in the sector could create additional business opportunities for the Group. Indeed, mergers could lead to some products being abandoned as a result of the coexistence of several similar product lines. Surgeons may not wish to use the product range that is retained and could thus look to competitor solutions. In addition, in some geographic regions, mergers could result in the duplication of sales networks (sales employees, sales agents or distributors), leading the players in question to separate from one of the overlapping networks. Lastly, these mergers could create recruitment opportunities for the Group, as they may lead to the duplication of teams in some areas (in particular R&D, marketing and sales). Since consolidation reduces the number of players in the market, the Group's position in some markets could be strengthened, making it even more attractive as an alternative to the major consolidated groups.

*ii. The market for extremities*

On 29 June 2023, the Group completed the disposal of the entire Novastep business activity, specialising in surgery of the extremities (feet and ankles) to Enovis Corporation.

*1.3.4.3 A strong competitive position in the markets for hip and knee prostheses*

The Group was ranked in 2013 in fifth place in terms of its share of the French market for knee and hip prostheses and is now in the second place.

Group market share for knee prostheses in France went from 10.5% in 2015 to 14.8% in 2019. The Group's market share for hip prostheses in France increased from 6.1% in 2015 to 7% in 2021. (*Source: ATIH 2021*)

In addition, over the period from 2005 to 2023, Group sales in the French market increased by an average of 9.4% a year.

There are various barriers to market entry and expansion of new competitors in orthopaedic prostheses.

Firstly, a new entrant must invest heavily in research and development to create a range of products and services that meet the expectations of patients, surgeons and healthcare facilities. To achieve this, it must also find experienced surgical staff with a track record of innovative ideas.

Before product marketing can begin, marketing authorisation is required. In recent years, the applicable legislation has become more complex and the time required to obtain authorisations has increased significantly. On average, it requires one year in the United States, between one and two years in Europe, three in Australia and Brazil to obtain marketing authorisation for new products. Applicable product quality and safety standards are increasingly exacting. Notified bodies or local administrations

outside Europe, on which the Group depends, are also increasingly demanding, as evidenced, for example, by the increase in the number of alerts per year reported to the Health Safety Administration regarding non-compliance with quality standards. Furthermore, the specifics of these procedures vary locally from country to country. This growing complexity of standards and the increase in requirements have the effect of driving up costs as well as the time required to bring a product to market.

Products must also be patented in order to protect them or to secure licences for other patents. Most innovations available on the market are already patented. It will be even more difficult for a research and development team that does not have an established intellectual property rights base to offer patentable products.

A new market entrant will also be faced with a clinical barrier: to persuade surgeons and healthcare facilities to use its products, it must be able to prove their quality and reliability. To demonstrate long-term product quality requires a clinical follow-up team. The Group has clinical data for most of the products that it sells, as well as a number of scientific publications.

New competitors often encounter a purely technical barrier insofar as the development of new products is a collaborative effort involving engineers and surgeons. It is especially difficult for a new market entrant to persuade renowned surgical teams to participate in the development of a new product. A new entrant would also be forced to develop a comprehensive product range across all segments within a limited timeframe. In the Group's view, market penetration depends on offering a comprehensive range of products and services in terms of implant type (primary and revision), joint concerned (hip and knee), and surgical philosophy, available in all sizes and supported by opinion leaders.

Finally, a new entrant will have to build a sales network, either by recruiting experienced teams or by establishing commercial relationships with agents or distributors.

Given the authorisations that it already holds, its international presence and the technical and human resources at its disposal, the Group considers that it is well positioned to expand its activities in countries where it already operates as well as continuing to develop in international markets.

#### *1.3.4.4 A targeted international presence*

Building on the success of its strategy in France, the Group is expanding internationally. The proportion of the Group's revenue generated internationally has thus increased by 156% over the period 2013-2023, from €10.6 million as at 30 June 2013 to €27.1 million as at 30 June 2023.

This policy is based on offering quality products and an alternative, "high-end" option, combined with technologies to facilitate the installation of implants. In the countries where the Group is established, the major international groups are present with a similar product offering. The Group has been able to adapt to the specific features of some local markets, such as in Brazil and Australia, two markets whose characteristics (in particular the players present, the products available and the market's maturity) make them comparable to the US market.

The Group specifically identifies the countries in which it seeks to develop. It only selects markets that it considers to have good potential and which have similar characteristics to markets where it is already present. This strategy is based on an analysis of market characteristics, such as the size of the market in question, the expected margin, pricing policies and the levels of reimbursement. The Group also looks at objective external factors, such as a country's demographics and its growth (both with regard to its GDP, where growth is indicative of an increase in the standard of living in the country in question, and the growth of the market for orthopaedic prostheses in that country).

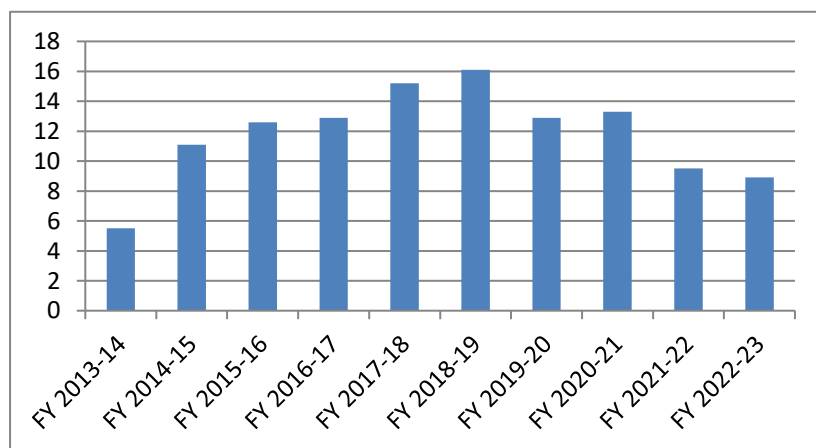
Lastly, the Group analyses its competitors' positions in the local market. The major international groups have a worldwide presence, but their range is highly standardised, giving the Group the opportunity to differentiate itself through innovation and its tailored service offering for the local market. Since local competitors are not necessarily positioned in the high-end market, the Group differentiates itself through its range of innovative products and services, placing the surgeon at the heart of its strategy to make rapid gains in market share.

The Group may employ a variety of strategies to gauge the new market's interest in its products and services. Where management has particular experience and specific knowledge of the market, a subsidiary is created. In other markets, the Group generally takes a two-stage approach. In the first instance, it enters into an exclusive distribution contract locally, which allows it to test the market and the depth of demand, and to identify the specific characteristics of that market. Assuming that this foothold proves successful, it then acquires the distributor or its business so as to sell its products directly, energise the marketing effort and establish direct personal relationships with local surgeons. It can thus sustain its existing market share and increase efforts to win new market share. This has been the case in Germany, Australia, Brazil and Switzerland in particular.

This was how the Group expanded directly into Australia and Brazil in 2014, acquiring local distributors (Austofix in Australia and Unimplant in Brazil) and reproducing its strategy of excellence, both in terms of product quality and the relationship that it developed with its customers. The Group established a presence in South Africa in 2015.

Australia accounted for approximately 5.7% of Group revenue for the financial year ended 30 June 2023 (compared to 5.8% for the financial year ended 30 June 2022). Further to the acquisition of Austofix in July 2013, the Group's revenue in Australia has changed as follows:

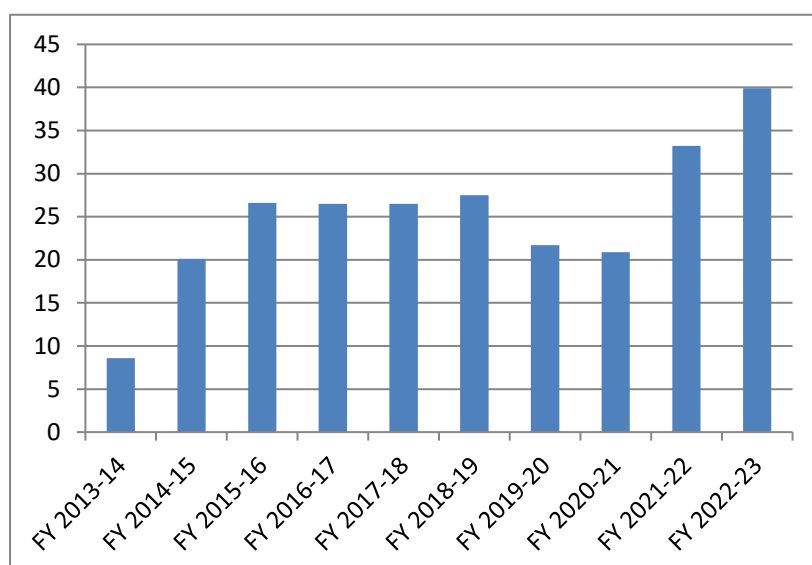
**Australia Sales** (in millions of Australian Dollars)



The Group sells through its subsidiary, either directly (via the subsidiary's employees or via sales agents) or indirectly (via distributors). The Joint Research range of hip products was launched in February 2015 in Australia.

Brazil accounted for 7.38% of Group revenue for the financial year ended 30 June 2023 (compared to 5.4% for the financial year ended 30 June 2022). Further to the acquisition of Unimplant in January 2014, the Group's revenue in Brazil has changed as follows:

### Brazil Sales (in millions of Reals)



Following the Unimplant acquisition, the Group has developed its network of local distributors.

#### 1.3.4.5 A proven operational and financial model

##### i. An appropriate, efficient business model

The Group had opted for a “fabless” business model. For several years, the Company has sought to vertically integrate certain manufacturing operations in order to guarantee product quality and reproducibility. Thus, this allows the Group to control manufacturing process-critical functions and ensure high product quality. It also allows the Group to reduce cost price and to improve profitability.

The Group’s core business is the research, development, marketing and sale of its medical devices. The Group also makes use of a network of subcontractors to manufacture part of its products. It has concluded more than 30 subcontracting agreements. Subcontractors located in France accounted for 83% of the Group’s subcontracting expenditure, with subcontractors in Europe (excluding France) accounting for 16% of its subcontracting expenditure. The subcontracting used by the Group is not limited to the supply of raw materials by its co-contractors. They produce the parts necessary for the Group’s products and assemble the various components, under the permanent control of the Group. Each stage of manufacture is managed by the Group, with the subcontractors’ objective being to complete just a part of each stage of the manufacturing process.

The Group handles all quality and dimensional inspections of its implants and ancillaries in-house and uses its team of quality engineers to monitor production. To do this, the Group has an in-house quality control department that controls the production of implants and instrumentation using three-dimensional measuring machines. The purpose of this is to guarantee advanced process reliability while meeting cost price objectives. For every part sourced from a subcontractor that is found to be non-compliant on inspection, the Group demands a credit against the invoice, thereby reducing the cost of non-quality in manufacturing. The Group monitors production. A number of audits are undertaken at subcontractors’ premises each year so that the Group can guarantee a high level of quality. The term of the supply framework agreements that the Group entered into with subcontractors means that the subcontractor turnover rate is low.

*ii. A dense and extensive network of business relationships*

In France, the Group has developed a local sales network, thanks to a large network of independent but exclusive sales agents who are remunerated on the basis of a commission based on the revenue received. The agent establishes and develops the commercial relationship with the medical practitioner and contributes to building a relationship of trust between medical staff and the Group.

In partnership with the Group's product leads, the agent provides surgeons and healthcare facilities with information about the Group's products and services. The agent may be present in the operating room to provide technical expertise.

Internationally, the Group has expanded by establishing subsidiaries and creating dedicated sales or marketing teams within these companies. The Group now comprises six foreign operating subsidiaries (in Germany, Australia, Brazil, Belgium, Switzerland and South Africa) and is present in 26 countries throughout the world. The methods used to distribute the Group's products are described in detail in Section 1.3.3.7 of this Universal Registration Document.

*iii. Maintaining close relationships with opinion leaders*

The Group also works closely with surgical teams to develop new products and technologies in order to remain at the forefront of innovation. In France and abroad (in particular in Australia), the Group has established technical partnerships with internationally recognised surgeons and opinion leaders for the Group's products. This partnership results in the surgeons in question contributing to the development of implants and instruments, to a variety of technical design tests and to post-market analysis. These surgeons often direct research efforts and publish their findings in respect of the Group's products in France and internationally (see Section 1.3.3 "*The Group's business activities*" of this Universal Registration Document).

The Group also collaborates with other surgeons with the purpose of feeding the clinical databases. As part of this collaborative effort, surgeons provide the Group with data on the prostheses that they have fitted. To enable it to exploit this data, the Group has developed a dedicated clinical follow-up application, CLINIRECORD®. All data is anonymous, confidential and encrypted. Surgeons can use the data that is input into this application for comparative analysis for the purpose of scientific publications. As at the date of this Universal Registration Document, over 48,731 knee and hip prostheses files are being monitored through the use of the CLINIRECORD® database developed by the Group.

*iv. Financial indicators that demonstrate the Group's success*

In recent years, the strategy developed by the Group has been reflected in results and growth that support its choice of business model.

The Group has experienced 18 years of continuous growth. Between 30 June 2005 and 30 June 2023, revenue rose from €16.3 million to €100.2 million, with profitable growth of approximately 11% per year on average. Over the same period, EBITDA rose from €3.7 million to €26.1 million.

### 1.3.5 The Group's strategy

The Group's vision is to become a leading European player in the market for orthopaedic prostheses. It wants to differentiate itself by supporting its quality products with positioning technologies, such as AMPLIVISION®, IMAGE®, or the surgical robotics under development.

Building on its experience in France and internationally, the Group's strategy is based around the following themes. The financial objectives are presented in Section 5.3 "Outlook".

#### *1.3.5.1 Consolidate the existing product range*

The Group is investing heavily in its existing product range to ensure compliance with the new European regulation. Most of the implant renewal submissions were sent to our notified bodies in 2022/2023. All implant submissions will be sent before May 2024, allowing them to benefit from the transition period recently granted by the European Commission, pending review of the submissions by the notified bodies.

The Group, keen to safeguard the procurement of its existing products, has invested in a new 4,700 m<sup>2</sup> manufacturing plant in France. This plant allows the Group to control key stages of the manufacturing flow of its products, and to manage its lead-time.

#### *1.3.5.2 Designing the innovations of tomorrow*

The Group plans to continue innovating and developing new technologies for its core business line, orthopaedic implants for the lower limbs.

The Group has developed a new cruciate-preserving knee implant, the TRAX® knee, for which 510(k) (USA) and TGA (Australia) registration applications are currently under review. This implant is intended to cover a new market share in prosthetic knee surgery. This type of implant is very popular in English-speaking countries.

The research carried out by the Group to expand its range of products is primarily a response to its desire to always meet the needs of its customers as best as possible, while adapting to local specificities and surgical philosophies and maintaining the quality of the products and services it offers. Amongst the various research topics currently being addressed by the Group, the AMPLIVISION® system is of particular strategic interest.

The Group plans to maintain its technological lead in computer-assisted surgery by developing new surgical techniques. In comparison with a conventional technique, the superiority of a computer-assisted surgery technique in the accuracy and repeatability of implant positioning has already been proven through numerous publications.

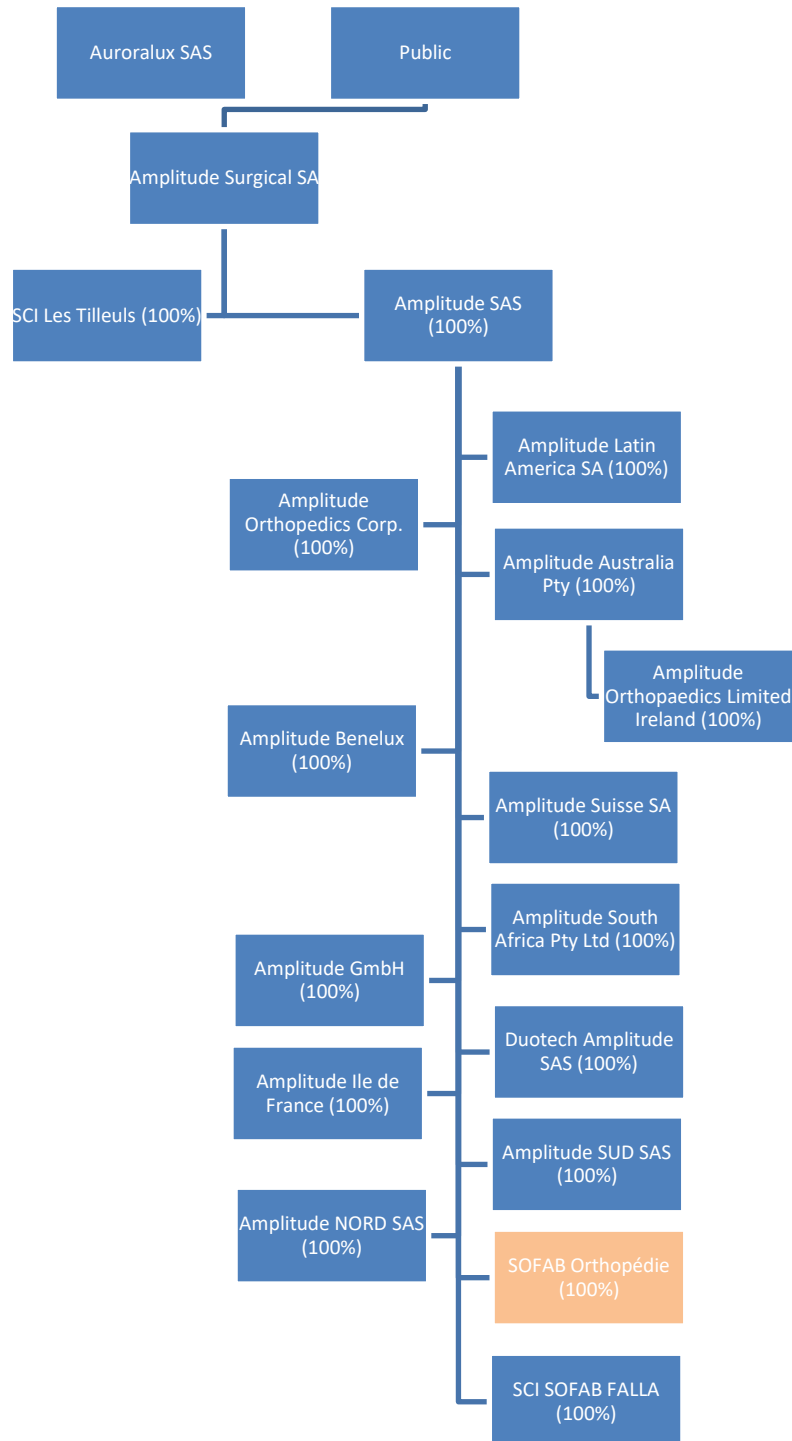
The "Technology" development team is also investigating new technologies to improve implant placement, including augmented reality systems and surgical robotics.

A partnership has been signed with the Grenoble-based company Ecential Robotics for the development of a robot for knee surgery.

## 1.4 ORGANISATION

### 1.4.1 The Group's legal organisational chart

The organisational chart presented below presents the legal organisation of the Group as at 30 June 2023:



\* The company merged with Amplitude SAS on 1 July 2023



The percentage of capital holdings and voting rights in the above organisational chart are identical.

The securities in Amplitude SAS held by the Company are subject to first-ranking pledge as detailed in Section 5.2.2.2 “*Debt*” of this Universal Registration Document.

#### 1.4.2 Main subsidiaries

The main direct or indirect subsidiaries of the Company as at 30 June 2023 are described below.

None of the Group’s subsidiaries are listed companies.

- **Amplitude SAS** is a simplified joint-stock company incorporated under French law with capital of €10,600,000, with its registered office at 11, Cours Jacques Offenbach, Valence (26000), France and registered under number 414 448 464 in the Trade and Companies Register of Romans. It is the company responsible for the manufacturing, distribution, import, export, sales and preparation of all medical products of the Group worldwide. The Company directly holds all the capital and voting rights of Amplitude SAS.

As at 30 June 2023, Amplitude had generated revenue of €88,498,898 with a profit of €40,057,683.

- **SCI Les Tilleuls** is a civil law real estate partnership incorporated under French law with capital of €1,530, with its registered office at 11, Cours Jacques Offenbach, Valence (26000), France and registered under number 439 216 748 in the Trade and Companies Register of Romans. It is the company that holds all rights concerning the Group’s real estate at the Valence registered office. The Company directly holds all the capital and voting rights of SCI Les Tilleuls.

SCI Les Tilleuls has a financial year end of 31 December of each year. For the financial year ended 31 December 2022, it had generated revenue of €987,221 and a profit of €236,282.

- **Amplitude Benelux** is a private limited liability company incorporated under Belgian law with capital of €18,550, with its registered office at rue de la Maîtrise, 5A, Nivelles (1400), Belgium, and registered under number 0549 982 971 in the Trade and Companies Register of Brussels. It is responsible for the distribution, of all medical products of the Group in Belgium and Luxembourg. The Company indirectly holds all the capital and voting rights of Amplitude Benelux.

Amplitude Benelux generated revenue of €2,453,642 and a loss of €387,374 in the financial year ended 30 June 2023.

- **Amplitude Latin America** is a limited company under Brazilian law with capital of BRL 2,516,494.31, with its registered office at 1460, Rua 06, sala 45, Rio Claro (CEP 13500-190), Brazil, and registered under number 10 978 692/0001-09 in the Trade and Companies Register of the State of São Paulo. It is the company responsible for the distribution of all medical products of the Group in Latin America. The Company indirectly holds all of the capital and voting rights of Amplitude Latin America SA.

Amplitude Latin America has a financial year end of 31 December of each year. For the financial year ended 31 December 2022, the company generated revenue of BRL 34,905,802 (€6,499,353) and a profit of BRL 7,210,973 (€1,342,661).

- **Amplitude Australia Pty Ltd** is a company incorporated under Australian law with capital of AUD 136, with its registered office at Suite 402, Level 4, 44 Miller Street, North Sydney NSW 2060, Australia, and registered under number ACN 161 470 622 in the Trade and Companies Register of the State of Victoria. It is the company responsible for the distribution of all medical

products of the Group in Australia. As at the date of this Universal Registration Document, Amplitude Australia Pty is wholly owned indirectly by Amplitude Surgical.

Amplitude Australia Pty generated revenue of AUD 8,891,893 (€5,669,529) and a loss of AUD 4,526,037 (€2,885,831) in the financial year ended 30 June 2023.

- **Amplitude Suisse** is a limited company incorporated under Swiss law with capital of CHF 100,000, with its registered office at Rue de la Corraterie 14, c/o Fiduciaire de la Corraterie SA, 1204 GENEVA, Switzerland, and registered under number CHE 100 103 729 in the Trade and Companies Register of Geneva. It is the company responsible for the distribution of all medical products of the Group in Switzerland and abroad. The Company indirectly holds all the capital and voting rights of this company.

Amplitude Suisse generated revenue of CHF 908,828 (€921,728) and a profit of CHF 168,367 (€170,757) during the financial year ended 30 June 2023.

- **Amplitude GmbH** is a company incorporated under German law with capital of €25,000, with its registered office in Nieder-Olm (55268), Germany, and registered under number HRB 734791 in the Trade and Companies Register of Stuttgart. It is the company responsible for the distribution of all medical products of the Group in Germany. The Company indirectly holds all the capital and voting rights of this company.

Amplitude GmbH generated revenue of €1,269,334 and a loss of €362 in the financial year ended 30 June 2023.

- **Amplitude Orthopedics Corp.** is a company incorporated under the laws of the State of Delaware, with its registered office at 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808, County of New Castle. As at the date of this Universal Registration Document, Amplitude Orthopedics Corp. is wholly owned by Amplitude SAS. Amplitude Orthopedics Corp. is dormant.
- **Amplitude South Africa Pty Ltd** is a company incorporated under South African law, with its registered office at 983 Unit 4 Meadow Brook Business Pk, Jacaranda Road, Olivedale, Johannesburg, 3194. On the date of this Universal Registration Document, Amplitude South Africa is wholly owned by Amplitude SAS.

Amplitude South Africa generated revenue of ZAR 44,962,569 (€2,383,300) and a loss of ZAR 2,406,933 (€127,583) for the financial year ended 30 June 2023.

- **SOFAB Orthopédie** is a French simplified joint-stock company, with capital of €3,339,854, with its registered office at 12, rue Laurent de Lavoisier, 26800 Portes-lès-Valence, and registered with the Trade and Companies Register of Romans under number 822 921 383. This company is a long-standing and strategic subcontractor of the Group. As at the date of this Universal Registration Documents, SOFAB Orthopédie is wholly owned by Amplitude SAS.

For the financial year ended 30 June 2023, SOFAB Orthopédie generated revenue of €4,215,517 and a loss of €1,792,886.

- **SCI Sofab Falla** is a civil law real estate partnership incorporated under French law with capital of €10,000, with its registered office at 11, Cours Jacques Offenbach, Valence (26000), France and registered under number 908 379 480 in the Trade and Companies Register of Romans. It is the company that holds all the rights to the buildings of the future plant site in Valence. The Company indirectly holds all of the capital and voting rights of SCI Sofab Falla.

SCI Sofab Falla was created on 1 December 2021 and has a financial year end on 30 June of each year. For the financial year ended 30 June 2023, it generated revenue of €0 and a loss of €34,507.

- **Amplitude Orthopaedics Limited Ireland** is a company wholly owned by Amplitude Australia Pty, which holds the CE mark of a hip product range. It did not conduct any business activity during the financial year ended 30 June 2023.
- **Amplitude Ile de France** is a French simplified joint-stock company with capital of €515,000, with its registered office at 11 Cours Jacques Offenbach, 26000 Valence, and registered under number 447 869 496 in the Trade and Companies Register of Romans. This company, formerly known as DMP, is a long-standing distribution partner in the Ile-de-France area. As at the date of this Universal Registration Document, following the buyback of the shares of the minority shareholders, the company is now wholly owned by Amplitude SAS.

For the financial year ended 30 June 2023, Amplitude Ile de France generated revenue of €2,146,421 and a profit of €412,594.

- **Duotech-Amplitude** is a French simplified joint-stock company with capital of €7,500, with its registered office located at 11 Cours Jacques Offenbach, 26000 Valence, and registered under number 488 772 963 in the Trade and Companies Register of Romans. This company is a long-standing distribution partner in the eastern region of France. As at the date of this Universal Registration Document, the company is wholly owned by Amplitude SAS.

For the financial year ended 30 June 2023, Duotech-Amplitude generated revenue of €908,569 and a profit of €282,837.

- **Amplitude Sud** is a French simplified joint-stock company with capital of €10,000, with its registered office at 11 Cours Jacques Offenbach, 26000 Valence, and registered under number 843 256 322 in the Trade and Companies Register of Romans. This company, created and wholly owned by Amplitude SAS, took over the sales activities in the South of France.

For the financial year ended 30 June 2023, Amplitude Sud generated revenue of €1,428,495 and a profit of €49,660.

- **Amplitude Nord** is a French simplified joint-stock company with a capital of €10,000, with its registered office at 11 Cours Jacques Offenbach, 26000 Valence, and registered under the number 882 949 977 in the Trade and Companies Register of Romans (France). This company, created and wholly owned by Amplitude SAS, took over the sales activities in the North of France.

For the financial year ended 30 June 2023, the company generated revenue of €1,680,680 and a profit of €167,714.

Contributions from significant subsidiaries as at 30 June 2022 and 30 June 2023 are presented in the tables below:

30 June 2023						
Consolidated values (excluding dividends) (in thousands of euros)	Fixed assets	Current assets	Equity attributable to owners of the parent	Financial debt	Cash	Dividends paid and recovered by the Company
Amplitude (Surgical)	133,435	20,517	80,333	72,533	345	

Amplitude SAS	68,980	87,411	51,853	46,140	32,640	
Amplitude GmbH	15	1,166	15	0	292	
Amplitude Benelux	20	1,197	(842)	0	117	
Amplitude Suisse	135	1,056	(59)	0	519	
Amplitude Australia Pty Ltd	1,142	4,037	(13,101)	106	518	
Amplitude Latin America	271	4,284	4,082	89	1,747	(1,003)
Amplitude South Africa	373	1,621	(2,346)	1,139	154	
SCI Les Tilleuls	129	2,262	172	215	173	(236)
Sofab	492	1,114	(2,924)	1	21	
Amplitude Duotech	3	753	624	0	138	(800)
Amplitude IDF	729	1,289	1,611	1	268	(2,500)
Amplitude Corp	331	14	(5,905)	0	4	
Amplitude Sud	6	375	148	1	176	
Amplitude Nord	35	501	222	1	177	
SCI Sofab Falla	4,673	683	(75)	5,272	29	
Intermediary holdings and consolidation adjustments	(45,319)	(64,926)	(17,994)	(19,021)	(109)	4,539
<b>Consolidated total</b>	<b>165,451</b>	<b>63,354</b>	<b>95,813</b>	<b>106,478</b>	<b>37,212</b>	

### 1.4.3 Shareholders' agreements and non-controlling interests

The Group has no shareholders' agreements.

## 1.5 REAL ESTATE ASSETS, PLANT AND EQUIPMENT

### 1.5.1 Existing or planned significant property, plant and equipment

On 25 July 2022, SCI SOFAB FALLA acquired a 12,667 m<sup>2</sup> plot of land, located near the registered office. A production building located at 55 cours Manuel de Falla 26000 Valence was delivered on 12 July 2023. The building has a total surface area of 4,717 m<sup>2</sup>.

During the financial year ended 30 June 2023, the Group spent €2,141,573 on rent and rental expenses and €362,168 on maintenance of its real estate assets. Most of this expenditure is for lease agreements. The Group considers these real estate assets are adequate to cover its existing needs and that additional appropriate space could be available should it prove necessary.

#### 1.5.1.1 France

##### i. SCI Les Tilleuls

SCI Les Tilleuls holds a financial lease for its registered office and that of Amplitude SAS, located in Cours Offenbach in Valence (Land Register section EL: numbers 389 to 391, 396, 397 and 446), entered into on 4 April 2011 for a term of 15 years.

This site comprises:

- a building used as offices of a surface area of approximately 1,563 m<sup>2</sup> constructed on a plot of land of 5,000 m<sup>2</sup>; and
- a second building used as offices of a surface area of approximately 3,780 m<sup>2</sup> constructed on a plot of land of 8,797 m<sup>2</sup>; and
- a third building used as offices of a surface area of approximately 3,690 m<sup>2</sup> built on a plot of land of 4,850 m<sup>2</sup>.

The amount of the investment under the terms of the lease is €5,240,300 divided into three tranches, the first corresponding to the acquisition price and costs (€3,274,600), the second to the cost of the fitting out and linking of the two buildings (€725,400) and the third to the costs of refurbishing the historic building (€1,240,300).

The rent is payable quarterly and incorporates a portion for reimbursement of the capital and a portion for interest calculated on the outstanding capital at a nominal rate of the three-month EURIBOR +1.50%.

SCI Les Tilleuls has a call option on the building subject to the financial lease. This option may be exercised either on maturity of the financial lease, i.e. 3 April 2026 for a price of €1.00 or in advance after the seventh year. In the latter case, the purchase price will be equal to the outstanding capital on the date of exercise of the option plus: (i) 3% until the end of the 10<sup>th</sup> year; (ii) 2% from the start of the 11<sup>th</sup> year to the end of the 12<sup>th</sup> year; (iii) 1% from the start of the 13<sup>th</sup> year to the end of the 14<sup>th</sup> year; and (iv) without any increase thereafter.

The building used as offices of an approximate surface of 3,690 m<sup>2</sup> was financed through a financial lease in August 2016 of an amount of €4 million for a term of 15 years.

*ii. Amplitude SAS*

Amplitude SAS is the lessee of the two sites which it occupies, located at Neyron (Ain) and Valence (Drôme) mainly used as offices.

The premises located at Neyron used exclusively as offices, of a surface area of 679 m<sup>2</sup>, are occupied under a commercial lease entered into on 19 March 2015.

Amplitude SAS subleases the premises leased by SCI Les Tilleuls under the financial lease described above, under a commercial subleasing agreement for use for the manufacture and marketing of all medical-surgical devices and products and for provision of medical-surgical services.

Amplitude SAS is also the lessee of storage premises located in Valence under a commercial lease from 1 May 2015.

Amplitude SAS is also the tenant of the new production premises leased by SCI Sofab Falla since 13 July 2023.

The occupancy rate of the premises occupied by Amplitude SAS is 90% as at the date of this Universal Registration Document.

### iii. Sofab Orthopédie

Sofab Orthopédie leases its offices, storage site and production site under commercial leases located in Portes-Lès-Valence and Etoile-Sur-Rhône.

The handover of the new production building led to the gradual relocation of machines and production facilities and the termination of the leases of Portes-Lès-Valence on 30 September 2023 and Etoile-Sur-Rhône on 31 December 2023.

#### 1.5.1.2 International locations

The Group also has international locations in the following countries, where the subsidiaries occupy office or storage space as tenants: South Africa, Germany, Australia, Belgium, Brazil and Switzerland.

## 1.6 INVESTMENTS

### 1.6.1 Investments in the last three financial years

The table below sets out the total amount invested by the Group in the last three financial years:

(in thousands of euros)	Financial year ended 30 June 2023	Financial year ended 30 June 2022	Financial year ended 30 June 2021
Intangible fixed assets	4,550	3,477	857
Property, plant and equipment	13,056	5,192	5,136
<b>Total</b>	<b>17,606</b>	<b>8,669</b>	<b>5,993</b>

Investments made during the financial year ended 30 June 2023 mainly concerned intangible assets, product development, investment in MDR certification (R&D for €3.1 million), investment in the implementation of a new ERP (SAP) for €1.2 million, and property, plant and equipment assets, ancillary equipment made available to customers (€5.0 million), construction of the new plant (€4.5 million), validation of the clean room for cleaning and packaging of implants (€0.8 million) and investment in industrial machinery (€0.4 million).

Investments made during the financial year ended 30 June 2022 mainly concerned intangible assets, product development (R&D for €2.6 million) and investment in the implementation of a new ERP (SAP) for €0.8 million, and property, plant and equipment assets, ancillary equipment made available to customers in France for €2.1 million, validation of the clean room for cleaning and packaging of implants for €0.5 million, investment in ancillary equipment at Novastep (Inc and SAS) for €1.6 million, investment in industrial machinery at Sofab for €0.4 million and the start of construction of the new plant for €0.2 million.

### 1.6.2 Main investments in progress

On 25 July 2022, SCI Sofab Falla acquired a 12,667 m<sup>2</sup> plot of land to build an industrial building needed for subcontracting operations carried out by Sofab. The building permit had been obtained on 11 May 2022. The construction of the industrial building with a surface area of approximately 4,717 m<sup>2</sup> has been granted to a general contractor with experience in the construction of production units for the medical sector. The building was delivered in July 2023 and is operational. The total budget for land,

construction and fit-out is estimated at approximately €7.5 million, of which approximately €4.5 million was paid before 30 June 2023, with the balance to be paid in the 2023-24 financial year.

During the 2023-2024 financial year, the Group will continue to implement a new ERP (Enterprise Resource Planning), which is scheduled to be commissioned in France during the 2023-24 financial year. The Group-wide roll-out will take until the end of 2025, for a total investment, excluding Cloud fees, estimated at €2.5 million.

## **1.7 REGULATORY**

As a manufacturer of medical devices, the Group must satisfy regulatory requirements in each of the countries where it markets its products. Regulations for the Group's "key" markets, i.e. those where it has a subsidiary, are set out below.

### **1.7.1 Legislation applicable to medical devices**

#### *1.7.1.1 Europe*

##### *i. Applicable legislation*

#### General overview:

The European Union has established a legal framework for the inspection of medical devices within the European Union. The regime obliges manufacturers to ensure that their devices are safe and suitable for their intended purpose before they are marketed in Europe and throughout their life cycle. The aim of the regime is to harmonise the European standards in place to protect against the risks associated with the design, manufacture, packaging and distribution of medical devices and enable free movement of these devices in the European internal market.

The European Regime is laid down by a number of Directives and Regulations, including (i) Regulation (EU) 2017/745 of the European Parliament and of the Council of 5 April 2017 on medical devices, amending Directive 2001/83/EC, Regulation (EC) No. 178/2002 and Regulation (EC) No. 1223/2009 and repealing Council Directives 90/385/EEC and 93/42/EEC.

This Regulation covers a number of aspects of medical devices, including in particular:

- product design, development and manufacture;
- product testing;
- storage and distribution;
- marketing;
- product certification and CE marking;
- clinical investigations of products;
- data storage procedures; and
- post-marketing monitoring (medical device vigilance).

### Manufacturer:

The main obligations under the Regulation apply to “manufacturers” of medical devices, namely, the individuals or legal entities responsible for the design, manufacture, packaging and labelling of a device before it is marketed under their own name, regardless of whether these operations are carried out by these individuals or entities or by a third party on their behalf. The key provision that qualifies a medical device manufacturer as such is the fact of placing the medical device on the market “under its own name”.

The definition of a manufacturer in Regulation 2017/745 refers to an individual or legal entity who manufactures or refurbishes a device or has a device designed, manufactured or refurbished, and markets the device under its name or trademark. A manufacturer is an “economic operator” within the meaning of Regulation 2017/745. When certain activities are carried out by a distributor, importer or any other person, the latter must comply with the manufacturer's obligations.

### Classification of devices:

The Medical Devices Regulation imposes a hierarchical system of control such that the level of control over a medical device corresponds to the level of potential risk identified inherent in the type of device. As a result, a “risk-based” classification system has been set up to determine levels of risk based on the vulnerability of the human body and considering the potential risks associated with devices. A medical device may be determined as falling within one of the following four classes of products, from low risk to high risk: Class I, Class IIa, Class IIb and Class III.

As an example, basic adhesive dressings generally fall within Class I, while hip replacements would generally be considered as Class III devices. Orthopaedic surgery instruments are considered Class I or IIa, based on their characteristics.

### Compliance assessment:

Before products are marketed in the European Union, they must obtain CE marking to prove their compliance with European legislation. This CE marking provides legal authorisation for the manufacturer to distribute their products within the European Union. It is also a guarantee of safety for users and indicates that the manufacturer has made every effort to ensure compliance with European requirements.

To be able to affix the CE mark to one of its medical devices, the manufacturer’s products must comply with the “*General Safety and Performance Requirements*” laid down by the European Regulation. This comprises a clinical assessment of the device and compliance with the harmonised European standards and shared specifications for a number of medical devices.

The nature of the compliance assessment depends on the classification of the medical device (and reflects the perceived risk associated with the device). As a general rule, compliance assessment procedures for Class I devices may be carried out by the manufacturer itself by means of self-certification: once the manufacturer considers that the product meets all the “*General Safety and Performance Requirements*” of the European Regulation, it declares that the product complies with the Regulation and must register with the competent authority of the Member State in which the device is marketed.

All other classes of device (and Class I sterile or invasive reusable devices) require a level of involvement from a “**Notified Body**”. Class IIa, IIb and Class III devices must be audited or examined, and in the case of Class III devices, the technical documentation for the device must be submitted and approved by the Notified Body. Notified Bodies, which number approximately 30 throughout Europe,



are appointed and supervised by Member States and act under the supervision of the Competent Authority.

Notified Bodies are initially selected by the manufacturer. Having been under the authority of German Notified Body DEKRA, the Group has chosen the British Notified Body, the British Standards Institution (BSI) and KIWA, with regard to its quality certification. The CE certificates for its devices are issued by one of the two Notified Bodies chosen by the group: the BSI division in the Netherlands or the KIWA division in Italy. As a French manufacturer, the Group is also supervised by the competent French authority, the French National Agency for Medicines and Health Products Safety (ANSM).

*ii. Structure and control of the quality management system*

Since it was established, the Group has set up a quality management system covering all of its activities, from product design to distribution. This system applies to all the Group's activities and is audited annually by Notified Body BSI to ensure that it is effective.

As such, the Group has the ISO 13485:2016 certification, an essential quality system certification for medical device manufacturers, meeting various requirements of the Medical Devices Regulation.

Since 2018, the Group has also held an MDSAP certificate obtained following an audit of the BSI, which guarantees that the quality management system complies with the legal and regulatory requirements applicable to medical devices in Australia, Brazil, Canada, the United States of America and Japan.

Post-marketing surveillance and vigilance reports:

Post-marketing activity may be considered proactive (post-marketing surveillance [PMS]) or reactive (medical device vigilance). Manufacturers must establish and maintain a procedure for systematic analysis of the data acquired on devices in the production and post-production phases and implement appropriate means to apply the corrective or preventive measures that are required to ensure the performance and safety of the product. PMS processes generally seek information on the safety and quality of the device, which is then used to determine whether the risk assessments conducted previously demand revisions to the device, if the instructions for use necessitate a revision and if a product quality issue needs attention and to be addressed.

In addition, medical device vigilance under the regulations requires manufacturers to publish reports for the Competent Authority immediately after it becomes aware of: (i) any malfunction or degradation in the characteristics and/or performance of a device, as well as any inadequacy in the labelling or the instructions for use which might lead or which might have led to the death of a patient or a serious deterioration in their state of health; and (ii) any technical or medical reason connected with the characteristics or performance of a device leading to systematic recall of devices of the same type by the manufacturer for the reasons described in (i).

Manufacturers are also required to inform the Competent Authorities of any field safety corrective actions (FSCA) that they are undertaking. FSCAs are generally carried out in response to problems raised by the manufacturer through the vigilance of PMS programmes and are actions implemented to reduce the risk of death or serious deterioration in the state of health associated with the use of a medical device already on the market. As an example, FSCAs can include modifications to a device, review of the advice pertaining to the use of the device or the return of the device to the manufacturer.

### Implementation:

The Competent Authorities in all Member States have a range of powers for handling and withdrawing from the market products that do not comply with the applicable requirements, and may institute criminal proceedings if legislation governing medical devices is not enforced. As an example, some of the powers granted to the Competent Authorities of Member States include the ability to:

- enter premises, inspect goods, examine manufacturing procedures and arrange tests, and demand that all files be produced for examination;
- seize and hold certain goods or restrict or prohibit the supply of certain goods;
- issue a series of opinions requiring the suspension of deliveries, the restriction of supply, the confiscation of goods, the provision of warning notices and/or the completion of corrective measures to rectify a non-conformity;
- issue recall notices requiring the manufacturer to arrange for return of the product by consumers; and
- bring criminal proceedings, including convictions with fines and prison sentences.

#### *iii. Specific features of the different European Union member countries*

The regulatory environment applicable to the Group is set by the European Regulation. The Group must also consider the specific national characteristics that complement regulations. Some Member States have added requirements related to the terms of reimbursement of devices or to advertising. These requirements vary considerably between Member States, with French requirements in respect of advertising under the Bertrand Law being particularly strict (and very similar to the rules that apply to medicinal products).

#### *1.7.1.2 United States*

##### *i. Applicable regulations*

In the United States, the legislation applicable to medical devices was defined by the Medical Device Amendments Act of 28 May 1976, which amended the federal Food, Drug and Cosmetics Act (“**FDCA**”). This legislation was transposed into Sections 800 to 1299 of the Code of Federal Regulations (“**CFR**”), which defines medical devices, creates a classification scheme for them and describes the necessary standards for a product to be registered.

Product and manufacturer registration is directly controlled by the Food and Drug Administration (“**FDA**”).

The basic regulatory requirements with which manufacturers of medical devices distributed in the United States must comply are: (i) registration of the company; (ii) registration of the medical devices; (iii) pre-market notification 510(k), unless exempt, or pre-market approval (PMA); (iv) Investigational Device Exemption (IDE) for clinical trials; (v) legislation on the quality system; (vi) labelling requirements; and (vii) reports on medical devices.

ii. *Medical device registration and inspection procedure*

In the US market, as with most other national markets, medical devices are categorised into classes (on a scale from I to III based on the level of hazard). Depending on the product class, there are two procedures to be used:

The pre-market notification 510(k) procedure: This procedure entails filing a technical submission to demonstrate that the product covered by the submission is substantially equivalent to a product already present on the US market (concept of “Substantial Equivalent”). To demonstrate substantial equivalence, the applicant must demonstrate that their device has the same “intended use” and is as safe and effective as the predicated device. This procedure applies to most Class II (moderate risk) devices. The time-scale for review of a submission by the FDA is a minimum of 90 days. However, the FDA may suspend the time-scale if it considers that the responses with which it has been provided are inadequate. The time-scale may therefore be protracted and may even culminate in failure of the submission. The applicant must pay a small user fee for the submission.

The “pre-market approval” procedure (“PMA”): If the products submitted are Class III (high risk) products with no Substantial Equivalent on the market, the FDA then requires the “Pre-market approval” procedure. This procedure is significantly longer and more complex. The PMA must include information on the manufacture, components and principles of operation of the device; on the proposed labelling; and comprehensive reports on all information related to surveys conducted to evaluate the safety and efficacy of the device. The PMA must include clinical data, and the applicant must pay a substantial user fee.

Class I devices, which present the lowest risk, are generally exempt from any pre-market scrutiny (as mentioned above).

1.7.1.3 *Brazil*

The National Health Surveillance Agency (ANVISA) is responsible for the control and regulation of medical devices manufactured or marketed in Brazil under the supervision of the Minister for Health.

i. *Applicable regulations*

The regulation applicable to medical devices is amended resolution RDC No. 751 of September 2022. This resolution describes the procedure applicable to the registration of medical products and lists the documents that are necessary. Products are also grouped into four different classes.

ii. *Medical device registration and inspection procedure*

For a medical device to be manufactured or marketed in Brazil, proof must be provided of its compliance with resolution RDC No. 751/2022. Products must have been subject to testing by an accredited laboratory (ILAC, EA or IAAC).

In addition, electrical medical devices must obtain INMETRO certification, issued by a certifying body, and must then be registered directly with the National Health Surveillance Agency.

1.7.1.4 *Australia*

i. *Applicable regulations*

Medical devices are regulated by the Therapeutic Goods (Medical Devices) Regulations adopted in 2002. This legislation is technically very close to the Medical Device Directive in its requirements and its application procedures. As such, there is a quality system certification procedure in the Australian

market that is comparable to the procedure used in the European Union and is based on ISO 13485:2016 certification.

The authority responsible for monitoring and enforcing this legislation is the Therapeutic Goods Administration (TGA). This Administration is also the compliance assessment body for medical device manufacturers.

*ii. Medical device registration and inspection procedure*

The registration procedure for the Australian market is known as a “Pre-market assessment”. This procedure is based on filing a technical submission which must demonstrate that the proposed device complies with the Australian regulations, and in particular with the essential requirements of the Therapeutic Goods (Medical Devices) Regulations 2002 amended.

1.7.2 Liability for defective products

Liability for defective products was introduced by the European Directive of 25 July 1985 and codified in Articles 1245 et seq. of the French Civil Code. This legislation establishes the automatic liability of producers for losses caused by product defects.

Any producer within the meaning of Article 1245-5 of the French Civil Code is liable, regardless of whether they are contractually bound to the victim or whether the victim has professional status, provided that the injury has been caused by a product defect and that the product has been put into circulation.

The concept of producer is extremely broad, since it covers any entity acting in a professional capacity and manufacturing a product, producing a raw material or even manufacturing a component part, as well as any entity acting in a professional capacity and purporting to be a producer by placing their trademark or other distinctive sign on the product. Use of the fables model does not exempt the Group from this liability: it therefore falls directly within the definition of producer and is automatically subject to liability for defective products.

The trial judges decide on the defect at their sole discretion pursuant to Article 1245-3 of the French Civil Code according to which a product is defective when it does not provide the level of safety that can legitimately be expected.

The principle of compensation is the principle of full compensation for all harm, with no indemnity ceiling. Healthcare products and devices used in this context, including orthopaedic prostheses, are thus products within the meaning of French law.

The European Commission is working on the revision of the 1985 Directive on product liability (Directive 85/374/EEC). This revision could bring significant changes. For example, the criteria for assessing the defectiveness of a product would include the design, technical characteristics, instructions and reasonably foreseeable use of the product.

The directive creates a presumption of defect, in particular if the product does not comply with legal safety requirements or if the damage was caused by an obvious malfunction. With regard to the causal link, the product would be presumed to be defective if the claimant is able to demonstrate both that the product contributed to the damage and that “it is probable that the product was defective or that its defect is a probable cause of the damage”. Finally, the product would be presumed to be defective if the manufacturer did not comply with an evidence disclosure order.

The new directive would also make the agent, importer, distributor and "order fulfilment service provider" liable, in addition to the manufacturer.

The Group is also subject to equivalent liability in all countries where it distributes its products.

### 1.7.3 Management of relationships with prescribing professionals and managers in public hospitals awarding public contracts

#### 1.7.3.1 In France

In France, relations between device manufacturers and distributors and healthcare professionals are governed by the laws referred to as "anti-gift law" and "transparency law".

The anti-gift law establishes the principle of a general prohibition on the provision or offering of benefits to any person providing healthcare services by persons producing or marketing products covered by compulsory social security schemes. The law provides for certain exclusions and derogations and any interaction must strictly comply with the conditions laid down for each type of exclusion or derogation.

The purpose is to ensure that healthcare professionals, in their choice of a medical product, equipment or service covered by compulsory social security schemes, are guided only by medical considerations.

The transparency law allows citizens to access certain information so that they can more objectively assess the relationships between healthcare stakeholders and companies producing or marketing healthcare products or providing services associated with these products.

For the purpose of complying with the restrictions stipulated by these provisions, the Group applies ethical rules based on the following major principles:

- relationships between the Group and persons providing health services must not influence purchasing decisions through direct or indirect benefits;
- relationships between the Group and persons providing health services must be transparent and comply with the current legislation applicable in this area; and
- relationships between the Group and persons providing health services must, in compliance with current applicable provisions, be subject to written agreements, for which templates have been adopted by the Group (with every agreement being submitted to the relevant *ordre des médecins* [French governing body for doctors] or the ARS).

Furthermore, a significant proportion of the Group's business derives from public supply contracts awarded by public healthcare facilities covered by the scope of application of the French Code of Public Contracts.

In France, businesses that participate in public contracts are exposed to the risk of criminal sanctions if their behaviour in respect of an awarding authority has the effect of distorting competition conditions in relation to the award procedure.

The main risk of criminal sanction is connected with the offence of favouritism, defined by Article 432-14 of the French Criminal Code as the act of procuring or attempting to procure undue advantage by means of an act contrary to the laws and regulations designed to guarantee freedom of access and equality of candidates in public contracts. A company may, under certain conditions, be exposed to

aiding and abetting the offence of favouritism and therefore incur: (i) criminal penalties; and (ii) the cancellation of the public contract by the administrative judge.

There are also other offences, as laid down in Articles 433-1 et seq. of the French Criminal Code, with which a bidder for a public contract may be charged, such as active corruption, which includes offering undertakings, gifts or benefits of any kind to a representative of the public authority in exchange for an official duty or for forbearance, or active trading in influence, which includes offering undertakings, gifts or benefits of any kind to a representative of the public authority for them to abuse their influence for the purpose of obtaining public contracts or any other favourable decision from a public procurement authority.

This criminal law framework for public contracts requires the Group to abide by strict ethical rules and principles when it participates in public procurement procedures.

For this purpose, in respect of public healthcare facilities and their representatives, the Group ensures that it complies with the recommendations of the codes of ethics published by public purchasers and, in particular, that:

- it neither offers (nor accepts) any direct or indirect benefit from (or on the behalf of) the public entity;
- it ensures that the other candidates benefit at the same time from any inside information that is granted (adherence to the principle of equal treatment of candidates);
- it refrains from giving any gifts, particularly during the consultation period (during execution of the contract, only ordinary gifts with token value – such as pens or promotional items – may be given);
- it refrains from taking representatives of the public customer to a restaurant, particularly during the consultation period; and
- it refrains from inviting its contacts to professional events (such as trade fairs and workshops) or recreational events (such as sporting or cultural events), at the Group's expense.

#### *1.7.3.2 Throughout the world*

Mechanisms for transparency and regulation of conflicts of interest exist in other countries where the company is present. Local regulations have often been constructed with reference to the American system, the Physician Payment Sunshine Act (the “**Sunshine Act**”).

In the United States, it was adopted in March 2010 as part of the US “The Patient Protection and Affordable Care Act” and implementation through various regulations adopted by the “US Centers for Medicare & Medicaid Services” (The body that sets the reimbursement terms for healthcare in the United States [the “**CMS**”]) in February 2013. The Sunshine Act requires that drug, medical device and biological and medical material manufacturers covered by the three US healthcare regimes (Medicare, Medicaid and the health insurance scheme for children, the “**SCHIP**”) disclose any payment or item of value given to doctors or university hospitals to the CMS. The CMS also requires certain manufacturers and group purchasing organisations to disclose any contribution to or investment in these bodies by doctors. The information reported is published on the Open Payment programme website managed by the CMS.

The Sunshine Act defines “payments or other items of value” as any item of any value, such as meals, fees or the reimbursement of travel expenses. However, certain payments are expressly excluded from this definition, including educational material and contributions in kind to charity.

The information to be disclosed to the CMS for each payment or transfer of value must include (i) the name and address of the recipient, (ii) the amount and date of payment or transfer, (iii) the form of payment or transfer. transfer (monetary or in shares), (iv) the nature of the payment or transfer (fees, gifts or entertainment expenses).

Failure to provide this information in good time is subject to financial penalties. Knowledge of a failure to provide information to the CMS is also punishable with a civil fine of an amount ranging from \$10,000 to \$100,000 (the total may not exceed \$1,000,000).

#### 1.7.4 Advertising restrictions on medical devices

As a manufacturer and distributor of medical devices, the Group is subject to restrictions in France on advertising for its products, in accordance with the provisions of Articles L.5213-1 and R.5213-1 et seq. of the French Public Health Code transposing the Bertrand Law.

Advertising is defined as all forms of information (including door-to-door), canvassing activity or inducement designed to promote:

- the prescription;
- the supply;
- the sale;
- or the use of medical devices.

The following forms of information are excluded:

- labelling and instructions for use;
- correspondence, possibly accompanied by material of a non-promotional nature, needed to answer a specific question about a device;
- information related to warnings, precautions for use and adverse effects identified as part of medical device vigilance and in vitro diagnostic medical device vigilance;
- sales catalogues and price lists if they do not feature any information about the device;
- information on human health or human diseases, provided that it does not make reference – even indirectly – to a medical device.

With regard to medical devices that are reimbursable, even partly reimbursable, by compulsory health insurance schemes, advertising to the public is prohibited in principle (Article L.5213-3 of the French Public Health Code). However, the list of devices for which advertising to the general public is permitted (Class I and IIa medical devices) is set by decree. This advertising is subject to ex-post checking by the ANSM and there is no requirement to file it with the ANSM. Advertising to the general public is strictly prohibited for reimbursable Class IIb and III devices.

Non-reimbursable medical devices may be advertised to the general public (Article L.5213-4 of the French Public Health Code). It is subject to ex-ante checking by the ANSM if the medical devices are on the list of devices presenting a significant risk to human health (which are authorised for a renewable term of five years). Advertising for other non-reimbursable devices is subject to ex-post checking by the ANSM and there is no requirement to file it with the ANSM.

For all medical devices, both reimbursable and non-reimbursable, advertising to healthcare professionals for devices on the list of medical devices presenting a significant risk to health is subject to ex-ante checking by the ANSM. Advertising to healthcare professionals for other medical devices is subject to ex-post checking by the ANSM and there is no requirement to file it with the ANSM.

In all cases where advertising is permitted, its form and content must comply strictly with the obligations and prohibitions prescribed by the French Public Health Code and in particular, by Articles L.5212-3 and R.5213-1 to R.5213-3.

The ANSM monitors and sanctions failure to comply with these constraints and may add daily penalties to its formal demands and prohibit the continuation or distribution of an advertisement.

#### 1.7.5 Environmental legislation

Due to the non-hazardous nature of the substances present in the products that it sells (which consist entirely of metals such as titanium), the Group is subject to limited standards and constraints with regard to environmental law.

Given the Group's business and the integration of certain manufacturing steps, the provisions applicable to it in France relate to the regulations applicable to waste electrical and electronic equipment and the disposal of waste water used in the manufacturing process.

##### *1.7.5.1 Energy saving regulations*

Coming into force on 1 October 2019 and supplemented by the "method" decree of 10 April 2020, the tertiary eco-energy decree, resulting from the Elan law of 23 November 2018, requires tenants and owners of tertiary buildings to reduce their energy consumption. Establishments subject to this legislation are operators (owners, lessors or occupiers) of an establishment housing tertiary activities in the private or public sector and having a building with a surface area equal to or greater than 1,000 m<sup>2</sup> for exclusively tertiary use, or several parts of a mixed-use building housing tertiary activities and whose total surface area is equal to or greater than 1,000 m<sup>2</sup>, or a group of buildings located on the same site where these buildings house tertiary activities on a total surface area equal to or greater than 1,000 m<sup>2</sup>.

Establishments subject to this legislation are required to declare their energy consumption annually on the OPERAT platform managed by ADEME, to take action to reduce energy consumption and to certify the results obtained or the action taken to achieve the targets. For each establishment subject to the legislation, the relative reduction target corresponds to a reduction in energy consumption of at least 40% in 2030, 50% in 2040 and 60% in 2050 compared with a reference year that cannot be earlier than 2010. The absolute reduction target corresponds to values to be respected, which will be set by decree before the start of each decade. The Group has two establishments subject to this law. Amplitude SAS also reported its energy consumption for 2022 on the OPERAT platform.

##### *1.7.5.2 Legislation applicable to explosive atmospheres*

In France, the Group has an industrial site in Valence, the operation of which is subject to compliance with particular environmental constraints. Although this site is used largely as office premises and



storage facilities taking delivery of non-hazardous products, it includes a powder sintering workshop subject to the regulations applicable to explosive atmospheres (Directive 1999/92/EC on minimum requirements for improving the safety and health protection of workers potentially at risk from explosive atmospheres, the so-called “ATEX” Directive, transposed by Articles R.4227-42 et seq. of the French Labour Code).

In the presence of “ATEX” zones, the employer is subject to various obligations involving the implementation of necessary risk prevention measures or measures to limit the propagation of explosions based on an examination of the risks associated with explosive atmospheres, or the creation and updating of a document related to protection from explosions, as part of the single risk assessment document. The classification of “ATEX” zones and the legislation that applies to these zones are specified in two decrees dated 8 and 28 July 2003.

#### *1.7.5.3 Regulations applicable to waste electrical and electronic equipment*

In addition, the Group markets AMPLIVISION® computer-assisted surgery systems, which contain electronic components that require the Group to comply with the regulations on waste electrical and electronic equipment applicable to the French market. On this basis, the Group is included in the national register of electrical and electronic equipment producers.

European Directive 2012/19/EU on waste electrical and electronic equipment (“**WEEE**”) and European Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (recasting Directive 2002/96/EC and Directive 2002/95/EC) impose obligations on producers of electrical and electronic equipment that govern design, marketing and waste processing for these products. The transposition into French law took place in 2014 by decree, supplemented by various decrees and adapted by decree number 2016-288 of 10 March 2016.

Producers and distributors of electrical and electronic equipment are subject to various obligations in terms of equipment compliance, marketing, declaration, and the collection and processing of waste equipment. Producers may make use of specialist service providers to fulfil their collection obligation for WEEE. Failure to comply with the applicable provisions will incur administrative and criminal sanctions.

The Group has joined the eco-organisation ECOSYSTEME to collect WEEE from navigation systems.

## **1.8 RESEARCH AND DEVELOPMENT**

### **1.8.1 Research and development**

Research and development (“**R&D**”) is the source of Group innovation and is essential for improving existing technology and also, developing new products.

#### *1.8.1.1 Key stages in the R&D process*

The organisation and design of a medical device, from expression of the need by the requesting party through to validation followed by declaration of CE conformity and controlled placing on the market, takes approximately 48 months. This detailed procedure allows the preliminary stages of a project, those related to its development, as well as those associated with modification of the design, to be defined. The development procedure and any associated studies, also applies to requests for design of new products or to modify the design of existing products in the range.

The person initiating the design of a medical device is, in general, a person from the Product Management team, who develops this request based on the following elements:

- requests from one or more design or user surgeons who are experts in the field of the product to be designed and developed;
- requests from the sales force;
- analysis of the market, its trends, technology watch;
- analysis of our product portfolio versus competition and adaptation to market trends.

The device design process is divided into three main phases: (i) the development phase: development is steered by the Development Director, who is responsible for the overall organisation and coordination of the various development-related studies, in order to provide an overall response to the customer's general needs; (ii) the design phase: the needs expressed by customers are translated into more specific technical specifications (functional, performance and safety); these specifications are processed in the form of designs by the design offices concerned; (iii) the release phase: this enables the design to be verified (output data from the development and associated studies), the validation of the design, the EC declaration of compliance and the controlled marketing of the devices concerned.

#### *1.8.1.2 R&D teams*

The R&D activity is conducted entirely and internally by the Group to foster close relationships with surgeons and offer a rapid response to their needs. This also allows constant upgrading of the range of products offered.

The Group's R&D department is structured into three design offices: the hip division, the technology division (navigation, robotics, etc.) and the knee prosthesis division. These three design offices are supported by three support departments, namely (i) the Methods department, the process qualification and validation department, and the quality and regulatory affairs department. The team incorporates 60 engineers and highly qualified experienced technicians.

The Group benefits from strong partnerships with numerous networks of surgeons, which enable it to obtain a large amount of practical information and to carry out regulatory approvals.

#### *1.8.1.3 Group investment in R&D activities*

Significant resources are deployed to guarantee satisfactory operation and effectiveness of R&D. The Group dedicates a significant proportion of its budget to R&D activities. The R&D expenses thus represented 2% of revenue for the financial year ended 30 June 2023, i.e. €2.4 million and 2.8% of the revenue for the financial year ended 30 June 2022, i.e. €2.9 million.

#### *1.8.1.4 Key technologies*

The Group offers a wide range of products in the field of high-end orthopedic prostheses for the hips and knees.

For hip prostheses, the products offered by the Group are adapted to all surgical practices and all operating approaches, whether posterior or anterior. The Group was able to identify a specific demand on the hip market and, consequently, to mobilise its R&D teams to offer new technologies such as navigation, which the Group can exploit to win new market share.

For knee prostheses, the Group is present in two existing markets in France, i.e. (i) the mobile bearing market, with its SCORE and SCORE II knee prosthesis, and (ii) the fixed bearing market, with its ANATOMIC® knee prosthesis. The Group developed the ANATOMIC® knee to meet the demand of surgeons, with the assistance of its R&D teams. The ANATOMIC® knee prosthesis launched by the

Group in April 2013 illustrates the Group’s constant attention to the needs expressed by the various players with whom it works closely to develop its products. The success of this product is reflected in an increase in the number of products sold by the Group, which rose from 1,342 ANATOMIC® knee prostheses in 2013, to 12,690 knee prostheses in 2023. Total sales of knee prostheses rose from 14,837 to 29,799 over the same period, i.e. an increase of more than 101% in the volume of products sold. The SCORE® II prosthesis, which was launched in 2018, was developed using a database of 1,200 digitised knees on the AMPLIVISION® navigation platform. This is an evolution of the SCORE range which has been very well received by the market, with 25,265 knees fitted as at 30 June 2023. Finally, the Group has also designed two software packages for SCORE® and ANATOMIC® prostheses: the 4-in-1 software package and the 5-in-1 software package.

The Group is also supported by associated departments which confer high added value on its product offer, notably its AMPLIVISION® computer-assisted surgery system (on which all its software operates), its i.M.A.G.E.® system and its E.T.O.I.L.E.® technical platform (extension of tables and associated services) for the anterior operating approach (see Section 1.3.3.3 “*Related services*” of this Universal Registration Document).

## 1.8.2 Intellectual property

The Group’s activity is dependent on effective protection of its intellectual and industrial property rights and rights under licences granted by third parties to the Company or its subsidiaries.

Industrial property incorporates significant know-how protected by a portfolio of patents. It is essential for the Group to protect itself against unauthorised use or disclosure of its confidential information and commercial secrets which are not necessarily officially registered. The Group may be required to disclose in various forms, information, technology, processes, know-how, data or information which is not patented and/or patentable to third parties with whom it cooperates on research, development, manufacture and marketing of its products. In these cases, the Group requires confidentiality undertakings, particularly as part of expert or consultancy agreements.

### 1.8.2.1 Patents

#### i. Description of the patents portfolio:

The patents portfolio is an essential aspect in the Group’s expansion. It provides protection from future competitors and demonstrates its technological advance on the high-end product market for orthopaedic surgery of lower limb joints (implants, instrumentation and computer-assisted surgery system).

As at the date of this Universal Registration Document, 30 patent families are used by the Group, including: (i) 16 families of which it is the owner; (ii) one family of patents which it owns jointly with a third party; and (iii) 13 families of patents licensed to it.

<b>PATENTS and PATENT applications</b>	<b>Amplitude Group</b>	<b>Third Parties</b>
<u>Number of families of patents, of which:</u>	<b>17</b>	<b>13</b>
• Implants, of which:	2	13
– Hip prostheses	0	7
– Knee prostheses	2	4
• Instrumentation and ancillaries, of which:	9	2

<b>PATENTS and PATENT applications</b>	<b>Amplitude Group</b>	<b>Third Parties</b>
– Hip instrumentation	2	0
– Knee instrumentation	7	2
• Navigation and evaluation systems	6	0
<b><u>Number of patents and patent applications, of which:</u></b>	<b>63</b>	<b>40</b>
• Implants, of which:	10	37
– Hip prostheses	0	12
– Knee prostheses	10	25
• Instrumentation and ancillaries, of which:	53	3
– Hip instrumentation	17	0
– Knee instrumentation	16	3
• Navigation and evaluation systems	20	0
Countries where application filed	Countries where patent applications are filed are different depending on patent families and adapted depending on marketing goals	

The term of validity of the patents is 20 years from the date of filing the application.

Patent applications are filed in France each time a patentable invention can be protected without disclosing know-how for which protection by industrial secrecy would be more appropriate. International protection is examined on a case-by-case basis, preferring the countries where the Company may have markets on a 20-year horizon (term of a patent) and countries in which competitors are located. The majority of these patents were filed in Europe, and some have been extended outside Europe, i.e. to Brazil, Australia and the United States.

The filing of each patent application is preceded by a prior art search carried out by industrial property attorneys so that the invention, the subject of the technology concerned, meets the criteria for patentability and that the related patent can be granted by the corresponding offices and can be maintained as it is after any opposition proceedings.

The costs of filing and maintaining patents in the various countries where they are filed represent a budget of approximately €63,042 for the financial year ended 30 June 2023, compared with €205,687 for the financial year ended 30 June 2022.

As at the date of this Universal Registration Document, no objection has been filed against the patents held or operated by the Company.

*ii. Jointly owned patents*

Some patents and/or patent applications are owned jointly with third parties. On the one hand, the family of patents “LCA cortex fixing” with priority of the French patent filed on 28 July 2011 under number FR20110056911 is jointly owned with COUSIN BIOTECH. No royalty for use of the patents is paid by the Group or by COUSIN BIOTECH.

In the absence of a co-ownership agreement, the additional provisions provided for in Article L.613-29 of the French Intellectual Property Code apply concerning the French patent: each co-owner may use the patent alone and grant a non-exclusive license (subject to compensation of the other co-owner in the event of unilateral personal use or unilateral concession of a non-exclusive license). However, the other co-owners must be notified of the proposed licence, together with an offer to sell their share at a specified price. On the other hand, unanimity is required for the granting of an exclusive licence.

It is important to note that the French provisions apply exclusively to patents under French law, including a patent resulting from French validation following proceedings before the European Patents Office (EPO). Thus, in the case of an EPO procedure involving the designation of several validation territories for a patent subject to legal co-ownership, the co-ownership of each of the patents will be subject to the regime of each validation State.

*iii. Patents for which the Group holds an operating licence*

Certain patents that are essential to Group activity, are not held directly by the Company but were developed in partnership with one or more surgeons and licensed to the Company under an exclusive licensing agreement by one or more surgeons who generally combine to form a civil partnership, for a term of 20 years, i.e. the term of validity of the underlying patents. In this framework, the Group has undertaken to comply with certain conditions. These consist particularly in development and marketing initiatives for products incorporating the licensed technology or the payment of: (i) fixed royalties during performance of predefined stages; or (ii) royalties proportionate to the revenue generated by sales achieved by the Group in the territories where the patent was filed.

Some licensing agreements were not registered with the competent industrial property offices. The only consequence of absence of registration of the licensing agreements is that the latter are not enforceable against third parties, but exclusively against parties to the agreement. The registration formalities for the various licensing agreements at the various competent industrial property offices, for the purpose of rendering the Company’s rights enforceable against third parties, are in progress.

*1.8.2.2 Trademarks*

The trademarks filed by the Group are essential for identification of its products (particularly the trademarks ANATOMIC®, AMPLIVISION®, i.M.A.G.E.® and E.T.O.I.L.E.®). The Company holds a portfolio comprising 55 trademarks (125 registrations).

These trademarks were almost all exclusively filed in class 10 of the Nice Classification, i.e. for surgical, medical or dental instruments and devices and artificial limbs; orthopaedic articles; suture materials, prostheses, artificial implants, knee prostheses, hip prostheses and their component parts, orthopaedic prostheses, special fittings for medical use, operating tables, scalpels, ancillary equipment for computer-assisted surgery, ancillaries for total knee prostheses, osteotomy plates, bone grafts and bars used in surgery, acetabular cups.

Some of these trademarks, such as the AMPLITUDE®, AMPLIFIX®, AMPLITUDE MOVEMENTS FOR AN ACTIVE LIFE®, AMPLIVISION® and E.T.O.I.L.E.® trademarks, were also filed in class 5 (for pharmaceutical products, medical hygiene products, chemical preparations for medical use,

plasters, equipment for bandages, bone cement for surgery and orthopaedics, surgical fabrics, alloys of precious metals for surgical, orthopaedic or dental use, disinfectants); in class 9 (for information technology hardware and software for use in surgery and orthopaedics, equipment for processing information and computers, computer peripherals, magnetic recording support media, optical discs, devices for recording, transmitting, reproduction or processing sound or images); in class 42 (scientific research services in the field of surgical instruments and devices, surgical prostheses, design and development of prostheses and implants); in class 44 (for surgical and medical services, surgical and medical assistance, leasing of medical devices, leasing of medical appliances and machinery, leasing of appliances and facilities in the field of medical technology, leasing of operating tables, orthopaedic tables, making available of information on surgical instruments and appliances, surgical prostheses, the fitting of artificial limbs, prosthetic appliances, prostheses and implants).

The countries covered by the registrations are as follows: France, Argentina, Brazil, European Union, Australia, Switzerland, Algeria, Japan, Morocco, Mexico, Norway, Tunisia, Turkey, Vietnam, Benelux, Germany, Italy, Lichtenstein, Sweden, United Kingdom, United States, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Spain.

Like patents, trademarks are subject to extensive availability studies before they are filed. The Company policy is to secure trademarks as soon as possible once an upstream need has been identified. In addition, managers of the Company's intellectual property are particularly vigilant concerning defence of trademark rights and regularly oppose the filing of trademarks which may infringe the trademarks held by the Company.

### 1.8.2.3 Domain names

Amplitude SAS uses five domain names "amplitude-ortho.fr", "amplitude-ortho.com", "amplitude-ortho.ch", "amplitude-ortho.be" and "amplitude-ortho.ro" of which it is the owner. It also owns the domain name amplitude-ortho.eu.

The following product-specific domain names also belong to Amplitude SAS:

- "amplitude-oart.fr"
- "amplitude-oart.com"
- "sofab-orthopedie.com"

The following domain names are registered on behalf of its subsidiaries:

- "amplitude-ortho.com.au" registered in the name of its subsidiary Amplitude Australia Pty Ltd
- "amplitude-ortho.de" registered in the name of its subsidiary Amplitude GmbH
- "amplitude-ortho.co.za" registered in the name of its subsidiary Amplitude South Africa Pty Ltd
- "amplitude-latam.com" registered in the name of its subsidiary Amplitude Latin America SA

## 1.9 KEY CONTRACTS

### 1.9.1 Real estate agreements

The key real estate agreements are described in Section 1.5 "*Real Estate Assets, Plant and Equipment*" of this Universal Registration Document and include notably:

- a real estate finance lease entered into on 4 April 2011 for a term of 15 years for the registered office of the company SCI Les Tilleuls and the company Amplitude SAS;

- a commercial lease entered into on 19 March 2015 by Amplitude SAS for premises located in Neyron;
- a commercial lease entered into on 1 May 2015 by Amplitude SAS for storage premises of Amplitude SAS;
- a real estate finance lease entered into on 12 August 2016 with SCI Les Tilleuls, for a term of 15 years for the logistical building of Amplitude SAS;
- a commercial lease signed on 12 July 2023 between Amplitude SAS and SCI SOFAB FALLA for the new production plant located at 55 Cours Manuel de Falla in Valence (France).

#### 1.9.2 Factoring programme

A factoring programme with Natixis Factor was set up on 29 June 2004 by Amplitude SAS and changed by amendments as described in Section 5.2 “*Cash and Capital*” of this Universal Registration Document).

#### 1.9.3 Marle

On 6 September 2016, Amplitude SAS and Groupe Marle (Marle) entered into a framework subcontracting agreement entitled “Cooperation agreement” which stipulates the conditions and procedures according to which Amplitude SAS subcontracts to Marle the manufacturing, and more specifically, the forging of implants and ancillary parts. Under the terms of this agreement, Marle undertakes to manufacture the contractual products exclusively on behalf of Amplitude SAS and is prohibited from making them available to any other person. Amplitude is the sole owner of all intellectual property rights for the subcontracted product. The understanding of the two parties on the price and deadlines for the services is confirmed with each order. The contract was amended in January 2018 to update Marle's various production sites.

This agreement was entered into for a term of one year, renewable by tacit agreement for periods of the same duration, unless cancelled by either of the parties subject to at least two months' notice prior to expiry of the current period.

#### 1.9.4 Ceramtec

On 10 September 2019, Amplitude SAS signed the amendment to a procurement agreement with German company CeramTec GmbH (CeramTec) which produces high performance ceramics used as components in Amplitude SAS hip prostheses. The contract is supplemented by a quality assurance agreement, signed 2017 and renewed on 27 July 2023.

The procurement agreement defines the commercial aspects of cooperation between the companies. It is entered into for an indeterminate term and may be cancelled by either of the parties subject to three months' prior notice. The sale price for all CeramTec products is fixed in this agreement. Under certain conditions, Amplitude may be required to pay compensation to CeramTec in the event of cancellation of the agreement prior to expiry of its term in the absence of any fault by CeramTec or where product orders by Amplitude are significantly reduced for reasons beyond the control of CeramTec. The purpose of the quality assurance agreement is to define technical aspects on quality and safety and in the scope of liability of each party. It is entered into for an indeterminate term and may be cancelled by either of the parties subject to six months' notice prior to the end of the year.

## CHAPTER 2 RISK FACTORS

### 2.1 RISK FACTORS

The Group conducts its business in an environment which poses a number of risks, some of which are beyond its control.

Investors, before deciding to acquire or subscribe for Company shares, are invited to carefully examine each of the risks presented below as well as all the information contained in this Universal Registration Document. As at the date of the Universal Registration Document, these risks are those that the Company believes could have a material adverse effect on the Group, its activities, its financial position, its results, its development or its outlook, and knowledge of which is important for making investment decisions. The Company draws investors' attention to the fact that the risks and uncertainties set out below are not the only ones confronting the Group. Other risks and uncertainties of which the Company is currently unaware or which it considers insignificant as at the date of this Universal Registration Document could also have a significant unfavourable effect on the Group, its business activities, financial position, cash flow, results, development or outlook. The Company has conducted a review of risks that could have a material adverse effect on its business activities, its financial position or its results (or on its ability to achieve its objectives) and considers that no significant risks other than those described exist.

In accordance with the provisions of Regulation (EU) 2017/1129 and Delegated Regulation (EU) 2019/980, only risks specific to the Company and which are important for making an informed investment decision are presented in this chapter.

The main risk factors are grouped into six categories below, incorporating, since the Universal Registration Document related to the 2019-2020 financial year, a health risk to take account of the COVID-19 pandemic and its impacts on the Group.

In each of the six categories referred to above, risks have been classified according to a dual approach combining:

- the criticality for the Group's operations, ranked into three levels: critical, significant or insignificant; and
- the probability of the risk occurring, also ranked into three levels: high, moderate or low.

It is specified that the risks with the highest probability of occurrence and the highest potential criticality are placed first in each category.

The combination of criticality and probability makes it possible to determine the impact of each risk.

Risks were assessed as "net risk", i.e. taking into account the risk management measures implemented within the Company, and are presented in the summary table below:



Type of risk	Description	Impact <sup>1</sup>	Risk management
<b>COVID-19 pandemic</b>	Risk linked to the COVID-19 pandemic		Remote working and anticipating the resumption of activity Careful management of costs and investments
<b>Market</b>	Dependence of the Group on developments in public health policies in terms of the pricing and marketing of its products		Monitoring and anticipation
<b>Activities &amp; products</b>	Group responsibility in the event of a defective or non-compliant product		Quality controls – Legal monitoring to prevent breaches of compliance obligations – Civil liability insurance
	Outsourcing of manufacturing and dependence on subcontractors		Selection and monitoring of suppliers according to their level of quality and reliability – Dual sourcing
	Protection of intellectual property rights		Filing of patents, trademarks and monitoring – Prior art searches
	Dependency on key individuals		Loyalty – Introduction of salary benefits and the like
<b>Legal</b>	Litigation involving the Group		Monitoring and anticipation
	Regulation of medical devices developed by the Group		Compliance with legislation and support from legal advisers – Recording of provisions where necessary
<b>Financial</b>	Availability of supplies and purchase price		In-depth sales forecast reviews, longer-term purchase commitments, safety inventories Discussions with suppliers to secure prices
	Debt		Contract monitoring, discussions with creditors
	Impairment of goodwill and deferred taxes		Forecasting and monitoring of tax regulations
<b>Financial markets</b>	Exchange rate risk		Monitoring and evaluation

Key: low impact medium impact high impact

<sup>1</sup> The notion of impact as referred to in this table encompasses both the potential impact of the risk and the probability of its occurrence.

### 2.1.1 Risk linked to the COVID-19 pandemic

The COVID-19 pandemic significantly impacted the Group's business activity in 2019/2020, 2020/2021 and in 2021/2022.

During the 2022/2023 financial year, business activity returned to normal.

The extent to which the appearance of new variants is likely to have an impact on the Group's future business activity cannot be predicted with certainty.

**Risk management measures:** In the event of a return to health restrictions, the Group is ready to reinstate the various operational and financial mechanisms put in place in the past.

As the risk is known, the Company assigns a **low probability** to this risk by default.

The Company considers that the criticality of this risk is **significant**.

## 2.1.2 Risk related to markets on which the Group operates

### 2.1.2.1 *Risk related to the dependence of the Group on developments in public healthcare policies in terms of the pricing and marketing of its products*

Group business activities are carried out within the healthcare field, and are therefore affected by the prevailing regulatory and economic environment. Levels of expenditure on healthcare and of reimbursement exert a direct impact on the Group's business. The Group may be obliged to reduce its prices to win tenders issued by public sector hospitals or to remain competitive in an environment of controlled healthcare expenditure.

In many countries, notably in France, the Group's activities are subject to regulated prices insofar as its products are provided in the framework of public healthcare schemes which are fully or partially funded by governments and the Group has no control over their levels, creating real dependency on public healthcare policy. Prices may be revised at any moment, notably downwards, resulting in significant reductions.

Taxes may also increase the Group's expenses. This is the case with the safeguard clause introduced in Article L.138-19-8 and Articles D.138-3 to D.138-4 of the French Social Security Code. This safeguard clause introduces the payment of a contribution if the reimbursed amount exceeds a threshold set by the Social Security Finance Act for each year (Amount Z). For 2021, the safeguard clause has not been triggered.

In other countries, notably Germany, there is a "price per activity" system (T2A). In a "price per activity" based system the allocation of resources within healthcare facilities and, in consequence, product pricing depends on the nature and volume of activities in the hospitals and healthcare facilities concerned. Consequently, product prices may vary according to the healthcare facility, the speciality concerned or the volume of activity. The Group cannot rule out that countries currently basing pricing on products and services may increasingly move to "price per activity" systems, which could affect price or reimbursement levels for the Group's products.

In addition, in some countries, notably France, budgets allocated to public hospitals may vary and impact invitations to tender for orthopaedic prostheses. Allocations from the budget available to each hospital per speciality are decided by the facility and the Group cannot influence a preferential allocation of the budget to the orthopaedic field.

Moreover, the Group cannot guarantee that it will be capable of obtaining the same price and reimbursement levels in all the countries in which it wishes to market its products, nor will it be capable of foreseeing any changes in the funding and reimbursement conditions in the different countries. Nor can the Group rule out that countries operating a private healthcare system will decide to adopt public policies that affect the prices or reimbursement of Group products.

The adoption of more restrictive reimbursement measures or the absence of government cover for Group products will result in patients incurring new or additional costs, which may limit the number of surgical procedures and consequently the number of products purchased from the Group, leading to a downturn in Group business activity.

Finally, in some countries, the Group's products are approved by public health bodies or by private mutual insurers. These may modify the approval granted for Group products (and therefore reduce the

associated reimbursement rate), even call into question such approvals for existing Group products or refuse to grant approval for new products offered by the Group. Consequently, the reimbursement rate for Group products may be decreased, or Group products may be excluded from reimbursement schemes, resulting in a reduction in demand for Group products and leading to a direct impact on the margins and results achieved by the Group.

**Risk management measures:** The Group has implemented legal monitoring to keep an eye on changes in public health policies and to anticipate the consequences of these changes.

The Company assigns to this risk a **high probability**.

The Company considers that the criticality of this risk is **significant**.

### 2.1.3 Risk related to the Group's business activities and products

#### 2.1.3.1 *Risk related to the enforcement of the Group's liability in the event of a defective or non-compliant product*

The Group could be exposed to risks of liability when developing or during commercial use of its products, in particular, product liability. Indeed, although the Group operates partly according to the “fabless” model, it retains the status of manufacturer and the associated liability. Civil or criminal charges or judicial proceedings could be filed or brought against the Group by users (patients, practitioners, researchers and other professionals in the healthcare or research industries), regulatory authorities, certain distributors or any third party using or marketing its products, as a result of, for example, poor design of its products, a quality defect in the materials used or poor functioning of the products.

Where a defect occurs during the product manufacturing stage, the Group may be exposed to a “serial” risk, i.e. that a batch of products manufactured at the same time will present the same defects and constitute: (i) either a direct loss for the Group if it identifies the defect prior to commercialisation; (ii) or a major risk that the defective products will be the subject of judicial or administrative proceedings brought by the victims. This risk is significant in France due to the possibility of bringing a class action, a procedure that allows victims of the same damage caused by a professional to join together and take legal action.

In addition, each Notified Body has the power to conduct several inspections on site and on each item, which may reveal defects during the product manufacturing stages. These defects are then published in a local register. Cooperation between the various notified bodies is currently increasing and identification of a defect in a Group product will be made public in the majority of countries in which the Group operates. Moreover, if a significant volume of the Group's products presenting a defect that is made public, this could trigger the recall of products manufactured by the Group or even withdrawal of a previously granted certification, which would have an impact on the Group's image in such countries.

Finally, any breach of the compliance obligations could incur penalties including fines, injunctions, civil penalties, refusal to award CE marking or any other authorisation, delay in production, seizure or recall of products, restrictions on their use and criminal proceedings, which would significantly increase the costs sustained by the Group, delay its expansion and the marketing of new devices.

**Risk management measures:** The Group conducts regular checks as part of its product design and manufacture and has implemented legal and regulatory monitoring to prevent breaches of its compliance obligations. If non-compliant products are identified, the Group is organised to inform the establishments concerned and recall the batches identified. In addition, the Group has taken out civil

liability insurance for delivered products providing coverage of up to a maximum amount of €15 million per claim and year of insurance (subject to certain limitations or exclusions).

The Company assigns to this risk a **low probability**.

The Company considers that the impact of this risk would be **critical**.

#### *2.1.3.2 Risk related to outsourcing of product manufacturing and dependence on subcontractors*

For part of its production, the Group operates according to a “fables” model, which consists in outsourcing all the various operations for the manufacture of its products and markets exclusively the “finished product”. As a result, the Group is dependent on third parties for the manufacture of all its products, notably CeramTec for its ceramic procurement, and its commercial success relies, in part, on its ability to identify, build up and maintain ongoing relationships with its subcontractors and to obtain high quality manufactured products which comply with the regulatory provisions in the quantities and by the deadlines required, while generating a profit (see Section 1.3.3.5 “*Procurement*” of this Universal Registration Document).

Dependency on third-party manufacturers exposes the Group to additional risks, which it would not bear if it manufactured the products itself, including:

- non-compliance with the regulations and quality control standards of products manufactured by third parties;
- default or non-fulfilment by the subcontractor;
- violation by subcontractors of their agreements with the Group; and
- the termination or non-renewal of agreements for reasons beyond the Group’s control.

Manufacture of the Group’s products is complex and demanding, particularly given the applicable regulations and the specifications imposed by the Group. All manufacturing processes for prostheses fall within the scope of application of the certification obtained by the Group. Thus, the CE marking certification applies to the products sold by the Group as well as the entire manufacturing process, including sterilisation, polishing, etching, coating, cleaning, assembly and packaging.

If the Group changes its product suppliers, it would be required to identify a supplier satisfying the regulations for maintaining CE marking or other regulatory authorisations. The Group must also repeat the procedure for qualification of the subcontractor, which could be extremely expensive, time consuming and require the attention of the Group’s most highly qualified staff. Finding a new supplier could also delay the production, development and marketing of products and increase their manufacturing cost given the requalification process to be performed.

In addition, registration of the Group’s products may require that all manufacturing stages are performed by ISO certified subcontractors. Loss of certification by one or more subcontractors could have an impact on the manufacture, registration or marketing of the products concerned and the Group would be obliged to identify and conclude agreements with new subcontractors holding ISO certification, which could require significant time and generate additional costs.

Problems could occur during the manufacture and distribution of Group products, in the event of the default or failure of a subcontractor or supplier for whatever reason, which could prevent subcontractors and suppliers from complying with their obligations toward the Group, generating delays in the

procurement of the products concerned. This could give rise to increased costs, a reduction in sales, jeopardise customer relations and, in some cases, require product recalls which could prove damaging to the Group's reputation, in particular if the defective products are only discovered subsequent to their sales and marketing.

In addition, the Group cannot guarantee that its subcontractors, suppliers and representatives comply with and will continue to comply with the regulations, authorisations and standards in force. If products manufactured by suppliers fail to comply with the regulatory provisions or standards in force, penalties could be imposed on the Group. These penalties could include fines, injunctions, damages, rejection by the regulatory authorities of tests in progress, suspension or withdrawal of authorisation or certificates obtained, the revoking of licences, seizure or recall of products, operating or use restrictions and criminal proceedings. Such measures could have a material adverse impact on the Company's business activity.

Finally, the Group cannot guarantee it will be capable of retaining the subcontracting agreements in existence or of concluding new agreements under acceptable commercial conditions, given the restricted number of specialist companies in possession of the infrastructure, experience, approvals and/or certifications to manufacture this type of medical device. In addition, the Group could be confronted by competition from other players in the markets in which it operates, who may seek to solicit the subcontractors with whom the Group currently works. Finally, the subcontractors and suppliers with whom the Group works may be acquired by the Group's competitors. In the event of termination or deterioration of its relationships with its subcontractors or if its needs increase, the Group may find it impossible to form relationships with other subcontractors, which could adversely affect its capacity successfully to produce, develop, market and sell its products.

**Risk management measures:** To prevent this risk, the Group has internalised a large part of the production of its products and selects and monitors its suppliers on the basis of their quality and reliability. Wherever possible, it implements a policy of 'dual sourcing' so that it can replace one supplier with another in the event of difficulties. In addition, the Group carries out quality control of the products manufactured by its subcontractors.

The Company assigns to this risk a **moderate probability**.

The Company considers that the criticality of this risk is **significant**.

#### *2.1.3.3 Risk related to the protection of intellectual or industrial property rights held by the Group*

The Group's business depends on effective protection of its intellectual and industrial property rights and those under licences granted by third parties to the Company or its subsidiaries.

##### *i. Intellectual and industrial property rights*

Most of the 30 main patent families on which the Group's business activity is based and which are essential are not held directly by the Group, but were developed in partnership with one or more surgeons and granted to it under exclusive operating licence agreements by one or more surgeons, generally grouped together in the form of a company, for a maximum period of twenty years, i.e. the validity period of the underlying patents (see Section 1.8.1 of this Universal Registration Document).

Some licensing agreements provide for early cancellation of the agreement in the event of violation of the contractual provisions or of the Company's insolvency or bankruptcy.

Any violation by the Company or one of its subsidiaries of the conditions for retaining the right to a patent may result in the loss of use of the technology or rights covered by such patents. If the Group should lose one or more licences or one or more of these patents, or if it is unable to obtain rights similar to those held under the licensing agreements under reasonable conditions, it may be unable to develop, manufacture or market its products.

*ii. Protection of intellectual or industrial property rights*

The patents held or used by the Group are generally filed locally and not necessarily on a wider scale (e.g. European or world scale). Therefore, the protection attached to such patents is reduced and they may be infringed in countries in which they are not protected. In addition, although certain technologies are protected by patents, comparable technology may be reproduced by other players in markets in which the Group operates.

Finally, all products sold by the Group are not necessarily subject to patent protection. Approximately 24% of the Group's revenue is achieved by products that are not, or no longer, protected and could therefore be used by third parties.

*iii. Use and disclosure of confidential information*

It is essential for the Group to protect itself against unauthorised use or disclosure of its confidential information and commercial secrets which are not necessarily officially registered. The Group may be required to provide information, technologies, processes, know-how, data or information in various forms which is not patented and/or patentable to third parties with which it collaborates, on research and development and the manufacturing and marketing of its products. In these scenarios, the Group generally imposes confidentiality agreements. However, these provide only limited protection and may not prevent unlawful use or disclosure by a third party of confidential information and know-how held by the Group.

The Group cannot guarantee that the third parties concerned will protect the confidentiality of its innovations or developments which are not patented and its know-how and that such third parties will not disclose the Group's commercial secrets to its competitors or that they will not themselves further develop such commercial secrets.

*iv. Trademarks*

The trademarks registered by the Group are important assets for the identification of its products (notably the Amplitude trademark). Despite the registration of the Group's trademarks, third parties could use or attempt to use them. These infringements could generate a commercial loss and jeopardise the Group's image.

*v. Violations of the intellectual or industrial property rights of third parties*

The Group cannot guarantee that the employment contracts of Group employees systematically incorporate a clause on mandatory complementary remuneration due to any employee creating a patentable invention in the framework of their missions under their employment contract and more generally, which comply with French law. Consequently, there is a risk that Group employees who have created patentable inventions and who are not awarded additional remuneration as a result could request additional remuneration, incurring significant expense and unfavourable consequences for the Group's results.

The Group cannot give any assurance that its products do not and will not infringe or violate other patents or intellectual property rights held by third parties and that there are no other intellectual

property rights covering certain Group products owned by third parties that could initiate proceedings for infringement or violation of their rights. Such third parties could claim damages and interest from the Group and also demand the cessation of manufacture or marketing of such products or use of the trademarks in question.

In particular, proceedings brought against the Group on the basis of an asserted violation of an intellectual or industrial property right, notably in the United States, irrespective of the outcome, could generate significant costs and compromise the Group's reputation, business activity, development and financial position.

**Risk management measure:** The Group ensures that the patents and trademarks it uses have been registered, or renewed where appropriate, and carries out prior art searches before any registration in order to prevent possible infringement of third-party rights.

The Group also seeks advice on intellectual property law and ensures that any action is taken to prevent, stop and punish any infringement of its intellectual property rights or those of a third party for which it is responsible.

The Company assigns to these risks a **moderate probability**.

The Company considers that the criticality of these risks is **significant**.

#### *2.1.3.4 Risk of dependency on key individuals*

The Group's success largely depends on the work and expertise of members of its top management and key scientific employees, in particular its Chief Executive Officer, Olivier Jallabert. His departure or that of other key individuals from the Group could result in:

- the loss of know-how and increased vulnerability of certain business activities, all the more so in the event of a transfer to a competitor; or
- a lack of technical skills which could slow down business activities and, in the medium term, compromise the Group's ability to achieve its objectives.

The departure of key individuals, in particular subsidiary managers, could affect the Group's capacity to implement its strategy.

The Group could then be required to recruit new management executives and qualified scientific employees to expand its business activities, which could impose significant costs on the Group, both for locating new staff and winning their loyalty.

Finally, the Group competes with other companies, research organisations and academic institutions for the recruitment and retention of highly qualified scientific, technical and management staff. Insofar as such competition is very intense, the Group could fail to attract or to retain key staff under economically acceptable conditions.

**Risk management measure:** The Group implements a series of measures to attract and retain its employees, in particular through various salary-related and similar benefits.

The Company assigns to this risk a **low probability**.

The Company considers that the criticality of this risk is **significant**.

## 2.1.4 Legal risk, litigation and tax risk

### 2.1.4.1 Risk related to litigation to which the Group is a party

During the normal course of their business activities, Group companies could be party to a number of judicial, administrative, criminal or arbitration proceedings, notably concerning third-party liability, product liability, competition law, intellectual property law, tax, industrial and environmental law and discrimination.

The most significant litigations in progress or of which the Group has received notice are detailed below. As part of some of these proceedings, significant financial claims have been made or are likely to be made against one or more Group companies.

The corresponding provisions, if any, which the Group may be required to establish in its financial statements could prove inadequate. In addition, it cannot be ruled out that in future new proceedings, related or otherwise to existing ones or to risks identified by the Group or new risks could be brought against one of the Group companies.

As at the date of this Universal Registration Document, there are no administrative, criminal, civil or arbitration proceedings other than those referred to below, including any pending or threatened proceedings known to the Group which could have, or has had during the last 12 months, a material adverse effect on the Group, its business activity, financial position, results, development or outlook.

#### *i. Dispute between Amplitude SAS and URSSAF on the contribution on promotion expenses of medical devices, specific to commercial agents' fees*

Amplitude SAS markets its products notably through independent agents, mandated according to commercial agreements with payment of commission.

In July 2009, URSSAF initiated an audit of Amplitude SAS' compliance with the social security legislation for the period 1 January 2006 to 31 December 2008. Following said audit, URSSAF notified Amplitude SAS, by registered mail dated 21 December 2010, of a reassessment of €881,315. The reassessment concerned exclusively contributions on commission paid by Amplitude SAS to its commercial agents for implantable medical devices of 10% (increased to 15% at the end of 2009) pursuant to Articles L.245-5-1 and L.245-5-2 of the French Social Security Code.

The Company challenged these reassessments and referred the matter to the French Arbitration Committee (“**CRA**”) in order to state its position. It objects in particular to the method of calculation established based on the argument that the provisions of the French Social Security Code referred to above do not refer to the amounts paid to commercial agents (who have the status of freelance workers) but only remuneration granted to persons having employee status. In October 2011, the CRA rejected the challenge and maintained the URSSAF reassessment in its entirety.

Amplitude SAS then referred the matter to the French Social Security Affairs Court (the “**TASS**”) for cancellation of the reassessment. On 7 November 2013, the TASS of Valence rejected Amplitude SAS' claims and ordered it to pay the amount of €981,315 under the reassessment. Amplitude SAS appealed the decision.

A first hearing was held on 2 December 2014 during which Amplitude SAS filed a request for a “**QPC**” (priority preliminary ruling on the issue of constitutionality). The case was the subject of a new hearing on 9 June 2015. On 8 September 2015, the Court of Appeal of Grenoble held that the formal demand sent on 21 December 2010 was null and void since it was irregular and subsequently granted tax relief for the adjustments. The Court of Appeal, however, was of the opinion that it was not appropriate to



transmit the priority question of constitutionality which had been filed. The URSSAF Rhône appealed against this decision on 9 November 2015.

By a judgement dated 15 December 2016, the second civil division of the Court of Cassation: (i) quashed and rescinded, in all its provisions with the exception of those stating that there is no need to transmit the QPC, the judgement issued on 8 September 2015 by the Court of Appeal of Grenoble; and (ii) remitted the case to the Court of Appeal of Chambéry. The Court of Appeal of Chambéry, in a ruling dated 12 September 2017, upheld the judgement of the Valence TASS.

Amplitude SAS appealed against this decision. The French Court of Cassation rendered a judgement on 29 November 2018 by which it reversed and cancelled the judgement issued on 12 September 2017 and referred the case back to the Court of Appeal of Grenoble, ordering URSSAF to pay the costs.

The Court of Appeal of Grenoble was referred to and the parties exchanged their submissions and documents and the case was heard on 2 July 2019. The Court of Appeal of Grenoble, by a judgement of 29 October 2019, ruled in favour of Amplitude SAS.

In addition, Amplitude SAS was the subject of a formal notice from URSSAF Rhône-Alpes dated 5 April 2018 to pay the additional late payment increases for 2007 and 2008, i.e. an amount of €276,269. By application dated 6 June 2018, Amplitude SAS brought an action before the CRA for a stay of proceedings pending a final decision on the main relief. Since the CRA has not issued a decision within the one-month time limit, Amplitude SAS referred the matter to the Valence TASS by request filed on 26 September 2018. Since the judgement of the second Civil Chamber of the French Cassation Court of 29 November 2018 quashed the judgement of the Court of Appeal of Chambéry, the order to pay the late penalties due for the recovery became irrelevant, which is why the court found that the proceedings had been abandoned.

At the same time as this dispute, Amplitude SAS was once again the subject of an URSSAF (Rhône Alpes) audit in July 2014 covering the period from 1 January 2011 to 1 June 2014. URSSAF notified Amplitude SAS of a reassessment of €5,500,610 (including increase for late payment as at 19 December 2014) on the same basis and for the same reasons as set out during the first audit. Amplitude SAS challenged the second reassessment by letter dated 23 January 2015 sent to the CRA.

By a ruling dated 28 April 2017, the CRA partially rejected Amplitude SAS's challenge, with the exception of the reduction in the amount of the reassessment from €4,947,676 to €4,938,905 (excluding the late payment penalty).

On 10 August 2017, Amplitude SAS filed an appeal against this decision with the TASS of Valence. The hearing took place on 20 June 2019 before the Social section of the Valence First Instance Court. The matter was reserved until 12 September 2019. This deadline was postponed twice until 10 October 2019.

The decision rendered by the First Instance Court on 10 October 2019 granted Amplitude SAS's request and rescinded the reassessment related to the period from 1 January 2011 to 1 June 2014.

The first two disputes are therefore closed.

Amplitude SAS was the subject of a formal notice from URSSAF (Rhône Alpes) dated 17 December 2018, to pay the contribution referred to in Article L.245-5-1 et seq. of the Social Security Code and the increases for the years 2015, 2016 and 2017, i.e. a total amount of €5,778,721. By request dated 18 February 2019, Amplitude SAS referred the matter to the CRA, which decided on 13 December 2019 to reject the application.

Amplitude SAS challenged the CRA's decision before Valence First Instance Court. The hearing took place on 8 September 2020. By decision dated 3 November 2020, notified on 2 December 2020, the Valence First Instance Court dismissed Amplitude SAS's application to cancel the reassessment. Amplitude SAS decided to appeal this decision.

Amplitude SAS has filed a QPC before the Court of Appeal of Grenoble.

On 27 January 2022, the Court of Appeal of Grenoble dismissed Amplitude SAS's request for the cancellation of the reassessment of the tax for the promotion of medical devices for the period from 1 July 2014 to 30 June 2017. The adjustment amounted to €5.7 million excluding interest and late payment penalties. All of these items are fully provisioned in the Group's financial statements.

To file an appeal, the company had to find a payment agreement with URSSAF concerning the third dispute. The schedule provides for payment to be spread over 18 months, with the first payment occurring in July 2022.

Amplitude SAS has appealed in cassation this third dispute.

Amplitude SAS is subject to a fourth audit for the period from 1 July 2017 to 30 June 2020. The observation letter of 21 September 2021 led to a reminder of contributions of €5,460,743. Amplitude SAS referred the matter to the CRA in respect of this dispute. By decision of 18 July 2022, the CRA rejected the challenge.

Amplitude referred the case to the Valence Court (social division). The oral hearing was held on 16 May 2023. In a decision dated 11 July 2023, the court rejected Amplitude SAS's arguments, confirmed the adjustment and ordered the Company to pay URSSAF Rhône-Alpes the sum of €5,881,201, including a principal sum of €5,460,743 in respect of the contribution under Articles L.245-5-1 and L.245-5-2 of the French Social Security Code and €420,458 in late payment surcharges.

Amplitude SAS decided to appeal this decision.

As at 30 June 2023, the Group had provisioned €14,684,885 for the last two audits.

#### **Risk management measures:**

In order to anticipate as far as possible the consequences of any disputes the Group may encounter, it recognises the appropriate provisions and monitors and manages disputes through dedicated advisers working closely with Senior Management. As at 30 June 2023, the total amount of provisions for the Group's disputes is €14,820 thousand (see Note 26 to the consolidated financial statements).

In addition, the Group has taken out the necessary insurance to cover its civil liability.

The Company assigns to this risk a **moderate probability**.

The Company considers that the criticality of this risk is **significant**.

#### *2.1.4.2 Risk related to the regulations applicable to medical devices developed by the Group and its development*

The Group's products are classified as medical devices and are subject to specific regulations in all countries where they are manufactured, tested or marketed. Such regulations impose obligation, in particular, in relation to matters of design, manufacture, quality control and quality assurance of products, labelling of products, including their use instructions, storage of products, identification and

traceability of products, procedures for retaining data, and post-market supervision and notification of incidents associated with use of the products (death, serious injury, malfunction, etc.)

These regulations apply to the Group in its capacity as manufacturer of such products.

Moreover, the inspection, manufacture and sale of Group products are subject to obtaining and retaining the legal and regulatory authorisations and certifications necessary to market medical devices. The Group's products are subject to strict regulation which is constantly changing. Compliance with this regulatory framework could require following long and complex procedures as well as significant costs and no guarantee can be given that such authorisations will be obtained and maintained or by the expected deadlines.

The applicable regulations on medical devices are generally country-specific. Given the nature of its activities, the Group is therefore exposed, to the requirements of multiple national and international standards with which it must comply. It must adapt to the various requirements and specific deadlines, notably for market authorisation (in particular the deadlines and conditions for registration, the absence of a single authority tending to increase the time-scales) and the associated transparency obligations.

Thus, within the European Economic Area (EEA), the Group's products fall within the category of medical devices and are governed, among other things, by the new European regulation EU MDR which has been in force since May 2021, which harmonises the conditions for the sale and free movement of the Group's products within the EEA. These products may notably not be marketed until certificates allowing CE EU MDR marking have been obtained.

More generally, in other countries in which the Group operates, marketing medical devices imposes following specific procedures to obtain the necessary authorisations. Obtaining these authorisations is possible only on completion of a very long and expensive process.

The Group's inability to obtain the necessary authorisations or certificate renewals for its products could delay or even prevent them from being marketed. The occurrence of one or more of these risks is likely to have a material adverse effect on the Group, its business activities, financial position, results, development or outlook.

The Group is also subject to other specific regulations, notably concerning conflicts of interest and independence. For example, in France, the French Public Health Code imposes significant restrictions in this respect. Furthermore, surgeons are subject to the control of the French Medical Association which monitors the fulfilment by all of its members of their professional duties and their compliance with the rules in the Code of Ethics applicable in this respect, specifically to guarantee independence of the medical profession. In particular, Articles L.1453-3 et seq. of the French Public Health Code prohibit persons providing health services from receiving, and companies offering services or manufacturing or marketing products covered by the social security compulsory regimes from procuring or offering, benefits in kind or in cash, in any form whatsoever, whether directly or indirectly.

The interaction between the Group and its practitioner customers facilitates the access of the Group's authorised staff to operating rooms, allowing the Group to innovate and improve its range of products to better meet the needs of the profession. The special relationship between the Group and its practitioner customers is also reflected by their participation in seminars and conferences organised by the Group. The regulations or the position of the French Medical Association could change and restrict the future participation of practitioners at such seminars. The Group is subject to equivalent regulations in other countries (for example, the U.S. Foreign Corrupt Practices Act of 1977 and the Sunshine Act in the United States, the Bribery Act 2010 in the United Kingdom or the Sunshine Act in Belgium).

A tightening in the regulations described above or a failure by the Group to meet its obligations under them could have a material adverse effect on the Group, its business activities, financial position, results, development or outlook.

More generally, the Group is subject to a strict standardised set of regulations and compliance therewith is extremely expensive. It could be unable to comply with all these standards or incapable of adapting to new standards entering into force which could have a significant unfavourable effect on the Group.

Moreover, the Group cannot guarantee that its suppliers or subcontractors comply with and will in the future comply with the applicable regulations. The Notified Body during a certification or follow-up audit, the regulatory authorities during an inspection or any other regulatory process could identify breaches of applicable regulations or standards and require these to be remedied by corrective action, which could interrupt the manufacture and supply of Group products.

**Risk management measure:** The Group constantly monitors compliance with applicable laws and regulations and identifies any new applicable regulations.

The Company assigns to this risk a **low probability**.

The Company considers that the criticality of this risk is **significant**.

## 2.1.5 Financial risks

### *2.1.5.1 Risk related to the availability of supplies and their purchase prices*

The global economic situation and the war in Ukraine led to an increase in the prices of raw materials and energy as well as a partial disruption of supply chains.

In recent months, the Group has seen an increase in its supply prices as well as a significant increase in supply times, exceeding six months for certain products.

The price increase is likely to impact the Group's profitability, as it sells its products at regulated prices in a majority of its markets, representing a significant portion of the Group's revenue.

In view of the extended supply times, combined with a production cycle of several months, a temporary disruption or delay in supplies could lead to a temporary and partial inability to deliver certain products or to certain customers.

#### **Risk management measures:**

To address the procurement risk, the Group conducts in-depth sales forecasting reviews and makes purchase commitments over longer periods. On certain products, safety inventories may be established.

With regard to procurement prices, the Group holds discussions with its suppliers to secure prices over longer periods. The Group's operating costs are managed in line with changes in the gross margin of products.

The Company assigns to this risk a **high probability**.

The Company considers that the criticality of this risk is **significant**.

### 2.1.5.2 Risk related to the Group's debt

The Group currently carries significant debt. As at 30 June 2023, the Group's total debt amounted to €106.5 million (see Section 5.2.2.2 and Note 5). Financial risk management in Chapter 6 "*Consolidated Financial Statements*" of the Universal Registration Document). This debt includes in particular:

- non-convertible bonds amounting to €69.5 million (net of issue costs and the fair value of interest-rate hedging instruments);
- state Guaranteed Loans (PGEs) subscribed with four banks for a total amount of €8.9 million;
- medium-term loans for €13.3 million;
- medium-term loans for €5.3 million;
- finance and other leases for €9.2 million; and
- a factoring agreement for €0.3 million

The Group's significant debt could have negative consequences, such as:

- the allocation by the Group of a significant proportion of cash flow generated by its operational businesses to the remuneration and repayment of its debt, thus reducing the Group's capacity to allocate available cash flow to finance its organic growth, make investments and satisfy other general needs of the company;
- an increase in the Group's vulnerability to any slowdown in business or deterioration of economic conditions;
- the limitation of the capacity of the Group and of its subsidiaries to borrow additional funds or to raise capital in the future and increase the costs of any additional finance;
- the increase in financial costs related to the increase in interest rates.

Finally, the restrictions set out in the term and conditions of the financing agreements concluded by the Group could affect its ability to operate its business activities and limit its ability to react to the market or seize commercial opportunities which may arise. This is particularly the case for the terms and conditions of the Non-Convertible Bonds (see Section 5.2.2.2 [i] of this Universal Registration Document), which provide in certain cases that the Group may not grant certain security interests over its assets. In addition, the Group's ability to respect the restrictive covenants could be influenced by events beyond its control, such as economic, financial and industrial conditions. Any default by the Group on its commitments or covenants could result in default under the terms of the aforementioned agreements.

In the event of a default which is not remedied or waived, the relevant creditors could terminate their commitments and/or demand immediate repayment of all outstanding amounts. This could result in cross-defaults under other Group loans.

#### **Risk management measures:**

The Group regularly produces cash flow and debt forecasts to ensure that there are no future defaults on commitments given, and if necessary, take steps to prevent them.

The Company assigns to this risk a **low probability**.

The Company considers that the criticality of this risk is **significant**.

#### 2.1.5.3 Risk related to impairment of goodwill and deferred taxes

As at 30 June 2023, goodwill totalled €95.6 million (see Note 16 to the consolidated financial statements for the financial year ended 30 June 2023 included in Section 6.1 “*Consolidated Financial Statements as at 30 June 2023*” of this Universal Registration Document). Given the significant amount of intangible assets and goodwill in the Group’s balance sheet, any significant write-down could have a material adverse effect on its business activities, results and financial position in the financial year in which said charges were recorded.

As at 30 June 2023, deferred tax assets in the Group’s consolidated financial statements totalled €5.1 million (see Note 15 of the consolidated financial statements for the financial year ended 30 June 2023 included in Section 0 “*Consolidated Financial Statements as at 30 June 2022*” of this Universal Registration Document). These deferred tax assets are recognised in the Group’s balance sheet in an amount that the Group believes it will be able to recover within a reasonable period of time and, in any event, before the expiry of the tax loss carryforwards. Nevertheless, the Group could be unable to realise the anticipated amount of deferred taxes if its future taxable revenues and the associated taxes are less than anticipated. The Group also based its forecasts on the use of deferred taxes on its understanding of the application of tax regulations, which, however, could be called into question either by changes in such tax and accounting regulations or tax audits or litigation that could affect the amount of deferred taxes.

#### **Risk management measures:**

The Group performs annual impairment tests to ensure that the carrying amount of goodwill does not exceed its recoverable amount and that there is no risk of impairment.

The Group updates its tax planning annually to ensure that deferred tax assets related to recognised tax loss carryforwards can reasonably be utilised within the next five years.

The Company assigns to this risk a **low probability**.

The Company considers that the criticality of this risk is **significant**.

#### 2.1.6 Exchange rate risk

In general, the Group manufactures its products and incurs the corresponding expenses in euros, with the exception of some manufacturing in Australia and the United States, for an insignificant volume. On the other hand, the Group sells its products in local currency when marketing products through its foreign subsidiaries and invoices in euros when selling products to distributors located abroad.

Furthermore, the Group presents its financial statements in euros. Consequently, in preparing its financial statements, the Group has to convert its assets, liabilities, revenues and expenses from foreign currencies into euros, using the relevant exchange rates in effect. As a result, changes in exchange rates could affect the value of these items in its financial statements (and therefore have an impact on its margin) even if their intrinsic value remains unchanged.

The main monetary fluctuations affecting the Group's results are those of the euro, on the one hand, and of the Australian dollar, the US dollar, the Swiss franc, the South African rand and the Brazilian real, on the other.

As at 30 June 2023, 16.3% of the Group's sales were in currencies other than the euro, mainly in Australian dollars, Swiss francs, South African rand and Brazilian reals, representing respectively 5.7%, 7.4%, 0.9% and 2.4% of Group sales.

### **Risk management measures:**

The Group assesses its currency hedging needs based on forecast currency flows and the feasibility of the hedges required to decide whether to implement a hedge. For the 2022-2023 financial year, no currency hedging was implemented.

The Company assigns to this risk a **moderate probability**.

The Company considers that the criticality of this risk is **insignificant**.

## **2.2 INSURANCE**

The Group has established a policy for covering the main insurable risks with coverage it considers compatible with the nature of its business.

The expenses recognised by the Group for all insurance policies was €0.686 million, €0.655 million and €0.616 million for the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021 respectively.

No significant claim was made by the Group during the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021. These insurance policies were not the subject of any significant actions against the Group during the financial years ended 30 June 2023, 30 June 2022 and 30 June 2021.

Since 1 July 2016, the Group has had civil liability insurance with the insurance company HDI.

<b>Insurance</b>	<b>Assurer</b>	<b>Risks covered</b>	<b>Amount of guarantee</b>	<b>Excess</b>	<b>Date of entry into effect and expiry</b>
<b>Transported goods insurance (Worldwide)</b>	Helvetia	Air, road, maritime transport, on own account, by post Trade fairs and exhibitions	€150,000	€5,000	Recast of the Contract on 01/07/2021 then renewal by tacit agreement
<b>Business use vehicle insurance</b>	AXA	Insurance of staff vehicles	€400,000	N/A, except €500 for: Fire, storm, theft, all accident damage	Contract of 01/01/2019 then renewal by tacit agreement
<b>Operating and product liability insurance (Worldwide)</b>	HDI	International programme with: 1) a Master policy that triggers at the first euro for certain subsidiaries;	From €200,000 to €15,000,000 (€10,000,000 in the USA)	Between €5,000 and €75,000 depending on the claim (€100,000 for tangible in the USA)	Contract dated 01/07/2016, then renewals

Insurance	Assurer	Risks covered	Amount of guarantee	Excess	Date of entry into effect and expiry
		2) local policies integrated into HDI GLOBAL.			
Vehicle fleet insurance	AXA	Third-party liability and all-accident damage	€100 million to unlimited	Nil	Contract of 01/01/2019, renewal by tacit agreement
Civil liability of corporate officers (Worldwide)	CHUBB Insurance	Liability guarantees for executives	€8,000,000	\$45,000 in the USA (\$75,000 for stock market claims)	Contract dated 01/07/2020, renewal by tacit agreement
Business Accidents (Worldwide)	CHUBB Insurance	Capital on death and total or partial permanent disability			Renewed on 01/01/2019, renewal by tacit agreement
Multi-risk industrial and commercial damages insurance (Worldwide)	Generali (co-insurance with Zurich)	Guarantee for damage to property and financial loss	€100,000,000	10,000	Contract of 01/07/2010, renewal by tacit agreement
Key individual insurance	AXA	Capital guaranteed in the event of death of Mr Jallabert	€5,000,000	Nil	Contract of 03/12/2014
Cyber Insurance	HISCOX	Assistance, Damage suffered by the insured and Damage caused to third parties	€3,000,000	€50,000	01/09/2021 contract, renewed

## 2.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

### 2.3.1 Internal control

The Group views internal control and risk management as a set of policies intended to provide a reasonable degree of assurance that the operating objectives will be achieved, that financial information is reliable and also, that there will be compliance with the laws and regulations in force. These functions are supported by:

- the organisation and functioning of the corporate management bodies as described above;
- a “quality” system implementing controls, with indicators and risk assessments; and
- procedures and an organisational structure to prepare accounting and financial information.

Internal Control is under the responsibility of the Vice President, Finance. He supervises the analysis, upgrading and evaluation of the risk control systems in place within the Group.

Reporting to the Chief Executive Officer with direct access to the Board of Directors, he co-ordinates his mission with the operating and functional departments in the scope of all Group business. With his



teams, he also co-ordinates deployment of the Ethics Charter and reinforces actions to prevent the risk of fraud.

#### *2.3.1.1 The “quality” system*

The Group implements its quality initiatives pursuant to the legislation governing medical devices, in particular to meet the challenges of regular strengthening of the regulations applicable to manufacturing and the sale of its products, whether in Europe, Brazil, Australia or the United States.

The Group, through all its subsidiaries, is committed to a continuous improvement process which seeks to foster individual responsibility to:

- safeguard the health and safety of men and women contributing to its business activities;
- guarantee the safety of its facilities and reduce their impact on the environment, to protect the natural world;
- comply, wherever it conducts its business, with the applicable quality, safety and environmental laws;
- maintain relationships based on transparency and dialogue with all stakeholders.

All divisional Directors (Vice-Presidents) or Directors of subsidiaries are responsible for establishing and monitoring the quality, safety and environment programmes within their business areas, ensuring that all employees are informed and actively involved.

The Company’s quality system guarantees:

- formalising of activities in a documentary system defining the methods and responsibilities;
- regular employee training;
- upstream and downstream traceability of all product batches;
- the completion of internal audits; and
- implementation of corrective actions to remedy non-conformities detected and to meet needs for improvements to activities. The quality system is regularly inspected by the ANSM (*Agence Nationale de la Sécurité du Médicament et des Produits de Santé*) and by its foreign equivalents in countries where the Company’s products are marketed and sold.

#### *2.3.1.2 Internal control procedures regarding preparation and processing of financial and accounting information*

Internal control procedures regarding the processing of financial and accounting information seek to ensure that within the Group, all financial and accounting information complies with the laws and regulations. Internal control also aims to ensure implementation of the instructions and priorities decided by Senior Management.

The activities of the Group’s Senior Management, finance department and management control are centralised for Amplitude Surgical and Amplitude SAS. Some Group subsidiaries have administrative and finance departments or outsource their accounts management.

Only the Company and its subsidiary Amplitude SAS has the capacity to enter into undertakings on deposits and guarantees or market instruments; these are reviewed periodically by the Audit Committee and regular reports are made to the Board of Directors.

The Group's finance department has established an accounting plan and procedures applicable for all French entities of the Group and uses standard local accounting plans in countries in which the Group is located.

The procedures cover budget control and information feedback.

The Group's consolidated financial statements are prepared by teams at the parent company.

#### *2.3.1.3 Risk Management*

Risks to which the Company is exposed are identified, assessed and ranked.

Each process, project and business line regularly analyses its risks to enable prevention plans to be put in place and reduce the level of risk exposure.

The actions put in place are followed up in the continuous improvement plans.

The Group's safety and environmental policy is based on two main priorities:

- preserving health and safety at Group subsidiaries; and
- controlling the impacts of our business activities on the environment.

## CHAPTER 3 CORPORATE GOVERNANCE

This report was prepared by the Board of Directors in collaboration with the Senior Management.

### 3.1 ADMINISTRATIVE AND MANAGEMENT BODIES

3.1.1 The Company's administrative, supervisory bodies and Senior Management

#### 3.1.1.1 *Members of administrative, supervisory bodies and of Senior Management*

As at the date of this Universal Registration Document, the Company is a French limited company with a Board of Directors governed by the laws and regulations in force and by its articles of association.

This governance structure is intended to simplify the decision-making process and strengthen the accountability of the Board of Directors.

Since 10 November 2020, the Board of Directors has chosen to separate the functions of Chairman of the Board and Chief Executive Officer. Stefano Drago is Chairman of the Board of Directors and Olivier Jallabert is Chief Executive Officer.

A description of the main provisions of the articles of association and the internal regulations on the Board of Directors, its committees and Senior Management of the Company, in particular their operating procedures and powers, are given in Section 3.5 ("Founding *Deeds and Articles of Association*") of this Universal Registration Document.

#### *i. Board of Directors*

### **Directors**

Since 10 November 2020, the composition of the Board of Directors has remained unchanged and is as follows:

- Stefano Drago, Chairman of the Board of Directors;
- Olivier Jallabert (Chief Executive Officer);
- Daniel Caille (independent); and
- Charlotte Penneç.

In accordance with the Company's articles of association, the Board of Directors comprises between three and 18 members (or any different maximum number resulting from a change in the applicable legal requirements), appointed for a term of four years, it being specified that the directors representing the employees are not taken into account in determining the minimum and maximum number of directors. The Board of Directors is made up of four directors, including one independent director (Mr Daniel Caille). The Chief Executive Officer (Mr Olivier Jallabert) is also a director. Indeed, the latter's full participation as a director in the debates of the Board of Directors is considered essential.

The information concerning the members of the Board of Directors, up to date as at the date of this Universal Registration Document, is provided below.

<b>Mr Stefano Drago</b>  <b>(50 years)</b>	<b>PROFESSIONAL ADDRESS:</b>  232, rue de Rivoli, Paris (75 001)	<b>NUMBER OF SHARES HELD:</b> 1 share
<b>EXPERIENCE AND EXPERTISE</b>		
<p><b>Chairman of the Board of Directors, Director, member of the Audit Committee, member of the Remuneration and Appointments Committee</b></p> <p>Mr Drago is a founding partner of the Mid-Market Fund team at PAI MMF. Previously, he was Partner responsible for investments in the healthcare sector for the flagship fund. He started his career in the R&amp;D department of France Telecom (now Orange) for three years, then spent four years at McKinsey &amp; Company in their Italian and Singapore offices, before joining PAI in 2005.</p>		
<b>TERM OF OFFICE</b>		
<p>First appointment: 10 November 2020</p> <p>Current term of office: from 15 December 2022 until the General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2026</p>		
<b>LIST OF CORPORATE OFFICES AND OTHER POSITIONS IN FRENCH AND FOREIGN COMPANIES DURING THE LAST FIVE FINANCIAL YEARS</b>		
<b>Offices and positions in the Group</b>	<b>Offices and positions outside the Group</b>	
<p><u>Current:</u></p> <p><i>In France</i></p> <ul style="list-style-type: none"> <li>– Amplitude Surgical (Chairman/Director)</li> </ul> <p><i>Abroad</i></p> <p>Auroralux SAS (member of the Supervisory Board)</p> <p><u>During the last five financial years:</u></p> <p><i>In France</i></p>	<p><u>Current:</u></p> <p><i>In France</i></p> <ul style="list-style-type: none"> <li>– Ethypharm SAS (Director)</li> <li>– Financière Verdi III (member of the Supervisory Board)</li> <li>– Financière Lys (member of the Supervisory Board and Chairman)</li> <li>– PAI Community (member)</li> <li>– PAI Mid Market SAS (Chairman)</li> <li>– SARI 2 (Manager)</li> <li>– SunnyFR SAS (member of the Supervisory Board and Chairman)</li> </ul> <p><i>Abroad</i></p> <ul style="list-style-type: none"> <li>– TecBid SARL (Manager)</li> <li>– TecFin SARL (Manager)</li> <li>– TecInvest SARL (Manager)</li> <li>– Shooting Star Holding SARL (Manager)</li> <li>– Z1 Gruppe GmbH (Director)</li> <li>– PAI MMF Holding (Manager)</li> </ul> <p><u>During the last five financial years:</u></p> <p><i>In France</i></p>	

<ul style="list-style-type: none"> <li>- Ampliman 1 (Chairman)</li> <li>- Ampliman 2 (Chairman)</li> </ul>	<ul style="list-style-type: none"> <li>- Financière Gaillon 0 SAS (member of the Supervisory Board)</li> <li>- Financière Gaillon 13 SAS (member of the Supervisory Board)</li> <li>- Financière Kilinvest SAS (Director)</li> <li>- Financière Lys (Chairman)</li> <li>- StellaFR SAS (Chairman)</li> <li>- SunnyFR SAS (Chairman)</li> <li>- Focus Participations SAS (Chairman)</li> </ul>
<i>Abroad</i>	<i>Abroad</i>
N/A	N/A

<b>Mr Olivier Jallabert</b> (56 years)	<b>PROFESSIONAL ADDRESS:</b> 11, Cours Jacques Offenbach, Valence (26 000)	<b>NUMBER OF SHARES HELD:</b> 203,702 shares
<b>EXPERIENCE AND EXPERTISE</b>		
<b>Chief Executive Officer, Director</b>		
Olivier Jallabert founded the Amplitude Group in 1997, he formerly worked for major American groups (in particular Biomet as Europe R&D Manager). He has more than 25 years' experience in the orthopaedics industry.		
<b>TERM OF OFFICE</b>		
First appointment: 10 June 2015		
Current term of office: from 15 December 2022 until the General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2025		
<b>LIST OF CORPORATE OFFICES AND OTHER POSITIONS IN FRENCH AND FOREIGN COMPANIES DURING THE LAST FIVE FINANCIAL YEARS</b>		
<b>Offices and positions in the Group</b>	<b>Offices and positions outside the Group</b>	
<u>Current:</u> <i>In France</i> <ul style="list-style-type: none"> <li>- Amplitude Surgical (CEO, Director)</li> <li>- Amplitude SAS (Chairman)</li> <li>- SCI Les Tilleuls (Manager)</li> <li>- Duotech-Amplitude (legal representative of Amplitude SAS, Chairman)</li> <li>- Amplitude Ile de France (legal representative of Amplitude SAS, Chairman)</li> <li>- Amplitude Sud (legal representative of Amplitude SAS, Chairman)</li> <li>- Amplitude Nord (legal representative of Amplitude SAS, Chairman)</li> </ul>	<u>Current:</u> <i>In France</i> <ul style="list-style-type: none"> <li>- SCI Olisa Lyon</li> <li>- SCI Olisa Ermitage</li> <li>- SCI Olisa Carnot</li> </ul>	

<ul style="list-style-type: none"> <li>- Sofab Orthopédie SAS (legal representative of Amplitude SAS, Chairman)</li> </ul>	
<i>Abroad</i>	<i>Abroad</i>
<ul style="list-style-type: none"> <li>- Amplitude Benelux (Manager)</li> <li>- Amplitude GmbH (Chairman)</li> <li>- Amplitude Australia (Director)</li> <li>- Amplitude Suisse (Chairman)</li> <li>- Amplitude Orthopaedic Ltd. (formerly Joint Research Ltd.) (Director)</li> <li>- Auroralux SAS (Chairman)</li> </ul>	
<u>During the last five financial years:</u>	<u>During the last five financial years:</u>
<i>In France</i>	<i>In France</i>
<ul style="list-style-type: none"> <li>- Firm Industrie SARL (Manager)</li> <li>- Poli Tech SAS (legal representative of Amplitude SAS, Chairman)</li> <li>- Poli Alpes SAS (legal representative of Amplitude SAS, Chairman)</li> <li>- Amplitude India Pvt Ltd (Chairman)</li> <li>- Novastep Inc. (Director)</li> <li>- Novastep SAS (Director)</li> </ul>	N/A
<i>Abroad</i>	<i>Abroad</i>
<ul style="list-style-type: none"> <li>- Amplitude Ortho SRL (Director)</li> </ul>	N/A

<b>Ms Charlotte Pennec</b> (38 years)	<b>PROFESSIONAL ADDRESS:</b> 232, rue de Rivoli, Paris (75 001)	<b>NUMBER OF SHARES HELD:</b> 1 share
<b>EXPERIENCE AND EXPERTISE</b>		
<p><b>Director</b></p> <p>Ms Pennec joined PAI in 2019 as a member of the finance team and General Counsel. She has more than ten years' experience in corporate law, specialising in mergers and acquisitions and private equity. Prior to joining PAI, she worked as an associate for law firms such as Paul Hastings for six years, and before that, Latham &amp; Watkins.</p>		

**TERM OF OFFICE**

First appointment: 10 November 2020

Current term of office: from 15 December 2022 until the General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2023. Renewal of the term of office will be proposed to the General Meeting called to approve the financial statements for the financial year ended 30 June 2023.

**LIST OF CORPORATE OFFICES AND OTHER POSITIONS IN FRENCH AND FOREIGN COMPANIES DURING THE LAST FIVE FINANCIAL YEARS****Offices and positions in the Group**Current:*In France*

– Amplitude Surgical (Director)

*Abroad*

N/A

During the last five financial years:*In France**Abroad*

N/A

**Offices and positions outside the Group**Current:*In France*

– SCI Avela (Partner)

*Abroad*

N/A

During the last five financial years:*In France**Abroad*

N/A

**Mr Daniel CAILLE**

(72 years)

**PROFESSIONAL ADDRESS:**

61, Avenue Victor Hugo, 75116 Paris

**NUMBER OF SHARES HELD:** 10 shares

**EXPERIENCE AND EXPERTISE**

**Director, member and Chairman of the Audit Committee, member and Chairman of the Remuneration and Appointments Committee**

Daniel Caille was in turn the deputy CEO of Vivendi Universal, the CEO of La Poste, the chairman and founder of Générale de Santé and currently, is an independent director, a member of ad hoc committees on behalf of French and foreign companies in the environment, health, home care services and care home sectors.

**TERM OF OFFICE**

First appointment: 10 June 2015

Current term of office: from 15 December 2022 until the General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2024

**LIST OF CORPORATE OFFICES AND OTHER POSITIONS IN FRENCH AND FOREIGN COMPANIES DURING THE LAST FIVE FINANCIAL YEARS****Offices and positions in the Group**Current:*In France*

- Amplitude Surgical (Director, member of the Audit Committee, Member of the Appointments Committee and member of the Remuneration Committee)

**Offices and positions outside the Group**Current:*In France*

- Hypno VR (non-voting Board member)
- Fragmos Chain (member of the advisory committee)
- SCI Juliette Drouet (Manager)
- SCI Palm Beach (Manager)
- SCI Château Beaumel (Manager)
- SCI Villa Radieuse (Manager)
- SCI Les Jardins de Carla (Manager)
- SCI Mabrisa (Manager)
- SCI Villa Lerins (Manager)
- SARL Château Beaumel (Manager)
- SARL Domaine de Beaumel (Manager)
- Vivalto Family (Manager)
- Flex Industrie (Chairman)
- Sagesse Retraite Santé Holding (member of the Supervisory Board)
- Vivalto Partners SAS (Chairman and Chairman of the Management Committee)
- SCI Provenza (permanent representative of Vivalto Vie, Manager)
- Société Civile Immobilière du Fief (permanent representative of Vivalto Vie, Manager)
- Société Civile Immobilière du Laugier (permanent representative of Vivalto Vie, Manager)
- SCI Les Feuillantines (permanent representative of Vivalto Vie, Manager)
- Vivalto Vie Holding (permanent representative of Vivalto, member of the Supervisory Board)
- SB Energie (permanent representative of Vivalto, member of the Strategic Committee)
- Groupe Star Service (permanent representative of Vivalto, member of the Supervisory Board)
- Canne Trotter (permanent representative of Sinequanon France, member of the Strategic Committee)
- Formalian Groupe (permanent representative of Vivalto, member of the Supervisory Committee)
- Deeplink Medical (permanent representative of Sinequanon France, member of the Supervisory Board)



*Abroad*

- N/A

During the last five financial years:

*In France*

- N/A

- Tribun Health (permanent representative of Sinequanon France, member of the Strategic Partners Committee)
- Simango (permanent representative of Vivalto, member of the Strategic Committee)
- Vivalto Santé Holding 3 (Member of the Strategic Committee)
- Vivalto Santé 3 (member of the Supervisory Board and Chairman of the Supervisory Board)

*Abroad*

- Sinequanon Invest SARL (Manager)
- Vivalto International Partenaires SARL (Manager)
- Gestion Santé et Vie Inc. (Chairman and Director)
- Gestion Maisons et Vie (Director)
- Vivalto Capital I GP (Chairman)
- Ribera Salud (member of the Board of Directors)

During the last five financial years:

*In France*

- SCI Clotibeo (Managing Partner [from September 2011 to October 2020])
- Vivalto Vie (Chairman [from December 2014 to April 2020])
- Vivalto Vie (permanent representative of Vivalto, member of the Supervisory Board)
- 5 Santé (member of the Supervisory Board [from September 2015 to December 2020])
- SCI du Petit Essart (Manager [from February 2012 to December 2021])
- Vivalto Santé Holding (member of the Strategic Committee [from January 2016 to November 2021])
- SCI Domaine de Saint-Pry (Manager [from July 2016 to April 2022])
- Vivalrec (Chairman [from July 2013 to January 2022])
- Vivalto Vie Management (Chairman [from March 2017 to April 2020])
- Vivalto Vie Management (member of the Monitoring Committee [from June 2017 to April 2020])
- La Clé Immobilière (Manager [from January 2015 to April 2022])
- Vésubie Valley Association (Vice-Chairman [from February 2017 to February 2021])
- Domco 2 (member of the Supervisory Board [from September 2015 to May 2020])
- 5 Santé (member of the Supervisory Board [from September 2015 to December 2020])
- Vivalto Santé Holding (Chairman [from November 2015 to November 2021])
- Vivalto Santé Holding (Chairman and Member of the Strategic Committee)

	<ul style="list-style-type: none"> <li>- GCS Vivalto Santé Enseignement, Recherche, Innovation (Chairman of the Restricted Committee, member of the Restricted Committee, Director and Alternate Director)</li> <li>- Holding Pasteur (Manager)</li> <li>- INVIVA (Chairman)</li> <li>- Vivalto Santé SA (Chairman and CEO and Director)</li> <li>- Clinique Pasteur Lanroze (Director)</li> <li>- GIE Robotique médicale Vivalto Santé (Director)</li> <li>- Vivalto Dom (Chairman)</li> <li>- Vivalto Santé Investissement (Chairman and CEO and Director)</li> <li>- GIE Vivalto Santé Services Partagés (Director, Chairman of the Board of Directors)</li> <li>- GIE Robotique médicale Vivalto Santé (Director)</li> <li>- Institut Vivalto Santé pour la Recherche Clinique, l'Innovation et la Formation Médicale (Chairman and member of the Board of Directors)</li> <li>- Clinique Générale (Chairman, permanent representative of Vivalto Santé Investissement, Chairman)</li> <li>- Vivalto Santé Investissement (Chairman and CEO and Director)</li> <li>- Vivalto Partenaires (Permanent representative of Vivalto, Chairman)</li> <li>- Vivalto Santé Normandie (Permanent Representative of Vivalto Santé Investissement, Chairman)</li> <li>- Centre Hospitalier Privé Saint-Grégoire (Chairman and permanent representative of Vivalto Santé Investissement, Chairman)</li> </ul>
<p><i>Abroad</i></p> <ul style="list-style-type: none"> <li>- N/A</li> </ul>	<p><i>Abroad</i></p> <ul style="list-style-type: none"> <li>- Sinequanon Health Care SA (Chairman of the Board of Directors and Director)</li> <li>- Vivalto Home Partners [Chairman of the Board of Directors (from October 2016 to January 2022)]</li> <li>- Vivalto Home Partners (Director delegate [from April 2018 to January 2022])</li> <li>- Vivalto Home Partners (Director [from July 2016 to January 2022])</li> <li>- Vivalto International SARL (Manager [from September 2014 to December 2021])</li> <li>- Sinequanon Partners SA (Chairman of the Board of Directors and Director [from December 2007 to November 2021])</li> <li>- Gestion Maisons et Vie (Chairman [from September 2019 to November 2022])</li> <li>- Gestion Maisons et Vie (Chairman of the Board of Directors [from September 2019 to December 2022])</li> <li>- Vivalto International Entreprises (from May 2020 to July 2022)</li> <li>- Sinequanon Health Care SA (Chairman of the Board of Directors [from June 2009 to June 2022])</li> <li>- Sinequanon Health Care SA (Chairman and Director [from April 2020 to June 2022])</li> <li>- Sinequanon Health Care SA (Director [from June 2009 to June 2022])</li> </ul>

## Non-voting Board members

As at the date of this Universal Registration Document, two non-voting Board members, whose information is provided below, participate in the meetings of the Board of Directors.

<b>Mr Augustin GRANDCOLAS</b>  <b>(40 years)</b>	<b>PROFESSIONAL ADDRESS:</b>  232, rue de Rivoli, Paris (75 001)	<b>NUMBER OF SHARES HELD:</b> 0 shares
<b>EXPERIENCE AND EXPERTISE</b>		
<b>Non-voting Board member</b>  Mr Grandcolas acts for PAI as senior advisor. He was previously part of the Healthcare team from 2011 to 2021 and was involved in a number of investments including B&B Hotels, DomusVi, ELITechGroup, Ethypharm, FTE, IPH, Global Closure Systems and SGD Pharma. He started his career at Credit Suisse, where he worked for five years in the Investment Banking department in Paris.		
<b>TERM OF OFFICE</b>		
First appointment: 17 December 2020  Current term of office: from 17 December 2020 until the General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2024		
<b>LIST OF CORPORATE OFFICES AND OTHER POSITIONS IN FRENCH AND FOREIGN COMPANIES DURING THE LAST FIVE FINANCIAL YEARS</b>		
<b>Offices and positions in the Group</b>  <u>Current:</u>  <i>In France</i>  – Amplitude Surgical (Non-voting Board member)          <i>Abroad</i>  – N/A          <u>During the last five financial years:</u>	<b>Offices and positions outside the Group</b>  <u>Current:</u>  <i>In France</i>  – Ethypharm SAS (Director) – Financière Verdi III SAS (Member of the Supervisory Board)  – Oryom18A8 (partner with unlimited liability) – Cœur historique SCI (partner with unlimited liability)  – JFM Conseil (Chairman)          <i>Abroad</i>  – TecBid SARL (Manager) – TecFin SARL (Manager) – TecInvest SARL (Manager)          <u>During the last five financial years:</u>  <i>In France</i>	

<p><i>In France</i></p> <ul style="list-style-type: none"> <li>– N/A</li> </ul>	<ul style="list-style-type: none"> <li>– Care Participations Bidco (Chairman)</li> <li>– Care Participations Midco (Chairman)</li> <li>– Care Participations Topco (Chairman)</li> <li>– Boron SAS (Chairman)</li> <li>– Lime SAS (Chairman)</li> <li>– Silica SAS (Chairman)</li> <li>– Soda SAS (Chairman)</li> <li>– PAI Community (representative member of the founder)</li> </ul>
<p><i>Abroad</i></p> <ul style="list-style-type: none"> <li>– N/A</li> </ul>	<p><i>Abroad</i></p> <ul style="list-style-type: none"> <li>– Neptune Topco SARL (Manager)</li> <li>– Care Participations SARL (Chairman)</li> <li>– Care Participations SARL (Chairman)</li> </ul>

<p><b>Mr Mateo PANIKER</b> (46 years)</p>	<p><b>PROFESSIONAL ADDRESS:</b> 232, rue de Rivoli, Paris (75 001)</p>	<p><b>NUMBER OF SHARES HELD:</b> 0 shares</p>
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**EXPERIENCE AND EXPERTISE**

**Non-voting Board member**

Mr Paniker joined PAI in 2020 as one of the founding partners of the Mid-Market Fund team. He has extensive experience in the Spanish and international private equity markets, having previously worked at Ventura Equity Partners, where he was a founding partner, and spent almost 12 years at Investindustrial, where he was a senior manager in the Spanish office and a member of the investment committee.

**TERM OF OFFICE**

First appointment: 17 December 2020

Current term of office: from 17 December 2020 until the General Meeting of the Company called to approve the financial statements for the financial year ended 30 June 2024

**LIST OF CORPORATE OFFICES AND OTHER POSITIONS IN FRENCH AND FOREIGN COMPANIES DURING THE LAST FIVE FINANCIAL YEARS**

**Offices and positions in the Group**

Current:

*In France*

- Amplitude Surgical SA (Non-voting Board member)
- Auroralux SAS (Non-voting Board member)

*Abroad*

N/A

**Offices and positions outside the Group**

Current:

*In France*

N/A

*Abroad*

- Auroralux SAS (Manager/Director)

	<ul style="list-style-type: none"> <li>- Mavericks Directorship (Manager/Director)</li> <li>- Vicuna Directorship (Manager/Director)</li> <li>- PAI Mid Market SL (Director)</li> </ul>
<u>During the last five financial years:</u>	<u>During the last five financial years:</u>
<i>In France</i>	<i>In France</i>
N/A	N/A
<i>Abroad</i>	<i>Abroad</i>
N/A	N/A

### **Departure, appointment and renewal of directors**

The composition of the Board of Directors remained unchanged during the financial year ended 30 June 2023. As all the terms of office of the directors in office will expire at the close of the General Meeting of 15 December 2022, it has been proposed that they be renewed. Pursuant to Article 16.4 of the Company's articles of association, and in order to allow a staggered renewal of the terms of office of the members of the Board of Directors, in accordance with recommendation 14.2 of the AFEP-MEDEF Code, it has been proposed to the General Meeting of 15 December 2022 to renew each of these terms of office for a different period, ranging from one to four years. Consequently, the General Meeting of 15 December 2022 renewed the terms of office of:

- Stefano Drago, for a period of four years expiring at the General Meeting of 2026 called to approve the financial statements for the financial year ended 30 June 2026;
- Olivier Jallabert, for a period of three years expiring at the General Meeting of 2025 called to approve the financial statements for the financial year ended 30 June 2025;
- Daniel Caille, for a period of two years expiring at the General Meeting of 2024 called to approve the financial statements for the financial year ended 30 June 2024;
- Charlotte Pennec, for a period of one year expiring at the General Meeting of 2023 called to approve the financial statements for the financial year ended 30 June 2023.

The biographies of Mr Stefano Drago, Mr Olivier Jallabert, Ms Charlotte Pennec and Mr Daniel Caille are presented at the beginning of this chapter.

### **Succession planning**

The Remuneration and Appointments Committee reviewed and established a succession plan for the Company's executive corporate officers in order to be able to plan short-, medium- and long-term succession solutions, particularly in the event of unforeseen and/or sudden vacancies, and to ensure continuity of Senior Management. This plan is reviewed each year by the Board of Directors.

### **Diversity policy within the Board of Directors**

The Board of Directors is committed to ensure diversity among its members.

The policy pursued by the Board of Directors is therefore to recruit a variety of profiles with sufficient experience and expertise to ensure cohesion between directors and to enable the Board of Directors to carry out its duties in a thorough and effective manner in line with the Group's business activities.

The Board of Directors' diversity policy is based on the following principles:

- presence of members with skills in the medical but also extra-medical field;
- presence of independent members; and
- presence of female members.

At its meeting on 17 October 2023, the Board of Directors discussed the diversity policy within the Board of Directors and noted that, given the small size of the Board of Directors and the presence of directors appointed at the request of the Company's majority shareholder, its composition in terms of independent and female members did not change during the past financial year.

The Board of Directors nevertheless ensured, through the work and recommendations of the Remuneration and Appointments Committee, compliance with the principles laid down through its diversity policy as part of its decision to propose to the General Meeting of 13 December 2023, to renew the term of office of Charlotte Pennec as a director.

Also at its meeting on 17 October 2023, the Board of Directors approved, as part of its diversity policy, the following objectives for the financial year beginning 1 July 2023:

- ensure compliance with the minimum legal representation of women on the Board of Directors;
- maintain, and where possible increase, given the size of the Board of Directors, the number of independent directors on the Board;
- maintain and, where appropriate, increase the diversity of directors' skills.

Appointments of new profiles are submitted by the Board of Directors to the General Meeting, after recommendations from the Remuneration and Appointments Committee.

The Remuneration and Appointments Committee examines the skills and experience of each director and ensures that they are in line with the policy set by the Board of Directors.

### ***Skills of the directors***

The Board of Directors considers that, in its current composition, which it is proposing to the General Meeting of 13 December 2023 to maintain through the renewal of the term of office of Charlotte Pennec as director, it benefits from the complementary and recognised skills of its members. Directors have the practical and sectoral skills to enable the Board to carry out its work in a thorough and effective manner.

Similarly, in its work on the evolution of its composition, the Board of Directors takes into account the current skills of its members and identifies the skills to be sought among candidates.

As at 30 June 2023, the skills represented on the Board of Directors were as follows:

## Directors' Skills Matrix

	INTERNATIONAL EXPERIENCE	MANAGERIAL EXPERIENCE	FINANCE	STRATEGY	HEALTH SECTOR	REGULATORY	CORPORATE AND ENVIRONMENTAL RESPONSIBILITY
Stefano Drago	√	√	√	√	√		√
Olivier Jallabert	√	√	√	√	√	√	
Daniel Caille	√	√	√	√	√	√	√
Charlotte Pennec	√		√	√		√	

### *Independent directors*

In accordance with the principles and best practices of corporate governance set out in its internal rules, the Board of Directors has set itself the objective to include independent directors in its composition and in that of its committees.

As at 30 June 2023, the Board of Directors, the Audit Committee and the Remuneration and Appointments Committee had one independent director, Mr Daniel Caille.

### *Definition and independence criteria*

The definition and criteria of independence are set by reference to the principles of corporate governance laid down by AFEP and MEDEF in their corporate governance code for listed companies as updated in December 2022.

Thus, in analysing the position of each director, the Board of Directors examines the following criteria:

- not to be an employee or executive corporate officer of the Company, nor an employee, executive corporate officer or director of a company it consolidates or of its parent company or a company that it consolidates, and not to have been so within the preceding five years;
- not to be an executive corporate officer of a company in which the Company directly or indirectly holds a director's term of office or in which an employee appointed as such or an executive corporate officer of the Company (current or having been so for less than five years) holds a term of office as director;
- not to be a customer, supplier, investment banker, commercial banker, consultant:
  - o material to the company or its group,
  - o or for which the company or its group represents a significant part of the business activity.

As part of the analysis of this criterion, the Board of Directors reviews, on the one hand, the weight of the customer, supplier, investment banker or commercial banker in the Group's revenue or expenditure and, on the other hand, the weight that the Group represents in the business activity of the customer, supplier, investment banker or commercial banker;

- not to have a close family relationship with a corporate officer;
- not to have been the Company's Statutory Auditor within the previous five years; and

- not to have been a director of the company for more than 12 years. The loss of independent director status occurs after 12 years.

In addition, a non-executive corporate officer cannot be considered independent if he or she receives variable remuneration in cash or securities or any remuneration linked to the performance of the company or the Group.

Directors representing significant shareholders of the company or its parent company may be considered independent insofar as these shareholders do not participate in the control of the company. However, above a threshold of 10% in capital or voting rights, the Board of Directors, on the basis of a report from the Remuneration and Appointments Committee, systematically examines the qualification of independent, taking into account the structure of the Company's capital and any potential conflict of interest.

The Board of Directors may consider that a director, although meeting the independence criteria defined by the guidelines of the AFEP and the MEDEF, should not qualify as independent in view of his or her particular situation or that of the Company, having regard to his or her shareholding or for any other reason. Conversely, the Board of Directors may consider that a director who does not meet the criteria detailed above is nevertheless independent.

#### *Qualification procedure for independent directors*

The qualification of an independent director is discussed when necessary by the Remuneration and Appointments Committee, which draws up a report on this subject for the Board of Directors. The Board of Directors reviews, in light of this report, the situation of each director with regard to the independence criteria.

The Board of Directors informs shareholders of the conclusions of its review in its corporate governance report.

After examining the independence of its members on the recommendation of the Remuneration and Appointments Committee, at its meeting on 17 October 2023, the Board of Directors concluded that one of its four members is independent, namely:

- Mr Daniel Caille, who is also a member and Chairman of the Audit Committee and the Remuneration and Appointments Committee.

#### **Gender Balance**

As at 30 June 2023, the Board of Directors had one female director out of a total of four directors and was therefore in compliance with the provisions of Article L.225-18-1 of the French Commercial Code.

#### *Nationality of directors*

Just one director is currently a foreign national, namely Mr Stefano Drago, who is Italian.

#### *Multiple corporate offices*

The Company complies with the recommendations of the AFEP-MEDEF Code regarding multiple corporate offices.

The Board of Directors reviews, when appointing a director and when proposing the appointment of a director to the Board of Directors from another listed company, the consequences that this appointment



could have on the multiple corporate offices held in accordance with the recommendations of the AFEP-MEDEF Code.

*ii. Statements related to corporate officers*

To the knowledge of the Company, there are no family ties between members of the Board of Directors of the Company identified above.

To the knowledge of the Company, during the last five years, none of the Company's corporate officers:

- has been sentenced for fraud, indicted or the subject of an official public penalty pronounced against him by the statutory or regulatory authorities;
- has been implicated in bankruptcy, receivership or liquidation proceedings or placement of companies under judicial administration as a director or corporate representative; nor
- has been deprived by a court of the right to act as member of an administrative, management or supervisory body, or participating in the management or conduct of an issuer's business.

*iii. Senior Management*

Olivier Jallabert is the Chief Executive Officer of the Company.

The decision to separate the positions of Chairman of the Board of Directors and of Chief Executive Officer was taken at the meeting of the Board of Directors of 10 November 2020. The Board decided at this meeting to confirm the appointment of Olivier Jallabert as Chief Executive Officer given his substantial contribution and the results achieved under his leadership at the head to the Group.

*3.1.1.2 Conflicts of interest at the level of the administrative bodies and Senior Management*

Some members of the Board of Directors and the Senior Management are shareholders of the Company.

On the date of this Universal Registration Document and to the Company's knowledge, subject to the relationships described in this Section, there is no existing or potential conflict between duties vis-à-vis the Company of the persons listed in Section 3.1.1.1 of this Universal Registration Document and their private interests or other duties.

Stefano Drago and Charlotte Pennec are, respectively, partner and Legal Counsel at PAI Partners, a company controlling Auroralux SAS, which holds a majority stake in the Company's capital. Stefano Drago and Charlotte Pennec have been appointed as directors on the request of Auroralux SAS.

The Board of Directors regularly verifies that there are no conflicts of interest.

**3.1.2 Functioning of the administrative and management bodies of the Company**

The functioning of the Company's Board of Directors is determined by the legal and regulatory provisions, the Company's articles of association and the internal regulations of the Board of Directors of which the main stipulations are given in this Section 3.1.2 of this Universal Registration Document.

The articles of association and the internal regulations of the Board of Directors described in this Universal Registration Document are those of the Company on the date of this Universal Registration Document.

The internal regulations of the Board of Directors described in this Universal Registration Document are those of the Company in force on the date of this Universal Registration Document.

#### *3.1.2.1 Functioning of the Company's management*

The Company is managed by Mr Olivier Jallabert as Chief Executive Officer.

#### *3.1.2.2 Functioning of the Board of Directors*

##### *i. Powers of the Board of Directors*

The Board of Directors determines the strategic orientations for the Company's business activities and ensures they are implemented. Subject to powers expressly reserved to the General Meetings and in the limit of the corporate purpose, all issues regarding the proper functioning of the Company are referred to discussions of the Board of Directors. In addition, it conducts all the checks and inspections it deems appropriate.

In connection with its mission but on a non-exhaustive basis, the following matters fall within the purview of the Board of Directors:

- adoption of annual budget and strategic plan;
- appointment, dismissal of key executives and establishing the remuneration policy;
- adoption of significant changes in accounting policies;
- distributions (in particular of dividends or reserves) to shareholders;
- issue of shares and securities giving access to the Company's capital or that of a company of which it owns directly or indirectly more than one half of the share capital;
- grant of share subscription or purchase options, free shares or other plans for the benefit of employees of the Company or of its subsidiaries;
- implementation of share buyback programmes;
- acquisition and disposal of business divisions, of equity interests, assets and all investment expenditure, in each case greater than a value threshold determined by the Board of Directors;
- creation of a business division or subsidiary, investment in or acquisition of an equity interest in a country in which the Company does not operate;
- debt or assumption of liabilities in each case for an amount greater than a threshold set by the Board of Directors;
- merger, spin-off or partial contribution of assets;
- any transactions causing a significant change in the scope of the business activities of the Company and of its subsidiaries; and
- any settlement or compromise, greater than a value threshold determined by the Board of Directors, in relation to any dispute.

*ii. Operating methods of the Board of Directors*

Board Meetings are convened by the Chairman or any of its members by any means, including orally. The party calling the meeting shall set the agenda.

The Board shall meet as frequently as required by the best interest of the Company. Members of the Board of Directors may participate in Board of Directors meetings by videoconference or using any other means of telecommunications guaranteeing their identification and actual participation under the conditions provided by the applicable laws and regulations.

A proposed schedule of Board of Directors' meetings is prepared several months in advance to facilitate Directors' attendance at the meetings.

Attendance at Board of Directors meetings is recorded in an attendance register and its business in minutes in accordance with the legal and regulatory conditions.

*iii. Work of the Board of Directors during the financial year ended 30 June 2023*

During the financial year ended 30 June 2023, the Board of Directors met eight times.

The Board of Directors decided on the following topics in particular:

- review and approval of the half-year consolidated financial statements as at 31 December 2022;
- review and approval of the separate and consolidated financial statements for the financial year ended 30 June 2022;
- review and approval of the provisional management documents and in particular of the business plan;
- review and approval of the proposal for allocating the profit (loss) for the financial year ended 30 June 2022;
- review and approval of the management report for the financial year ended 30 June 2022;
- review and approval of the Board of Directors' report on corporate governance;
- review and approval of the list of related third-party agreements;
- review of the work of the Board of Directors' Committees;
- review and approval of the remuneration of the Chief Executive Officer;
- amount of remuneration allocated to directors;
- preparation and convening of the combined General Meeting of 15 December 2022;
- financial disclosure; and
- self-assessment work by the Board of Directors.

Lastly, the Board of Directors was informed of changes in the main structural projects conducted by subsidiaries of the Amplitude Group.

The attendance rate at meetings of the Board of Directors and of the specialised committees was as follows during the financial year ended 30 June 2023:

Directors	Board of Directors		Audit Committee		Remuneration and Appointments Committee	
	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate
Olivier Jallabert	8	100%	-	-	-	-
Stefano Drago	8	100%	2	100%	1	100%
Charlotte Pennec	8	100%	2	100%	1	100%
Daniel Caille	6	75%	2	100%	1	100%
<b>Average rate</b>		94%		100%		100%

iv. *Assessment of the organisation and functioning of the Board of Directors*

The Board of Directors of the Company carries out on a regular basis and at least once per year, a self-assessment of its performance.

The assessment shows that the Board of Directors and its committees function appropriately, that their tasks are adequately defined and that the directors effectively discuss important issues, participate effectively in the meetings and the work of the Board and the committees of which they are members and communicate easily with the management team.

v. *Information on service agreements binding corporate officers to the Company or one of its Subsidiaries*

To the knowledge of the Company, there are no service agreements binding corporate officers to the Company or one of its subsidiaries and providing for the granting of benefits.

3.1.2.3 *Board of Directors' committees*

Pursuant to Article 15 of the Company's articles of association and Article 8 of the Board of Directors' internal regulations, the Company's Board of Directors may decide to establish Committees tasked to examine questions which the Board or its Chairman submits to them.

The Committees have been tasked to notify the Board of Directors of their opinions, proposals or recommendations. They have exclusively consultative powers and exercise their duties under the responsibility of the Board of Directors.

As at the date of this Universal Registration Document, the Board of Directors has established an Audit Committee and a Remuneration and Appointments Committee.

*i. Audit Committee*

**Composition (Article 2 of the internal regulations of the Audit Committee)**

The Audit Committee comprises at least three members, one of which is appointed from among the independent members of the Board of Directors pursuant to applicable regulations.

The Audit Committee seeks to include a number of independent directors in accordance with the recommendations in the AFEP-MEDEF Code. The membership of the Audit Committee may be amended by the Board of Directors acting at the request of its Chairman, and in any event its amendment is mandatory in the event of a change in the overall composition of the Board of Directors (Article 2 of the internal regulations of the Audit Committee).

In particular, pursuant to the applicable legal provisions, members of the Audit Committee must possess specific skills in finance and/or accounting.

All members of the Audit Committee, when appointed, will be provided with details on specific aspects of the Company's special accounting, financial and operational methods.

The term of office of members of the Audit Committee coincides with that of their term of office as member of the Board of Directors. This term may be renewed at the same time as the latter.

The Chairman of the Audit Committee is appointed, after a specific review by the Board of Directors, upon proposal of the Appointments Committee from among the independent members. The Audit Committee shall not include any executive corporate officers.

The secretariat services for the Committee's work will be provided by any person appointed by the Chairman of the Committee or with the latter's agreement.

As at 30 June 2023, the Audit Committee was composed of Mr Daniel Caille, Mr Stefano Drago and Ms Charlotte Pennec. The Chairman of the Audit Committee is Mr Daniel Caille.

**Responsibilities (Article 1 of the internal regulations of the Audit Committee)**

The mission of the Audit Committee is to follow up questions related to the preparation and auditing of accounting and financial information and to ensure effectiveness of the system for monitoring risks and operational internal controls, in order to facilitate the fulfilment by the Board of Directors of its associated missions of control and verification.

In this framework, the Audit Committee shall in particular carry out the following main missions:

- monitoring the processes for preparing financial information;
- monitoring the effectiveness of internal control, audit and risk management systems having regard to the financial and accounting information;
- monitoring the independent audit of the separate and consolidated financial statements by the Company's Statutory Auditors; and
- monitoring the independence of the Statutory Auditors.

**Functioning (Article 3 of the internal regulations of the Audit Committee)**

The Audit Committee may validly deliberate, either during a meeting or by telephone or videoconference, under the same conditions as the Board, when convened by the Chairman or the

secretary of the Committee provided at least one half of members participate in the work of the Committee.

Notices of meetings shall include an agenda and may be sent orally or by any other means.

The Audit Committee shall adopt decisions by majority vote of members attending the meeting, each member holding one vote.

The Audit Committee shall meet whenever necessary and in any event, at least twice a year when preparing the annual and half-year financial statements and, if applicable, quarterly.

Meetings will be held before Board of Directors meeting and, insofar as possible, at least two days prior to said meeting when the agenda for the Audit Committee includes examining the half-year and annual financial statements prior to their examination by the Board of Directors.

During the financial year ended 30 June 2023 the Audit Committee met on two occasions, with an attendance rate of 100%.

*ii. Remuneration and Appointments Committee*

**Composition (Article 2 of the internal regulations of the Remuneration and Appointments Committee)**

The Remuneration and Appointments Committee comprises at least three members, of which one is an independent member of the Board of Directors. They are appointed by the latter from among its members considering in particular their independence and competence in the matter of selection or remuneration of executive corporate officers of listed companies. The Remuneration Committee will seek to include a number of independent directors in accordance with the recommendations made by the AFEP-MEDEF Code. The Remuneration Committee shall not include any executive corporate officers (Article 2 of the internal regulations of the Remuneration Committee).

The membership of the Committee may be amended by the Board of Directors at the request of its Chairman, and in any event, it will be modified in the event of any change in the overall composition of the Board of Directors.

The term of office of members of the Remuneration Committee coincides with that of their term of office as member of the Board of Directors. This term may be renewed at the same time as the latter.

The Chairman of the Remuneration Committee is appointed from among the independent members of the Board of Directors.

The secretariat services for the Remuneration Committee's work will be provided by any person appointed by the Chairman of the Committee or with the latter's agreement.

As at 30 June 2023, the Remuneration Committee was composed of Mr Daniel Caille, Mr Stefano Drago and Ms Charlotte Pennec. The Chairman of the Remuneration Committee is Mr Daniel Caille.

**Responsibilities (Article 1 of the internal regulations of the Remuneration and Appointments Committee)**

a) Missions related to remuneration

With regard to remuneration, the main mission of the Committee is to assist the Board of Directors in determining and regularly assessing all remuneration and benefits for executive corporate officers or senior managers of the Group, including all deferred benefits and/or all termination payments for voluntary or forced departure from the Group.

In this framework, the Committee shall in particular carry out the following main missions:

- review and proposal to the Board of Directors on all aspects and conditions for remuneration of the Group's main managers.

The Committee draws up proposals that include fixed and variable remuneration, but also, where applicable, stock options, performance shares, pension and welfare plans, termination payment, benefits in kind or special benefits and any other direct or indirect remuneration (including long-term) that may constitute the remuneration of members of the Senior Management.

The Committee is informed of the same components of the remuneration of the Group's main managers and the policies implemented within the Group in this respect.

In preparing its proposals and work, the Committee takes into account the market practices in terms of corporate governance to which the Company adheres, and in particular the following principles:

- (i) The amount of the total remuneration of the members of the Senior Management submitted to the Board of Directors for approval takes into account the general interest of the company, market practices and the performance of the members of the Senior Management.
- (ii) Each of the components of the remuneration of the members of the Senior Management has a clear reason and corresponds to the general interest of the company. The appropriateness of the proposed remuneration must be assessed in the context of the Company's business lines and by reference to French and international market practices.
- (iii) The remuneration of the members of the Senior Management should be determined fairly and consistently with that of the other senior managers of the Group, taking into account in particular their respective responsibilities, skills and personal contribution to the performance and development of the Group.
- (iv) The Committee proposes criteria for defining the variable remuneration of the members of the Senior Management, which must be consistent with the annual assessment of the performance of the members of the Senior Management and with the Group's strategy. The performance criteria used to determine the variable remuneration of the members of the Senior Management, whether it is bonus or grant of stock options or performance shares, must be simple to establish and explain, must satisfactorily reflect the Group's performance and economic development objectives at least in the medium term, must allow for transparency with regard to shareholders in the annual report and at general meetings and must correspond to the company's objectives as well as to the company's normal practices with regard to the remuneration of its executives.
- (v) The Committee monitors the change in the fixed and variable remuneration of the members of the Senior Management over several years with regard to the performance of the Group.
- (vi) Where applicable, especially with regard to the granting of stock options or performance shares, the Committee shall ensure that they are motivated by the objective of strengthening the convergence over time of the interests of the beneficiaries and the Company. All members of the Senior Management shall undertake not to hedge their risk in respect of such options or performance shares.

- (vii) The same methodology applies to the assessment of the remuneration and benefits of the Company's main non-executive corporate officers and, more generally, to the policies implemented in this respect.
  - (viii) In all the above matters, the Committee may, on its own initiative or at the request of the Board of Directors or the Senior Management, make any proposal or recommendation.
- Review and proposal to the Board of Directors on the method of distributing the remuneration to members of the Board of Directors

The Committee shall propose to the Board of Directors a breakdown of the remuneration of the directors and the individual amounts to be paid to the members of the Board of Directors in this respect, taking into account, in particular, their effective participation in the Board and in the Committees of which they are a member, the responsibilities they incur and the time they must devote to their duties.

The Committee also makes a proposal on the remuneration of the Chairman of the Board of Directors of the Company.

- Extraordinary missions

The Committee is consulted for recommendation to the Board of Directors on all extraordinary remuneration for special missions entrusted, if applicable, by the Board of Directors to some of its members.

b) Missions related to appointments

With regard to appointments, the main mission of the Committee is to assist the Board of Directors in determining the composition of management bodies of the Company and its Group.

In this framework, the Committee shall in particular carry out the following main missions:

- Proposals on appointing members of the Board of Directors, Senior Management and the Board of Directors' Committees

The Committee's missions include making proposals to the Board of Directors for the appointment of members of the Board of Directors (by the General Meeting or by co-option) and members of the Senior Management, as well as members of the Audit Committee, including the Chairman.

To this end, it makes reasoned proposals to the Board of Directors. These are guided by the interests of the shareholders and the Company. In general, the Committee must strive to reflect a diversity of experience and viewpoints, while ensuring a high level of competence, internal and external credibility and stability of the Company's corporate bodies. In addition, it establishes and maintains a succession plan for the members of the Board of Directors as well as for the Company's and the Group's main executives in order to be in a position to rapidly propose succession solutions to the Board of Directors, particularly in the event of unforeseen vacancies.

With regard specifically to the appointment of the members of the Board of Directors, the Committee takes into account in particular the following criteria: (i) the desirable balance of the composition of the Board of Directors in view of the composition and evolution of the Company's shareholding; (ii) the desirable number of independent members; (iii) the proportion of men and women required by the regulations in force; (iv) the appropriateness of renewing mandates; and (v) the integrity, competence, experience and independence of each candidate. The Committee must also organise a procedure to select future independent members and carry out its own research on potential candidates before approaching them.

In making its recommendations, the Committee must seek to ensure that the independent members of the Board of Directors and the Board Committees, including the Audit Committee, comprise at least



the number of independent members required by the governance principles to which the Company refers.

The Committee draws up a succession plan for executive corporate officers. The Chairman may be a member of the Committee or be associated with its work in carrying out this task.

- Annual evaluation of independence of members of the Board of Directors

Each year, before the publication of the Company's annual report, the Remuneration and Appointments Committee examines the situation of each member of the Board of Directors with regard to the independence criteria adopted by the Company, and submits its opinions to the Board with a view to the latter's examination of the situation of each person concerned with regard to these criteria.

### **Functioning (Article 3 of the internal regulations of the Remuneration and Appointments Committee)**

The Remuneration and Appointments Committee may validly resolve, either during a meeting or by telephone or videoconference, under the same conditions as the Board, when convened by the Chairman or the secretary of the Committee provided at least one half of members participate in the work of the Committee. Notices of meetings shall include an agenda and may be sent orally or by any other means.

The Remuneration and Appointments Committee adopts decisions by a majority of members attending the meeting, each member being entitled to one vote.

The Remuneration and Appointments Committee shall meet whenever necessary and in any event, at least once a year, prior to the Board of Directors meeting pronouncing on the situation of members of the Board of Directors having regard to the independence criteria adopted by the Company and, in any event, prior to any meeting of the Board of Directors deciding on the remuneration of members of the Senior Management or the Board of Directors.

During the financial year ended 30 June 2023, the Remuneration and Appointments Committee met once, with an attendance rate of 100%.

#### *3.1.2.4 Gender balance in positions of greater responsibility*

40% of the Group's positions of greater responsibility are held by women.

At its meeting on 17 October 2023, the Board of Directors discussed the Company's policy on gender balance in positions of greater responsibility and set the following objectives for gender balance in management bodies for the current financial year:

- Maintain and, where possible, increase the proportion of women in governing bodies.
- Continue the efforts made throughout the recruitment process (choice of candidates), as well as in terms of training, remuneration and promotion, in order to ensure gender balance within the management bodies.

## **3.2 REMUNERATION OF CORPORATE OFFICERS**

The purpose of this Section is to present the remuneration policy as determined by the Board of Directors, on the advice of the Remuneration and Appointments Committee, in accordance with the provisions of Article L.22-10-8 of the French Commercial Code and the information related to the remuneration of corporate officers for the past financial year in accordance with the provisions of Article L.22-10-9 of the French Commercial Code.

Under Article L.22-10-8 of the French Commercial Code, the remuneration policy of the corporate officers of the Company must be subject to a shareholder vote.

### 3.2.1 Remuneration policy applicable to non-executive corporate officers (directors)

The General Meeting of Amplitude Surgical may allocate remuneration to directors.

On 10 June 2015, the General Meeting of Amplitude Surgical shareholders allocated a total amount of €200,000 in respect of this remuneration, formerly known as “attendance fees”, which has not been amended since that date.

The Board of Directors distributes said remuneration package among directors at its discretion, may allocate exceptional remuneration for missions or mandates entrusted to directors, and may authorise the reimbursement of travel costs and expenses incurred by Board members in the interest of the Group.

#### **Rules for the distribution and amounts of remuneration to be paid in respect of the financial years ended 30 June 2022 and 30 June 2023**

At its meeting of 16 October 2015, the Board of Directors decided that from the financial year ended 30 June 2016, independent directors would receive remuneration (formerly “attendance fees”) of a maximum amount of €15,000 per independent director per year, calculated according to effective attendance of independent directors at Board of Directors meetings.

On this basis, the remuneration received by non-executive corporate officers for the financial years ended 30 June 2022 and 30 June 2023 was as follows:

<b>Remuneration received by non-executive corporate officers (in euros)</b>		
<b>Non-executive corporate officers</b>	<b>Amounts paid for the financial year ended 30 June 2022</b>	<b>Amounts paid for the financial year ended 30 June 2023</b>
<b>Daniel Caille (independent)</b>		
<i>Remuneration for serving as a director</i>	-*	-*
<i>Other remuneration</i>	-	-
<b>Charlotte Pennec</b>		
<i>Remuneration for serving as a director</i>	-	-
<i>Other remuneration</i>	-	-

\* No remuneration was granted to Mr Daniel Caille in respect of his corporate offices, as he waived any remuneration in this respect.

## **Rules for the distribution and amounts of remuneration to be paid for the financial year ending 30 June 2024**

The Board of Directors decided to renew the rules for the distribution of remuneration as defined above for the financial year ending 30 June 2024.

### **3.2.2 Remuneration policy applicable to executive corporate officers, subject to shareholder approval (Article L.22-10-8 of the French Commercial Code)**

Under Article L.22-10-8 of the French Commercial Code, the remuneration policy of the corporate officers of the Company must be subject to a shareholder vote.

#### *3.2.2.1 General principles*

In accordance with the governance structure, the only two executive corporate officers of the Company are, as at the date of this Universal Registration Document, the Chief Executive Officer (executive corporate officer) and the Chairman of the Board of Directors.

The remuneration of the Chief Executive Officer and the Chairman of the Board of Directors is determined by the Board of Directors after consulting the Remuneration and Appointments Committee. The Remuneration and Appointments Committee ensures that all applicable principles are properly applied.

The Company's remuneration policy consists of applying fixed annual remuneration. Executive corporate officers may also receive variable remuneration. Executive corporate officers may receive exceptional remuneration or benefits in kind. Finally, executive corporate officers may receive medium- or long-term remuneration (particularly in connection with the grant of free shares).

#### *3.2.2.2 Remuneration policy for the Chief Executive Officer*

The remuneration of the Chief Executive Officer is determined by the Board of Directors after consulting the Remuneration and Appointments Committee. The remuneration includes a fixed part and a variable part.

It is reviewed annually with the remuneration and performance of the Group's senior managers.

- **Fixed remuneration**

The Chief Executive Officer receives fixed annual remuneration.

This fixed annual remuneration is determined by the Board of Directors on the recommendations of the Remuneration and Appointments Committee at the start of the term of office. Its amount is determined based on criteria specific to the relevant person (experience, length of service, duties) and on business sector-based criteria.

- **Short-term variable remuneration**

The Chief Executive Officer also receives annual variable remuneration.

This variable remuneration is intended to correlate the remuneration of the Chief Executive Officer with the results of the Group's business activity.

Variable remuneration is calculated annually based on the achievement or non-achievement of objectives set on the recommendations of the Remuneration and Appointments Committee at the

beginning of each financial year, on the basis of criteria related to the Group and individual criteria. These criteria are both qualitative and quantitative. The individual criteria are qualitative determined based on the person concerned, the duties performed in the Group and the missions entrusted to that person. The Group-related criteria are quantitative based on Group results and aggregates used as part of the analysis of its financial position.

Variable remuneration is based for 70% on quantitative criteria (achievement of revenue, EBITDA and Operational Cash Flow in relation to the budget) and for 30% on qualitative criteria.

Performance is assessed without offsetting criteria.

There is no provision for repayment of part of the annual variable remuneration.

- **Long-term variable remuneration**

In order to involve the management in the Group's development and performance and to align their interests with those of the shareholders, the Board of Directors may grant free performance shares.

The Chief Executive Officer is eligible for free performance share plans.

The shares granted to the Chief Executive Officer are fully subject to performance conditions assessed over periods of at least two years. The performance criteria are the achievement of a three-year business plan in terms of revenue and EBITDA.

The shares granted to the Chief Executive Officer are also granted based on a presence condition.

The regulations for the free performance share plans provide for the loss of any unvested shares in the event of a departure from the Group (excluding in the event of death or disability).

The Chief Executive Officer is subject to a minimum holding requirement of 25% of the shares vested under these plans until the termination of his duties.

In accordance with the AFEP-MEDEF Code, beneficiaries must formally undertake not to hedge stock options and performance shares received from the Company.

The criteria are detailed in Section 3.7.4 ("*Free share grants*") of this Universal Registration Document.

- **Other remuneration items**

***Exceptional remuneration and allowances on taking office***

The Chief Executive Officer may receive bonuses, the grant and amount of which depend on the constraints related to the performance of his duties or the performance of exceptional work missions.

The Board of Directors considers that, in the interest of the Group and its stakeholders, it should not be ruled out in principle that exceptional remuneration may be granted to executive corporate officers in very specific circumstances, as provided for in the AFEP-MEDEF Code (Article 25.3.4), in particular in the event of transactions that are material to the Group because of their scale or nature, or changes in the Group's organisation or activities, the involvement required or the difficulties they present, or transactions that do not fall within the scope of the usual duties of executive corporate officers. The grant of such remuneration must be justified and the reasons for its implementation explained.

Similarly, while the Board of Directors intends to focus on the internal development of talent in succession plans, it also considers that the payment of an allowance for taking office for an executive

corporate officer should be considered, if the Group's interest so warrants, to attract a new talented executive (Recommendation 25.4 of the AFEP-MEDEF Code).

In any event, these remuneration items would meet the requirements of the AFEP-MEDEF Code and would in particular comply with the principles of reasonableness and fair balance between the various interests involved. These remuneration items must be appropriately disclosed and precisely justified.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of exceptional remuneration items (exceptional remuneration or allowances on taking office as described above) could only be made after approval of the remuneration items for the person concerned by a General Meeting.

### ***Multi-year remuneration***

The Board of Directors has not provided for any multi-year remuneration for executive corporate officers.

### ***Termination payments***

The Chief Executive Officer receives a termination payment in the event of departure, under the following conditions:

- In the event of termination of his corporate office, the Chief Executive Officer will receive a gross termination indemnity corresponding to 24 months of monthly reference remuneration.
- The monthly reference remuneration is defined as the gross annual fixed remuneration plus the average gross amount of the last two variable bonuses received, excluding any exceptional bonuses, divided by 12 months.
- The termination indemnity is only applicable in the event of a forced departure linked to a change of control or strategy. The termination indemnity is not applicable in the event of dismissal for serious or gross misconduct, or in the event of departure or retirement.

The termination payments of the Chief Executive Officer are subject to the following performance criteria:

- The payment of half of the indemnity would depend on the Group's revenue. This payment would be 100% if the level of revenue, calculated on the basis of the Group's audited consolidated financial statements for the last two financial years preceding the date of termination of the corporate office (reference financial years), reaches at least 100% of the budgeted values on average for these two financial years. If, during one or both of the two financial years, the Group's economic and financial position and/or the economic and financial conditions of the market deteriorate, this average level to be achieved could be reviewed by the Board of Directors, upon proposal from the Remuneration Committee, and submitted for approval to the Annual General Meeting in order to ensure that the target is consistent with its implementation difficulties.
- The payment of half of the indemnity would depend on the Group's EBITDA level. This payment would be of 100% if the level of EBITDA, calculated on the basis of the Group's audited consolidated financial statements for the financial year preceding the date of termination of the corporate office (reference financial year), reaches a minimum of 70% of the EBITDA target, as set out in the approved budget for the reference financial year. If the EBITDA target could not be achieved due to circumstances external to the Company (i.e.

circumstances that are not directly or indirectly the consequence of management decisions), this performance condition will not be applicable.

The Chief Executive Officer is not subject to any non-compete clause.

#### ***Pension scheme***

The Chief Executive Officer benefits from a supplementary defined-contribution pension scheme for a maximum amount equal to eight times the social security ceiling.

#### ***Remuneration paid to directors***

The Chief Executive Officer may receive remuneration for any director's term of office within a company of the Group, to the exclusion of the Company.

#### ***Benefits in kind***

The Chief Executive Officer may also be granted benefits in kind resulting from duties performed in the Group, such as in relation to pension benefits or a company car.

#### ***Profit-sharing contract***

The Chief Executive Officer may also benefit from the profit-sharing contract resulting from the duties performed within the Group, and set up within the Company.

#### ***3.2.2.3 Remuneration policy for the Chairman of the Board of Directors***

The Chairman of the Board of Directors receives annual fixed remuneration, to the exclusion of any other remuneration item, in accordance with the recommendations of the AFEP-MEDEF Code.

The fixed annual remuneration of the Chairman of the Board of Directors is determined by the Board of Directors on the recommendations of the Remuneration and Appointments Committee at the beginning of the term of office. Its amount is determined based on criteria specific to the person concerned (experience, skills, career) and on business sector-based criteria.

This fixed annual remuneration is then regularly reviewed according to the Company's remuneration policy.

It should be noted, however, that upon his appointment on 10 November 2020, Stefano Drago informed the Board of Directors of his wish to waive his right to receive any remuneration as Chairman of the Board of Directors, a request which the Board of Directors granted.

#### ***3.2.2.4 Resolutions submitted to the Ordinary and Extraordinary General Meeting of the Company on 13 December 2023***

### **EIGHTH RESOLUTION**

*(Approval of the remuneration policy for the Chairman of the Board of Directors)*

The General Meeting, deciding under the quorum and majority requirements for Ordinary General Meetings,

Having reviewed the corporate governance report prepared by the Board of Directors in accordance with Articles L.225-37 and L.22-10-8 of the French Commercial Code, included in Chapter 3 of the Company's Universal Registration Document for the financial year ended 30 June 2023, and

specifically in Section 3.2.2 “Remuneration policy applicable to executive corporate officers, subject to shareholder approval (Article L.22-10-8 of the French Commercial Code)”;

**Approves**, pursuant to Article L.22-10-8 II of the French Commercial Code, the remuneration policy, including the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components of the total remuneration and benefits of any kind as presented in the Universal Registration Document and applicable to the Chairman of the Board of Directors by virtue of his corporate office.

## **NINTH RESOLUTION**

*(Approval of the remuneration policy for the Chief Executive Officer)*

The General Meeting, deciding under the quorum and majority requirements for Ordinary General Meetings,

Having reviewed the corporate governance report prepared by the Board of Directors in accordance with Articles L.225-37 and L.22-10-8 of the French Commercial Code, included in Chapter 3 of the Company’s Universal Registration Document for the financial year ended 30 June 2023, and specifically in Section 3.2.2 “Remuneration policy applicable to executive corporate officers subject to shareholder approval (Article L.22-10-8 of the French Commercial Code)”;

**Approves**, pursuant to Article L.22-10-8 II of the French Commercial Code, the remuneration policy, including the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components of the total remuneration and benefits of any kind as presented in the Universal Registration Document and applicable to the Chief Executive Officer by virtue of his corporate office.

3.2.3            Remuneration and benefits of any kind paid and granted to executive corporate officers for the financial years ended 30 June 2023 and 30 June 2022

The remuneration components of Olivier Jallabert as Chief Executive Officer were approved by the Board of Directors on 10 June 2015, then adjusted each year by the latter on the recommendation of the Remuneration and Appointments Committee.

The components of the remuneration of Stefano Drago as Chairman of the Board of Directors of the Company were approved by the Board of Directors on 10 November 2020.

No remuneration in any form has been granted by Group companies to another corporate officer, executive or other member of the Company’s administrative bodies for the financial years ended 30 June 2023 and 30 June 2022.

Nevertheless, it should be noted that all employees and managers of Amplitude Surgical are beneficiaries of the defined-contribution supplementary pension scheme.

The components of the remuneration of Olivier Jallabert as Chief Executive Officer and Stefano Drago as Chairman of the Board of Directors for the financial year ended 30 June 2023 and the previous financial year are presented below.

### 3.2.3.1 Components of Olivier Jallabert's remuneration as Chief Executive Officer

#### *Fixed remuneration*

Olivier Jallabert's gross annual fixed remuneration amounted to €345,000 from 1 July 2022 to 30 June 2023.

#### *Annual variable remuneration*

Olivier Jallabert's variable gross remuneration amounts to a maximum of €167,000 gross if 100% of targets are achieved and to €200,000 gross if the quantitative targets are exceeded. It is subject to performance criteria (including quantitative criteria based on the Group's revenue and EBITDA as well as qualitative criteria), under the conditions described below.

Quantitative targets: 70% of the variable remuneration is subject to the quantitative targets and are calculated as follows:

<b>Criterion</b>	<b>100% of targets achieved</b>	<b>Attribution rule</b>
Amount of bonus based on sales	€41,750	<ul style="list-style-type: none"><li>- If revenue is less than 90% of the 2022-2023 target: 0 euros</li><li>- Capping of the bonus at 120% if more than 120% of the annual sales target is achieved</li><li>- Between 90% and 120% of target achievement: % achievement applied to target bonus amount</li></ul>
Amount of bonus based on EBITDA	€50,100	<ul style="list-style-type: none"><li>- If EBITDA is less than 90% of the 2022-2023 target: 0 euros</li><li>- Capping of the bonus at 120% if more than 120% of the annual EBITDA target is achieved</li><li>- Between 90% and 120% of target achievement: % achievement applied to target bonus amount</li></ul>
Amount of bonus based on Operational Cash Flow (OCF)	€25,050	<ul style="list-style-type: none"><li>- If the OCF is less than 80% of the 2022-2023 target: 0 euros</li><li>- Capping of the bonus at 120% if more than 120% of the annual OCF target is achieved</li><li>- Between 80% and 120% of target achieved: % achievement applied to target bonus amount</li></ul>

Qualitative objectives: the development of the Group's geographical presence and the development of the extremities business activity. 30% of the variable remuneration, i.e. €50,100, is subject to the qualitative objectives. If 100% of the qualitative objectives are achieved, the entire 30% of the variable remuneration will be earned.

For the financial year ended 30 June 2023, the objectives achieved led the Board of Directors to approve Olivier Jallabert's variable remuneration at €155,310, of which €120,240 was for quantitative targets and €35,070 for qualitative targets.

This may only be paid after approval by the General Meeting of 13 December 2023 of the variable and exceptional remuneration granted to Olivier Jallabert for the financial year ending 30 June 2023.

#### *Other remuneration items*

Olivier Jallabert also benefits from the following remuneration items:



- A benefit in kind of a company car and representing €16,572 in respect of the financial year ended 30 June 2023.
- The benefit of a profit-sharing agreement set up within the Company on 22 July 2016, eligible for payment into the Company Savings Plan. For the financial year ended 30 June 2023, profit-sharing of €32,994 is due and will be paid in November 2023.
- A defined-contribution supplementary pension scheme for the benefit of the Company's Chief Executive Officer of a maximum amount equal to eight times the social security cap (i.e. approximately €42,564 per annum calculated based on the 2022/2023 Social Security ceiling) and for which the contributions for the year ended 30 June 2023 amounted to €9,232.
- Exceptional remuneration of €100,000 granted for the disposal of the entire Novastep business activity, specialising in surgery of the extremities (feet and ankles), to Enovis Corporation.

The Company has not provisioned any amounts for payment of pensions, retirement benefits or similar other benefits to corporate officers, including Olivier Jallabert.

***Long-term remuneration: stock subscription or purchase options, grant of free performance shares***

*Stock subscription or purchase options granted during the financial year to Olivier Jallabert, Chief Executive Officer, by the Company and by any Group company*

During the financial year ended 30 June 2023, no stock subscription or purchase options were granted, free of charge or against payment, to Olivier Jallabert.

*Stock subscription or purchase options exercised during the fiscal year by Olivier Jallabert, Chief Executive Officer*

During the financial year ended 30 June 2023, no stock subscription or purchase options were exercised by Olivier Jallabert.

*Performance shares granted during the financial year to Olivier Jallabert, Chief Executive Officer, by the Company and by any Group company*

During the financial year ended 30 June 2023, no performance shares were granted to Olivier Jallabert.

*Free shares granted to Olivier Jallabert, Chief Executive Officer*

During the financial year ended 30 June 2023, no new free shares were granted to Olivier Jallabert.

*Free shares that became available*

During the financial year ended 30 June 2023, no free shares became available to Olivier Jallabert, Chief Executive Officer.

***Components of remuneration, indemnities or benefits due or which may be due given the start, termination or change of duties of the corporate officer***

On 10 June 2015, the Company's Board of Directors resolved to grant Olivier Jallabert, as Chief Executive Officer, a termination payment in the event of involuntary departure decided by the Company's Board of Directors, equivalent to 24 months' salary (currently the amount of €882,885) subject to performance conditions (quantitative criteria based on Group revenue and EBITDA).

A detailed description of these items is given in Section 3.2.2 of this Universal Registration Document.

**3.2.3.2 Components of Stefano Drago's remuneration as Chairman of the Board of Directors**

At the Board meeting of 10 November 2020, Stefano Drago waived his right to receive any remuneration in respect of his duties as Chairman of the Board of Directors, a request which was granted by the Board.

Consequently, Stefano Drago did not receive any remuneration whatsoever for his duties during the financial year ended 30 June 2023.

No stock subscription or purchase options were granted to him, free of charge or against payment, and he did not exercise any stock subscription or purchase options.

He did not receive any performance shares or free shares.

Nor does he receive any remuneration, indemnities or benefits due or likely to be due as a result of the start, termination or change of his duties.

**Tables of compensation and benefits of any kind paid to executive corporate officers by the Company or by any Group company during the financial years ended 30 June 2022 and 30 June 2023**

The tables below are taken from Annex 2 of AMF Position-Recommendation 2021-02 "Guide to the preparation of universal registration documents – DOC 2021-02" published by the French Financial Markets Authority (AMF) on 8 January 2021.

The information is prepared by referring to the AFEP-MEDEF Code.

**Summary table of remuneration and options and shares granted to each executive corporate officer (Table 1)**

<b>Summary table of remuneration, options and shares granted</b>		
(In euros)	Financial year ended 30 June 2023	Financial year ended 30 June 2022
<b>Olivier Jallabert (Chief Executive Officer)</b>		
Remuneration due for the financial year <i>(detailed in Table 2)</i>	616,882	461,032
Valuation of multi-year variable remuneration granted during the financial year	0	0
Valuation of options granted during the financial year <i>(detailed in Table 4)</i>	0	0
Valuation of free shares granted <i>(detailed in Table 6)</i>	0	232,200
Valuation of other long-term remuneration plans	0	0
<b>Stefano Drago (Chairman of the Board of Directors)</b>		
Remuneration due for the financial year <i>(detailed in Table 2)</i>	0	0
Valuation of multi-year variable remuneration granted during the financial year	0	0
Valuation of options granted during the financial year <i>(detailed in Table 4)</i>	0	0
Valuation of free shares granted <i>(detailed in Table 6)</i>	0	0
Valuation of other long-term remuneration plans	0	0
<b>TOTAL</b>	<b>616,882</b>	<b>693,232</b>

**Summary table of the remuneration of each executive corporate officer (Table 2)**

Summary table of remuneration (in euros)				
Olivier Jallabert (Chief Executive Officer)	Financial year ended 30 June 2023		Financial year ended 30 June 2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	345,000 55.93%	345,000 74.74%	345,000 74.83%	345,000 52.19%
Annual variable remuneration	155,310 25.18%	37,575 8.14%	37,575 8.15%	65,000 9.83%
Multi-year variable remuneration	0	0	0	0
Extraordinary remuneration	100,000 16.21%	62,425 13.52%	62,425 13.54%	235,000 35.55%
Directors' fees	0	0	0	0
Benefits in kind	16,572 2.69%	16,572 3.59%	16,032 3.48%	16,032 2.43%
Stefano Drago (Chairman of the Board of Directors)	Financial year ended 30 June 2023		Financial year ended 30 June 2022	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	0	0	0	0
Annual variable remuneration	0	0	0	0
Multi-year variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Directors' fees	0	0	0	0
Benefits in kind	0	0	0	0
<b>TOTAL</b>	616,882	461,572	461,032	661,032

***Share subscription or share purchase options granted during the financial year to each executive corporate officer by the issuer and by any Group Company (Table 4)***

During the financial year ended 30 June 2023, no share subscription or share purchase options were granted either free of charge or against payment to the executive corporate officers by the Company or any Group company.

***Share subscription or share purchase options exercised during the financial year by each executive corporate officer (Table 5)***

During the financial year ended 30 June 2023, no share subscription or share purchase options were exercised by the executive corporate officers.

***Free shares granted to each corporate officer (Table 6)***

	<b>Plan number and date</b>	<b>Number of free shares granted during the financial year</b>	<b>Valuation of shares according to the method used for the consolidated financial statements</b>	<b>Vesting date</b>	<b>Availability date</b>	<b>Performance conditions</b>
<b>Olivier Jallabert</b>	<b>AGA Plan of 24 July 2018</b>	108,000	€232,200 <sup>(1)</sup>	19 October 2021	19 October 2023	(2)
<b>Stefano Drago</b>	N/A	N/A	N/A	N/A	N/A	N/A

(1) €2.15 per share

(2) The performance conditions are described in Section 3.7.4 of this Universal Registration Document)

***Free shares that became available to each corporate officer (Table 7)***

During the financial year ended 30 June 2023, no free shares became available to the corporate officers of the Company.

***History of share subscription or purchase options granted (Table 8)***

The Group has not implemented any grants of share subscription or share purchase options.

***Share subscription or share purchase options granted to the top 10 employees who were not corporate officers and exercise of options by the latter (Table 9)***

During the financial year ended 30 June 2023, no share subscription or share purchase options were granted to the top 10 employees who were not corporate officers and no options were exercised by the latter.

### ***History of free share grants (Table 10)***

The history of free share grants is presented in Section 3.7.4. of this Universal Registration Document.

### ***Summary table concerning the employment contract, the supplementary pension scheme, termination benefits and non-compete clause benefits (Table 11)***

<b>Executive corporate officers</b>	<b>Employment contract</b>		<b>Supplementary pension scheme</b>		<b>Indemnities or benefits due or likely to be due as a result of the termination or change of duties</b>		<b>Indemnities related to a non-compete clause</b>	
	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
Olivier Jallabert Chief Executive Officer Start of term of office: 10 June 2015 Renewal: 16 October 2018		X	X		X			X
Stefano Drago Chairman of the Board of Directors Start of term of office: 10 November 2020		X		X		X		X

### ***Equity ratio between the level of remuneration of the Chief Executive Officer and the Chairman of the Board of Directors and the average and median remuneration of employees***

In accordance with the provisions of article L.22-10-9 I. 6° and 7° of the French Commercial Code, the level of remuneration of the Chief Executive Officer and the Chairman of the Board of Directors in relation to the average and median remuneration of the Company's employees, on a full-time equivalent basis, as well as the change in this ratio over the last five years, is indicated below.

For the purposes of calculating the equity ratio, the remuneration of the Chief Executive Officer taken into account corresponds to the latter's remuneration and benefits in kind for the given financial year.

The remuneration used to calculate the ratios corresponds to the total remuneration paid during the financial years indicated (fixed remuneration, variable remuneration and number of shares vested for the same periods).

This presentation was made in order to comply immediately with the new requirements of Article L.22-10-9 of the French Commercial Code regarding transparency in terms of executive compensation, and will be subject to change depending on any subsequent clarifications and official positions for the attention of issuers.

<b>Table of ratios for I. 6° and 7° of Article L.22-10-9 of the French Commercial Code</b>						
		2018/2019 financial year	2019/2020 financial year	2020/2021 financial year	2021/2022 financial year	2022/2023 financial year
Change (in %) of the remuneration of the CEO <sup>(1)</sup>		329% <sup>(3)</sup>	-75%	9%	110% <sup>(2)</sup>	-48%
Change (in %) of the remuneration of the Chairman of the Board of Directors		N/A	N/A	N/A	N/A	N/A
Change (in %) of the average remuneration of employees <sup>(4)</sup>		-1%	-13%	9%	13%	-2%
Change (in %) of the median remuneration of employees <sup>(4)</sup>		22%	-10%	9%	8%	1%
Ratio in relation to the average remuneration of employees		39.5	11.3	11.3	21	11.1
Change of the ratio (in %) compared with the previous financial year		332%	-71%	0%	86%	-47%
Ratio in relation to the median remuneration of employees		49.6	13.7	13.6	26.5	13.6
Change of the ratio (in %) compared with the previous financial year		250%	-72%	0%	95%	-49%
<b>Performance of the Company</b>						
Change in consolidated revenue		2%	-14%	8%	6%	14%
Change in consolidated net income		2%	-56%	0%	67%	904%

(1) The Chief Executive Officer's remuneration includes the fixed amount paid in year N, the variable portion for year N-1 paid in year N, and the IFRS value of the free shares granted in year N as long-term remuneration and benefits in kind.

(2) Including 108,000 shares valued at €2.15 each.

(3) Including 382,806 shares valued at €3 each.

(4) The employees taken into account in the calculation of the ratio are those of Amplitude Surgical and Amplitude SAS, i.e. the Group scope that is most representative of the workforce in France. This reference population is made up of people who were continuously present for each financial year concerned. The remuneration of these employees includes the fixed and variable remuneration, the fair value of the free shares granted and benefits in kind.

### 3.2.4 Fixed, variable and exceptional components comprising the total remuneration and benefits of any kind paid or granted to the Chairman of the Board of Directors and the Chief Executive Officer for the 2021/2022 financial year and subject to shareholder approval (Article L.22-10-34. II of the French Commercial Code)

In accordance with the provisions of Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid or granted in respect of the financial year ended 30 June 2023, to Mr Olivier Jallabert, Chief Executive Officer, and Mr Stefano Drago, Chairman of the Board of Directors, are subject to shareholder approval at the General Meeting of 13 December 2023:

<b>Olivier Jallabert (Chief Executive Officer)</b>		
<b>Components of remuneration due or granted for the financial year ended 30 June 2023</b>	<b>Amount or accounting value submitted to a vote</b>	<b>Description</b>
Fixed annual remuneration	€345,000	Olivier Jallabert was appointed as Chairman and Chief Executive Officer of Amplitude Surgical on 10 June 2015. On 10 November 2020, Olivier Jallabert was appointed as Chief Executive Officer following the decision to separate the Senior Management of the Company from the chairmanship of the Board of Directors.  The Board of Directors meeting held on 10 June 2015, on 17 October 2017, then on 16 October 2018 set his fixed gross annual remuneration as (i) €290,000 from 1 July 2017 to 31 December 2017, then (ii) €300,000 as from 1 January 2018, (iii) €315,000 as at 1 January 2019, (iv) €330,000 as at 1 January 2020 and finally €345,000 as at 1 January 2021.
Annual variable remuneration	€155,310	See Section 3.2.3 (“Remuneration and benefits of any kind granted to executive corporate officers for the financial years ended 30 June 2022 and 30 June 2023”) of this Universal Registration Document.
Extraordinary remuneration	€100,000	See details in Section 3.2.3, “Other remuneration items”.



Deferred variable remuneration	Not applicable	Not applicable
Multi-year variable remuneration	Not applicable	Not applicable
Free shares granted	€0	See details in Section 3.2.3, “ <i>Long-term remuneration: share subscription or purchase options, grant of free performance shares</i> ”, and Section 3.7.4 (“ <i>Grant of free shares</i> ”) of this Universal Registration Document.
Other long-term remuneration items	Not applicable	Not applicable
Profit-sharing	€32,994	The profit-sharing related to the results for the 2022-2023 financial year will be paid in November 2023.
Remuneration for serving as a director	Not applicable	Not applicable
Valuation of benefits of any kind	€16,572	See Section 3.2.3 (“ <i>Remuneration and benefits of any kind granted to executive corporate officers for the financial years ended 30 June 2022 and 30 June 2023</i> ”) of this Universal Registration Document.
Termination payments	No payment	<p>On 10 June 2015, the Board of Directors resolved to grant Olivier Jallabert, as Chairman and Chief Executive Officer of the Company, a termination payment in the event of involuntary departure decided by the Company’s Board of Directors in an amount equal to 24 months’ salary (i.e. currently €882,885) subject to performance conditions (criteria based on Group revenue and EBITDA).</p> <p>The Board of Directors of the Company decided, on 16 October 2018, to renew in advance the term of office as Chairman and Chief Executive Officer of Olivier Jallabert, subject to approval by the General Meeting of 13 December 2018 of his term of office as director. At the time of the renewal, the Board also approved the undertaking granted to the benefit of Olivier Jallabert.</p> <p>The Company’s Board of Directors decided, on 22 October 2019, to confirm the terms and conditions applied to termination payments. See Section 3.2.2 of this Universal Registration Document.</p>
Non-compete indemnity	Not applicable	Not applicable

Supplementary pension scheme	€9,232	<p>This amount corresponds to the contributions paid by the Company during the financial year ended 30 June 2023 for Olivier Jallabert, who benefits from a defined contribution supplementary pension scheme limited to the annual social security ceiling multiplied by eight (approximately €42,564 per annum).</p> <p>See Section 3.2.3 “<i>Summary table concerning the employment contract, the supplementary pension scheme, the termination payment and the indemnities related to a non-compete clause</i>”.</p>
<b>Stefano Drago (Chairman of the Board of Directors)</b>		
<b>Components of remuneration due or granted for the financial year ended 30 June 2023</b>	<b>Amount or accounting value submitted to a vote</b>	<b>Description</b>
Fixed annual remuneration	0	Stefano Drago was appointed Chairman of the Board of Directors on 10 November 2020. At the Board of Directors meeting of 10 November 2020, Stefano Drago waived his right to receive any remuneration in respect of his duties as Chairman of the Board of Directors, a request which was granted by the Board.
Annual variable remuneration	0	Not applicable
Deferred variable remuneration	0	Not applicable
Multi-year variable remuneration	0	Not applicable
Share subscription or purchase options	0	Not applicable
Free shares granted	0	Not applicable
Other long-term remuneration items	0	Not applicable
Profit-sharing	0	Not applicable
Remuneration for serving as a director	0	Not applicable

Valuation of benefits of any kind	0	Not applicable
Termination payments	0	Not applicable
Non-compete indemnity	0	Not applicable
Supplementary pension scheme	0	Not applicable

### 3.3 TRANSACTIONS WITH RELATED PARTIES

There are no agreements between the Company and related parties, i.e. members of Senior Management of the Company, members of the Company's Board of Directors and the subsidiaries of the Company of the type referred to in Article L.225-38 of the French Commercial Code, in force on 30 June 2023.

In addition, it is specified that the Board of Directors carries out an annual review of agreements entered into between the persons mentioned in Article L.225-38 of the French Commercial Code but not subject to the prior authorisation procedure provided for in Article L.225-38 because they related to ordinary transactions and were concluded under normal conditions, in order to assess whether these agreements do indeed meet these conditions.

Pursuant to Act No. 2019-486 on the growth and transformation of companies of 22 May 2019, known as the Pact Law, the Board of Directors, at its meeting on 19 October 2021, established an internal procedure (hereinafter the "Procedure"), for the use of the Company's employees and the members of the Board of Directors, aimed at describing:

- the criteria used by the Company to qualify an agreement as ordinary and entered into under normal conditions;
- the procedure in place for the regular evaluation of ordinary agreements concluded under normal conditions.

The procedure does not apply to agreements concluded between the Company and Group companies in which it holds, directly or indirectly, all of the capital, which are by nature excluded from the regime of related third-party agreements by Article L.225-39 Section 1 of the French Commercial Code.

The Finance Department conducts a review to assess, on a case-by-case basis, whether a proposed agreement falls within the scope of the related third-party agreements procedure, whether it is an agreement with a wholly-owned subsidiary or whether it meets the criteria of ordinary agreements entered into under normal conditions in light of the criteria described above.

In addition, a report on the various ordinary agreements concluded under normal conditions during the financial year is drawn up annually by the Finance and Legal Departments and sent to the Audit Committee called upon to examine the accounts for the financial year. This report also contains, if necessary, recommendations aimed at modifying the internal evaluation procedure for ordinary agreements, in particular its evaluation criteria and/or reclassifying one or more agreements.

The Audit Committee is responsible for assessing, on an annual basis, whether these agreements meet the criteria for qualifying as ordinary agreements entered into under normal conditions.

If, on the occasion of the annual review, the Audit Committee considers that an agreement previously considered to be ordinary and concluded under normal conditions no longer satisfies the aforementioned criteria, it refers the matter to the Board of Directors. The Board of Directors shall, if necessary, reclassify the agreement as a related third-party agreement, ratify it and submit it to the next General Meeting for ratification, on the basis of a special report by the Statutory Auditors, in accordance with the provisions of Article L.225-42 of the French Commercial Code.

Persons directly or indirectly interested in an agreement shall not participate in its evaluation and, where appropriate, may not take part in the deliberations or vote on its authorisation.

During its annual review, on 17 October 2023, the Audit Committee noted that all agreements classified as ordinary and concluded under normal conditions met the classification criteria for said agreements. As a result, no reclassification as a related third-party agreement was made by the Board of Directors as a result of this review.

3.3.1 Special report of the Statutory Auditors on related third-party agreements for the financial year ended 30 June 2023

To the General Meeting of AMPLITUDE SURGICAL,

As statutory auditors of your Company, we hereby present our report on related third-party agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics, essential terms and conditions and reasons justifying the interest for the Company of the agreements of which we have been informed or which we may have discovered during our mission, without having to express an opinion on their usefulness and appropriateness or to ascertain whether other agreements exist. It is your responsibility, under the terms of Article R.225-31 of the Commercial Code, to assess the interest in concluding these agreements with a view to their approval.

Furthermore, it is our duty, where applicable, to communicate to you the information provided in Article R.225-31 of the French Commercial Code in connection with the performance, during the past financial year, of the agreements already approved by the General Meeting.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) in relation to this mission.

#### **AGREEMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING**

We inform you that we have not been notified of any agreement entered into during the past financial year to be submitted to the approval of the General Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

#### **AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING**

We inform you that we have not been notified of any agreement already approved by the General Meeting, whose performance has continued during the past financial year.

Lyon, 18 October 2023  
The Statutory Auditors

MAZARS  
Severine HERVET

DELOITTE & ASSOCIÉS  
Jean-Marie LE JELOUX

### 3.4 APPLICATION OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES – SECTION 27.1 OF THE AFEP-MEDEF CODE

The Company will refer to the recommendations in the Code of Governance for listed companies of the *Association Française des Entreprises Privées* (AFEP – French Association for Private Companies) and of the *Mouvement des Entreprises de France* (MEDEF – French Companies Movement), (the “**AFEP-MEDEF Code**”) in particular for preparing the report of the Board of Directors on corporate governance provided by Article L.225-37 of the French Commercial Code on the composition of the Board on application of the principle of gender balance on the Board, the conditions for preparing and organising the work of the Board and the internal control and risk management procedures established by the Company.

In particular, the Company intends to ensure the presence of independent members on the Board of Directors, to provide the Board with specialised committees responsible for making recommendations to the Board in the areas of strategy, auditing and executive remuneration, and to make the implementation of a certain number of decisions likely to have a significant impact on the business of the Company or one of the Group’s companies, its assets and liabilities, or its results, subject to prior approval by the Board of Directors.

The AFEP-MEDEF Code to which the Company refers can be consulted at the following website: <http://www.medef.com>. The Company keeps copies of this Code available to the members of its corporate bodies.

For aspects of its corporate governance known at the date of this Universal Registration Document, the Company complies with most of the recommendations in the AFEP-MEDEF Code, insofar as the principles established are compatible with the Company’s organisation, size and resources, with the exception of the following elements:

AFEP-MEDEF Recommendations	Position of the Company
<b>9. Independent directors</b>	
<p>9.3 The proportion of independent directors should be half of the board members in widely held companies without controlling shareholders. In controlled companies (pursuant to Article L.233-3 of the French Commercial Code), the proportion of independent directors must be at least a third. The directors who represent employee shareholders as well as those directors representing the employees are not taken into account for establishing such percentages.</p>	<p>On the date of this Universal Registration Document, taking into account the small size of the Board of Directors (four directors) and the presence of a controlling shareholder in the Company’s capital, one member of the Company’s Board of Directors out of four is an independent director.</p>

<b>15. Board committees</b>	
<p><b><u>16. The Audit Committee</u></b></p> <p><b><u>16.1 Composition</u></b></p> <p>The proportion of independent directors on the Audit Committee must be at least two thirds and the committee must not include any executive corporate officers.</p>	<p>As at the date of this Universal Registration Document, given the small size of the Board of Directors and therefore of its Committees, and the presence of a controlling shareholder in the capital of the Company, one member of the Audit Committee out of three is independent and, moreover, no executive corporate officer sits on this committee.</p>
<p><b><u>17. The Appointments Committee</u></b></p> <p><b><u>17.1 Composition</u></b></p> <p>It must not include any executive corporate officers and must be composed of a majority of independent directors.</p> <p><b><u>18. The Remuneration Committee</u></b></p> <p><b><u>18.1 Composition</u></b></p> <p>It must not include any executive corporate officers and must be composed of a majority of independent directors. It is recommended that the Chairman of the Committee be independent and that an employee director be a member.</p>	<p>As at the date of this Universal Registration Document, given the small size of the Board of Directors and therefore of its Committees, the presence of a controlling shareholder in the share capital of the Company, and the presence of a single independent director on the Board of Directors, only one member of the Remuneration and Appointments Committee out of three is independent.</p>

### 3.5 FOUNDING DEEDS AND ARTICLES OF ASSOCIATION

The main provisions described below are taken from the Company's articles of association adopted by the General Meeting of Shareholders of 10 May 2015 and entered into force on 29 June 2015, and whose last update took place on 19 October 2021.

#### 3.5.1 Corporate purpose (Article 3 of the articles of association)

The purpose of the Company, in France and abroad is:

- the manufacture and marketing, in all forms, of any and all surgical products and equipment; the provision to individuals and to all types of business of any and all services in the medical-surgical sector; the Company's participation, by any means, directly or indirectly, in any transaction potentially related to its corporate purpose, through the creation of new companies, contribution, subscription or purchase of shares and associated rights, merger or other transaction, creation, acquisition, rental, leasing of any business of place or business, the takeover, acquisition, use or assignment of all processes and patents concerning its activities; completion of any and all industrial, commercial and financial, and movable and real property transactions potentially relating, directly or indirectly, to the corporate purpose and to all similar and related purposes;
- any and all transactions, on its own behalf, for the purchase, sale and management of French and foreign securities of any type and of all companies, the purchase, subscription, management, sale, exchange of said securities and all corporate rights, the acquisition of holdings and equity interests, whether direct or indirect, in all companies established or that may be established by any means (by the incorporation of new companies, capital contributions, subscriptions, acquisition or exchange of securities, bonds, warrants, corporate assets or rights, mergers, partnerships, economic interest groupings or otherwise, as well as through shareholder current accounts or loans, in the short and long term); the acquisition and allocation for its benefit of all movable and immovable assets, the operation of said assets, their sale and capital contribution to a company; participation in all transactions for the operation, management and administration of all businesses or companies; the purchase or leasing of real estate necessary for the Company's corporate purpose;
- the provision of all services, whether administrative, financial, accounting, commercial, related to information technology or management, for the benefit of (i) subsidiaries of the Company or any other companies in which it holds an equity interest and (ii) any other company having an equity interest in the Company;
- and generally, directly or indirectly, any and all transactions of any type whatsoever, whether legal, economic and financial, civil and commercial, which may relate directly or indirectly, either on its own behalf or that of third parties, alone or with third parties, to achieving the corporate purpose or any similar, related or complementary purposes, or which may be instrumental to achieving said purposes or which may promote their development or fulfilment, in particular through the lending or borrowing or granting of guarantees and securities covering its obligations or those of affiliate companies.

#### 3.5.2 Provisions in the articles of association relating to administrative and management bodies – Internal regulations of the Board of Directors

The description hereunder summarises the main provisions of the articles of association and the internal regulations of the Board of Directors, in particular its operating methods and its powers.

The internal regulations specify, in addition to provisions on the Board of Directors referred to above, the methods for organising and functioning, remits and powers of committees which the Board of Directors has established internally (see Section 3.1.2.3 in this Universal Registration Document).

*3.5.2.1 Board of Directors (Articles 14 to 20 of the articles of association)*

*i. Composition of the Board of Directors (Article 14 of the articles of association)*

The Company is administered by a Board of Directors comprising at least three members and at most 18 members.

The ceiling of 18 members may be increased if necessary by directors representing employee shareholders, appointed pursuant to the provisions of Article 14.8. The limit may also be increased, if applicable, by directors representing employees, appointed pursuant to the provisions of Article 14.9 or in the event of a merger, pursuant to Article L.225-95 of the French Commercial Code.

The directors may be individuals, or legal entities. In this case, at the time of appointment, the legal entity directors must appoint a permanent representative who will be subject to the same conditions and obligations and incur the same liabilities as if a director in his/her own name, without prejudice to the joint and several liability of the legal entity represented.

During the term of the Company, directors are appointed, renewed or removed from office under the conditions provided by the regulatory and legislative provisions in force and these articles of association.

Each director, as well as the representatives of employee shareholders and employees' representatives must hold shares in the Company under the conditions and according to the methods provided by the stipulations in the Board of Director's internal regulations. Should a director cease to hold the required number of Company shares, the director concerned will be granted a deadline, according to the provisions in the internal regulations, to remedy the situation otherwise he/she shall be deemed to have resigned.

Directors are bound by the legislative and regulatory provisions on multiple corporate offices.

Pursuant to the legislative and regulatory provisions in force and subject to compliance with the conditions on combining duties as director with a contract of employment, the number of directors bound to the Company by an employment contract (disregarding directors representing employee shareholders and directors representing employees or a collective investment fund created by companies holding shares in the Company) shall not exceed one third of directors in office.

A director's employment contract with the Company shall not be terminated by dismissal or termination of his or her position as director.

If the report presented by the Board of Directors to the General Meeting pursuant to Article L.225-102 of the French Commercial Code states that shares held by company employees as well as by related companies (within the meaning of Article L.225-180 of the French Commercial Code) represent more than 3% of the share capital, a director representing the employee shareholders is appointed by the Ordinary General Meeting according to the procedures established by the legislative and regulatory provisions in force and by these articles of association, provided the Board of Directors does not already include as members, one or more director(s) appointed from among members of the supervisory boards of corporate collective investment funds representing employees, or one or more employees elected pursuant to Article L.225-27 of the French Commercial Code.



Prior to the Ordinary General Meeting called to appoint a director representing employee shareholders, the Chairman of the Board of Directors shall notify the supervisory board of corporate collective investment funds created in the scope of a corporate employees' savings scheme and that of associate companies defined pursuant to Article L.225-180 of the French Commercial Code, which are invested predominantly in Company shares and consult the employee shareholders according to the conditions established by these articles of association.

Candidates for appointment are nominated under the following conditions:

- When the voting right attached to shares held by employees is exercised by members of the supervisory board of a corporate collective investment fund, the supervisory board may appoint two candidates selected from its permanent members who represent employees. If there are several corporate collective investments funds, the supervisory boards of the funds may agree, by identical resolutions, to present two joint candidates selected from all the permanent members who represent employees.
- When the voting right attached to shares held by employees is exercised directly by the latter, candidates may be nominated during consultation sessions organised by the Company. These consultations, preceded by a call for candidates, may be held by the Company using any technical means, guaranteeing the reliability of voting, including electronic or postal systems. To be admissible, the candidates must be nominated by a group of shareholders representing at least 5% of the shares held by employees who exercise their voting rights individually.

An ad hoc electoral committee, set up by the Company, may be tasked with monitoring due conduct of this process.

The General Meeting will then vote on only the two candidates presented either by the supervisory boards of corporate collective investment funds or by groups of employee shareholders.

The minutes prepared by the corporate collective investment fund supervisory board(s) or by the ad hoc electoral committee presenting the candidates must be forwarded to the Board of Directors at the latest eight days prior to the Board meeting called to approve the resolutions that will be voted on at the General Meeting to appoint directors representing employee shareholders.

To be admissible, each proposal must nominate a director candidate and an alternate director candidate. The alternate, who fulfils the same eligibility requirements as the director, shall be co-opted by the Board of Directors to succeed the representative appointed by the General Meeting, in the event that the latter is unable to carry out his or her term of office until the term set. Co-option of the alternate by the Board of Directors is subject to ratification at the next General Meeting.

In order to guarantee continuity of representation of employee shareholders until expiry of the permanent director's term of office and in the eventuality of the alternate director being unable to fulfil the term of office until its expiry, the Chairman of the Board of Directors shall notify the body which initially appointed the candidate (supervisory board of corporate collective investment funds or group of employee shareholders) so that the latter may nominate a new candidate, whose appointment will be put to vote at the next General Meeting.

The procedures for appointing candidates which are not defined by the legal and regulatory provisions in force, or by the articles of association, shall be determined by the Chairman of the Board of Directors, particularly concerning the timetable for nominating candidates.

The director representing employee shareholders is appointed by the General Meeting under the conditions applicable to any appointment of a director.

These directors are not included when calculating the minimum and maximum number of directors provided by Section 1 above.

The term of office of the director representing employee shareholders is four years. His/her duties shall cease after the General Meeting called to approve the financial statements for the past financial year in the year in which the term of office expires.

However, the term of office shall end ipso jure and the director representing employee shareholders shall be deemed to have resigned automatically on loss of the status of Company employee (or that of employee of a related company or economic interest grouping defined pursuant to Article L.225-180 of the French Commercial Code), or of shareholder (or of member of a corporate collective investment fund holding shares in the Company).

Should a vacancy arise as a director representing the employee shareholders for any reason whatsoever, a replacement will be appointed under the foregoing conditions, the new director being appointed by the General Meeting for the remaining term of office of his/her predecessor.

Until the date of replacement of the director (or if applicable, the directors) representing employee shareholders, the Board of Directors may meet and validly deliberate.

The provisions of subsection one of Section 8 shall cease to apply if, at the closing of a financial year, the percentage of capital held by Company employees and employees of related companies defined pursuant to pre-cited Article L.225-180, in the framework of the provisions of pre-cited Article L.225-102, represents less than 3% of capital, it being specified that the term of office of any director appointed in application of the first subsection of Section 8 shall expire on reaching its term. The provisions of Section 14.5 on the number of shares which a director must hold do not apply to directors representing employee shareholders. Nevertheless, each director representing employee shareholders must hold, either individually or through a corporate collective investment fund created in the framework of the group employee savings scheme, at least one share or a number of units in said fund which is equivalent to at least one share.

Directors representing employee shareholders are not counted for application of the provisions in Section 3 of Article 16 below.

If the provisions of Article L.225-27-1 of the French Commercial Code are applicable, the Board of Directors shall include one or two directors representing the Group's employees, depending on the number of directors.

The number of directors representing employees is two if the number of directors exceeds 12 on the date of appointment of directors representing employees and one if the number of directors is equal to or less than 12 on the date of appointment of the director representing employees (without counting, in both cases, directors representing employee shareholders and directors representing employees).

The reduction of the number of directors to 12 or less (without counting directors representing employee shareholders and directors representing employees) has no effect on the term of the current corporate offices of directors representing employees, which shall continue until their expiry date.

However, on expiry of the corporate offices of directors representing employees and assuming the number of directors remains equal to or less than 12 on the date of appointment of the directors representing employees (without counting the directors representing employee shareholders and directors representing employees), the number of directors representing employees is reduced to one.

If subsequently, the number of directors exceeds 12 (without counting the directors representing employee shareholders and directors representing employees), a second director representing employees is appointed pursuant to the provisions below, within a deadline of six months from co-option by the Board of Directors, or from the appointment by the General Meeting of the new director.

Directors representing employees are elected under the conditions pursuant to Article L.225-28 of the French Commercial Code and according to the procedures described below.

The directors representing employees are elected by all employees having the status of voter, voting as a single body.

Pursuant to Article L.225-28 of the French Commercial Code, the elections shall be conducted as a single-round vote on the list of candidates according to proportional representation and without any combinations. Each list shall incorporate a number of candidates double that of the positions to be filled with a strict balance of men and women. No alternates are elected.

The list of candidates will be presented exclusively by one or more trade union organisations which are representative at Group level.

The elections are organised by Senior Management. The timetable (in particular the date for registering candidates and the date of voting) and the methods for electoral procedures not stipulated in the legislative or regulatory provisions in force or in these articles of association (in particular, the choice of voting methods) shall be approved by Senior Management after consultation with the representative trade union bodies.

The timetable is established so that the announcement of the election results is made at the latest fifteen days prior to the expiry of the term of office of outgoing directors. With regard to the first election held pursuant to Law no. 2013-504 of 14 June 2013, the timetable is established in such a way that the announcement of the election results can take place, at the latest, before the expiry of the six-month period following the Extraordinary General Meeting that amended the articles of association, as referred to in Article L.225-27-1 III of the French Commercial Code.

For each election, Senior Management shall establish the list of the Company's direct or indirect subsidiaries with registered offices located in France pursuant to Articles L.225-27-1 and L.225-28 of the French Commercial Code.

Votes may be cast electronically, by a paper ballot, by post or a by combination of these means.

When votes are cast electronically, the election may be conducted at the workplace or remotely and may extend over a period not exceeding 15 days. The design and the setting-up of the electronic voting system may be outsourced to an external service provider. The system must guarantee confidentiality of the data sent, a secure means of authentication, completion of attendance sheets, registration and counting of votes.

If the collegiate body presents no candidates, the corresponding seat(s) shall remain vacant until the next elections renewing the terms of offices of directors representing employees.

In the event of a permanent vacancy of a seat for a director representing employees, the vacant seat shall be filled pursuant to Article L.225-34 of the French Commercial Code, i.e. by the candidate on the same list with the number of votes immediately following the candidate elected.

Status of directors representing employees:

Directors representing employees are not included when calculating the maximum and minimum number of directors provided by Section 1 above.

The term of office of directors representing employees is five years.

In the event of termination of a contract of employment, the director representing employees is deemed to have resigned automatically. He/she is replaced under the conditions defined above.

Directors representing employees who are newly elected start their term of office on the expiry of the term of office of the outgoing directors representing employees.

Directors representing employees are not included for application of the provisions of Section 3 of Article 16 below.

In the event that the legal conditions relating to the scope of the obligation to appoint one or more directors representing employees are no longer met, the term of office of the directors representing employees shall expire at the end of the meeting at which the Board of Directors notes that the obligation has been removed.

*ii. Organisation of the Board of Directors (Article 15 of the articles of association)*

The Board of Directors appoints, from among its directors, a Chairman and as the case may be a Vice-Chairman who is, on penalty of invalidity of appointment, a natural person.

The Board of Directors determines the remuneration of the Chairman and the Vice-Chairman, which is added to his/her share in the overall amount of directors' fees.

The Chairman and the Vice-Chairman are appointed for a term which shall not exceed that of their term of office as directors. They are eligible for re-election.

The Chairman and the Vice-Chairman may be removed from office at any time by the Board of Directors.

The age limit for serving as Chairman and Vice-Chairman of the Board of Directors is seventy (70) years, so that:

- no director may be appointed as Chairman or Vice-Chairman of the Board of Directors if he/she has attained the age of seventy (70) years; and
- on reaching the age of seventy (70) years during his/her term of office, the Chairman or Vice-Chairman of the Board of Directors is deemed to have resigned automatically from office after the Ordinary General Meeting following his/her seventieth (70) birthday.

The Chairman of the Board of Directors organises and directs the work of the Board of Directors and reports on its actions to the General Meeting. The Chairman is responsible for the proper working of the corporate bodies and in particular, ensuring that directors are capable of fulfilling their missions. Should the Chairman be impeded in the fulfilment of his duties, the Vice-Chairman fulfils said duties and enjoys the same prerogatives as the Chairman.

The Board of Directors may appoint a secretary to the Board who need not be a director or a shareholder.

The Board of Directors may decide to establish any Board of Directors' committee with responsibility for examining questions submitted to it for said purpose by the Board of Directors or its Chairman, notably having regard to the preparation and auditing of accounting and financial information, appointments and remuneration, strategy and major projects.

The composition, the procedures and powers of the committees are established by the internal regulations of the Board of Directors.

*iii. Term of office – age limits (Article 16 of the articles of association)*

Subject to the legislative and regulatory provisions applicable in the event of temporary appointments by the Board of Directors, directors are appointed for a term of four years.

Their positions end after the Ordinary General Meeting called to approve the financial statements for the past financial year held in the year during which their term of office expires.

Directors are eligible for re-election.

Notwithstanding the provisions of Sections 1 and 2 above:

- the number of directors (natural persons or the representatives of legal entities) who have reached the age of seventy (70) years shall not exceed one quarter of directors in office, rounded, if applicable, up to the next whole number;
- no-one may be appointed as a director if having attained the age of seventy (70) years, his/her appointment would increase the number of directors having exceeded this age to more than one quarter of the directors in office, rounded, if applicable, up to the next whole number; and
- if the number of directors exceeding the age of seventy (70) years represents more than one quarter of directors in office, in default of resignation of a director aged over seventy (70) years, the oldest director is deemed to have resigned automatically.

By exception, the General Meeting may provide, when appointing certain members of the Board of Directors, that their term of office shall be less than four years to allow for the staggered renewal of corporate offices of members of the Board of Directors.

*iv. Remuneration (Article 17 of the articles of association)*

The General Meeting allocates an annual fixed amount to directors in the form of directors' fees, of which it determines the amount for the current and subsequent financial years, until a new decision is pronounced.

The Board of Directors may freely distribute the directors' fees among its members pursuant to the rules in the Board of Director's internal regulations.

Notably, it may allocate a higher proportion thereof to the Chairman and members of the committees provided for in Section 4 of Article 15 above and in the Board of Director's internal regulations, than to other directors.

The Board of Directors may allocate special remuneration to directors for specific missions or corporate offices conferred on them.

The Board of Directors may authorise the reimbursement of travel, subsistence and other expenses incurred by directors in the Company's interest.

*v. Operation of the Board of Directors (Article 18 of the articles of association)*

The Board of Directors prepares internal regulations which stipulate and supplement its operating procedures, of which the principles are set out in this Article.

The Board of Directors shall meet as many times as required in the interests of the Company and at least once a calendar quarter as a minimum, it being understood that at least one meeting per annum must be held with the physical presence of participants.

Meetings are called by any means by the Chairman or by at least two (2) Board members. Notices of meetings are sent out at least three (3) business days in advance of the meeting. Notices of meetings state the date, time and venue for the meeting (or the means of communication if the meeting is not held in person), as well as the agenda. Prior to each meeting, at the same time it is convened, the author of the notice of the meeting sends every Board member information on the agenda items for the meeting (specifically, documentation on the transactions which must be submitted for prior approval of the Board of Directors during the meeting).

As an exception to the foregoing, no deadline or formality for convening a meeting is required if all members of the Board of Directors are present or represented (including by video-conference or teleconference).

A member of the Board of Directors may be represented by another member of the Board of Directors to the exclusion of any other person through a power of attorney. A member of the Board of Directors may receive several powers of attorney.

Meetings of the Board of Directors may occur by any means (including personal attendance, video-conference or telephone) which allows discussions.

The Board of Directors may validly resolve only if at least one half of directors are present.

An attendance sheet is kept of each Board of Director's meeting. The attendance sheet is duly signed in the margin by members of the Board of Directors who are personally present or represented at the time they enter the meeting (or by fax, by members of the Board of Directors not personally present or represented at the meeting, but who participate therein using any appropriate means of communication). The powers of attorney given to each proxy or copies thereof, as well as the faxes referred to above, are appended to the attendance record.

Board of Directors meetings are chaired by the Chairman or by the Board member appointed by the latter. If the Chairman is absent or unable to attend, and if he or she has not appointed a member for this purpose, the Board of Directors shall itself appoint the Chairman of the meeting. The Board of Directors may appoint a secretary who need not be a Board member. Meetings of the Board of Directors are conducted in French.

All decisions of the Board of Directors are taken by a simple majority vote of members present or represented. In the event of a tie, only the current Chairman of the Board shall have a casting vote. It is specified that if the current Chairman of the Board of Directors does not attend the Board of Director's meeting, the ad hoc acting Chairman of the meeting shall not have a casting vote.

Decisions of the Board of Directors are recorded in minutes prepared by the secretary and signed by the Chairman and at least one director attending the meeting. The minutes are kept in a special initialled and numbered register. Certified copies and excerpts of the minutes are validly certified by the signature of the Chairman and that of one other member of the Board of Directors.

*vi. Powers of the Board of Directors (Article 19 of the articles of association)*

The Board of Directors determines the strategic orientations for the Company's business activities and ensures they are implemented. Without prejudice to powers expressly reserved for the General Meetings and within the limits of the corporate purpose, the Board of Directors deals with any question

concerning the smooth running of the Company and settles, through its deliberations, the matters that concern it.

In particular, and without the list being exhaustive, the Board of Directors, pursuant to the legislative and regulatory provisions in force and under the conditions and according to the procedures established, if applicable, by the Board of Director's internal regulations:

- is competent to convene the Company General Meeting and establish the agenda; approves the Group's annual budget presented by the Chief Executive Officer and any amendment of said budget;
- approves the medium-term finance plan for the Group;
- approves the separate and consolidated financial statements and prepares the annual management report;
- authorises the agreements referred to in Article L.225-38 of the French Commercial Code;
- chooses the Senior Management method of the Company, pursuant to Sections 1 and 4 of Article 21 of these articles of association;
- appoints or removes from office the Chairman of the Board of Directors, the Chief Executive Officer and, if applicable, following a proposal by the Chief Executive Officer, any Deputy Chief Executive Officer(s);
- defines the powers of the Chief Executive Officer, and if applicable, in consultation with the latter, those of any Deputy Chief Executive Officer(s);
- may co-opt a director;
- sets the remuneration of the Chairman of the Board of Directors, of the Chief Executive Officer and, if applicable, of any Deputy Chief Executive Officer(s);
- appoints members of the Board of Director's committees established pursuant to the legislative and regulatory provisions in force, these articles of association and the internal regulations of the Board of Directors;
- distributes the directors' fees among Board members pursuant to the provisions of the Board of Director's internal regulations;
- decides on the award of any indemnification for non-voting Board members;
- approves the report of the Board of Directors on its own functioning, internal control and risk management;
- may decide to issue debt securities that do not give entitlement to capital;
- authorises the Company's Chief Executive Officer, with a right of sub-delegation, to grant security deposits, endorsements and guarantees; and
- grants prior authorisation for any transaction which does not fall within the scope of ordinary Company business, including disposals of assets, transactions on intellectual property rights and external growth transactions, according to the criteria defined in the internal regulations.

The Board carries out any checks and monitoring deemed opportune and included in its remit.

In particular, the Board must ensure:

- the proper functioning of the internal control bodies and the satisfactory nature of the conditions under which the Statutory Auditors perform their mission;
- proper functioning of the committees it has established.

In addition to the legislative and regulatory obligations on prior authorisation of the Board of Directors, certain transactions listed in the Board of Director's internal regulations are, within the framework of the Group's internal organisation, subject to the express approval of the Board of Directors prior to implementation by the Company's Chief Executive Officer or if applicable, by a Deputy Chief Executive Officer.

Each director will receive all information necessary for fulfilment of his/her mission and may, within said limit, call for communication of all documents or information he/she considers instrumental to said purpose.

*vii. Non-voting Board members (Article 20 of the articles of association)*

The General Meeting may appoint as members of the Board of Directors, non-voting Board members selected from among shareholders.

The number of non-voting Board members shall not exceed three.

The non-voting Board members are appointed for a term not exceeding four (4) years, it being specified that the Ordinary General Meeting of the Company may remove them from office at any time. Their positions end after the Ordinary General Meeting called to approve the financial statements for the past financial year held in the year during which their term of office expires.

Non-voting Board members are eligible for re-election.

Any non-voting Board member reaching the age of seventy (70) years is deemed to have automatically resigned.

The missions and, if applicable, the method for indemnifying non-voting Board members falls within the remit of the Board of Directors and is defined by the Board of Director's internal regulations.

*3.5.2.2 Senior Management (Articles 21 to 26 of the articles of association)*

*i. Choice of Senior Management method (Article 21 of the articles of association)*

The Senior Management of the Company is carried out under its responsibility:

- either by the Chairman of the Board of Directors;
- or by another individual, appointed by the Board of Directors from among or outside its members, with the title of Chief Executive Officer.

The term of office of the Chief Executive Officer is set by the Board of Directors in the decision appointing the latter, subject to the provisions of Section 3 of Article 21 below.



Should Senior Management of the Company be fulfilled by a director, the latter shall be deemed to have automatically resigned as Chief Executive Officer on expiry of his/her term of office as a director.

The Board of Directors, deliberating according to the quorum and majority conditions in Article 18 of these articles of association, decides between the two methods for fulfilling the Senior Management duties referred to in Section 1 of Article 21 above. This management method remains applicable until any decision to the contrary. The choice falls within the exclusive remit of the Board of Directors.

If the Chairman of the Board of Directors fulfils the Senior Management duties, the legislative and regulatory provisions and those in the sections below on the role of Chief Executive Officer are applicable to him/her. He then takes the title of Chairman and Chief Executive Officer.

A change in the method for Senior Management of the Company does not require any amendment of these articles of association.

*ii. Powers (Article 22 of the articles of association)*

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances in the name of the Company.

The Chief Executive Officer exercises said powers within the limits of the corporate purpose and subject to:

- the powers which the legislative and regulatory provisions in force award expressly to General Meetings and the Board of Directors; and
- powers reserved for the Board of Directors and any requirements for the latter's prior approval, pursuant to the provisions of the internal regulations of the Board of Directors.

In addition, the Board of Directors may, particularly for a specific transaction, set specific limits on the scope of the Chief Executive Officer's powers.

The Chief Executive Officer represents the Company in its relationships with third parties.

The Company is bound, including by actions of the Chief Executive Officer which are not included in the scope of the corporate purpose unless it can prove the third party is aware that said actions exceeded said purpose or the third party could not have been unaware thereof having regard to the circumstances.

Provisions of the articles of association or decisions of the Board of Directors limiting the powers of the Chief Executive Officer are unenforceable against third parties.

If the Chairman of the Board of Directors and the Chief Executive Officer are two separate persons, the Chief Executive Officer may request the Chairman of the Board of Directors convene a Board of Directors' meeting to discuss a set agenda.

*iii. Deputy Senior Management (Article 23 of the articles of association)*

On a proposal by the Chief Executive Officer, the Board of Directors may appoint from among or outside its members, one to two individuals to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

By agreement with the Chief Executive Officer, the Board of Directors determines the scope and the term for powers conferred on each of the Deputy Chief Executive Officers.

Vis-à-vis third parties, Deputy Chief Executive Officers hold the same powers as the Chief Executive Officer.

*iv. Remuneration (Article 24 of the articles of association)*

The remuneration of the Chief Executive Officer and, if applicable, of any Deputy Chief Executive Officer(s), is set by the Board of Directors.

*v. Age limit (Article 25 of the articles of association)*

The age limit is set at seventy (70) years for the duties of Chief Executive Officer or Deputy Chief Executive Officer.

No-one may be appointed as a Chief or Deputy Chief Executive Officer after reaching the age limit of seventy (70) years.

If the Chief Executive Officer or Deputy Chief Executive Officer reaches the age of seventy (70) years during his/her term of office, he/she shall be deemed to have resigned automatically from office after the Ordinary General Meeting following his/her seventieth (70) birthday.

*vi. Removal from office and impediment (Article 26 of the articles of association)*

The Chief Executive Officer may be removed from office at any time by the Board of Directors.

Equally, by proposal of the Chief Executive Officer, the Deputy Chief Executive Officer(s) may be removed from office at any time.

Should the Chief Executive Officer leave office or be prevented from the exercise of his/her duties, the Deputy Chief Executive Officers will retain their duties and responsibilities until appointment of a new Chief Executive Officer unless otherwise decided by the Board of Directors.

On appointment of a new Chief Executive Officer, the Board of Directors will resolve whether or not to retain the Deputy Chief Executive Officers on a proposal by the new Chief Executive Officer.

*3.5.2.3 Rights, privileges, restrictions and obligations attached to shares (Articles 9, 10, 11, 12 and 30 of the articles of association)*

*i. Form of shares – Identification of shareholders (Article 9 of the articles of association)*

Fully paid shares may be registered or bearer shares at the shareholder's discretion, subject, however, to application of the legislative and regulatory provisions and those of the Board of Director's internal regulations on the form of shares held by certain persons.

*ii. Indivisibility of shares – Bare ownership and usufruct (Article 10 of the articles of association)*

Shares are indivisible vis-à-vis the Company.

The joint owners of undivided shares are represented at General Meetings by one of them or by a single proxy. In the event of disagreement, the proxy is appointed by the Court at the request of the most diligent joint owner.

If a usufruct is registered on shares, the voting right is exercised by the holder of the usufruct at Ordinary General Meetings and by the bare owner at Extraordinary General Meetings.

However, the bare owner and the usufruct holder may agree between them on any other distribution of voting rights at General Meetings. In this case, the distribution agreement shall be notified by registered letter with return receipt to the Company which will then be bound to adopt the agreement at any General Meeting provided one month has elapsed from receipt of said letter.

The shareholder's right of communication or of consultation may be exercised by either of the joint owners of undivided shares, by the usufruct holder and by the bare owner of shares.

*iii. Transfer of shares (Article 11 of the articles of association)*

Shares, whether registered or bearer may be freely traded, without prejudice to any contrary regulatory or legislative provisions. Shares are registered in the shareholder's account and are transferred from account to account according to the procedures defined by the regulatory and legislative provisions in force.

*iv. Rights and obligations attached to the shares (Article 12 of the articles of association)*

Each share gives entitlement to ownership of the corporate assets, profits distributed and the liquidation surplus in proportion to the percentage of share capital it represents.

Each share gives entitlement to attend, under the conditions established by the applicable regulatory and legislative provisions and in these articles of association, General Meetings and to vote on resolutions.

In addition, each share confers the right to be informed on the performance of the Company and to obtain communication of certain corporate documents at the times and under the conditions provided by the regulatory and legislative provisions in force and in these articles of association.

Shareholders are liable for corporate liabilities exclusively within the limit of their capital contributions.

Whenever it is necessary to hold several shares in order to exercise any right, in particular in the event of an exchange, reverse stock split, split, grant of shares, or as a result of a capital increase or reduction, merger, demerger or partial contribution of assets, distribution or any other transaction, securities in a number less than that required do not give their holders any rights with respect to the Company. The shareholders, in this case, have to arrange for the consolidation of the necessary number of shares or rights and, if necessary, the purchase or sale of the necessary number of securities or rights.

Ownership of a share implies ipso jure acceptance of these articles of association and the decisions of General Meetings.

The rights and obligations attached to a share follow the security into whosoever hands it passes.

*v. Holding General Meetings (Article 30 of the articles of association)*

Each shareholder is entitled to as many votes as shares owned or represented, without prejudice to any contrary regulatory or legislative provisions.

Any mechanism that automatically confers double voting rights on shares that have been registered in the name of the same shareholder for at least two years is expressly excluded by these articles of

association, in accordance with the applicable legal provisions set out in Article L.225-123 of the French Commercial Code

#### *3.5.2.4 Amendment of shareholders' rights*

Shareholders' rights may be amended under the conditions provided by the regulatory and legal provisions. There are no specific provisions governing the amendment of shareholders' rights which are more restrictive than in the legislation.

#### *3.5.2.5 General Meetings (Article 27 to 34 of the articles of association)*

##### *i. Convening meetings, venue for meetings (Article 27 of the articles of association)*

General Meetings are convened under the conditions established in these articles of association and the legislative and regulatory provisions in force.

General Meetings may be held at the registered office or any other venue in mainland France as stated in the meeting notice.

##### *ii. Agenda (Article 28 of the articles of association)*

The agenda is prepared in principle by the person convening the meeting.

One or more shareholders representing the proportion of share capital required by the legislative and regulatory provisions in force may, however, require the inclusion of special items or draft resolutions on the agenda.

The General Meeting may not deliberate on any matters not included on the agenda.

Nevertheless, the General Meeting may, in all circumstances, remove from office one or more members of the Board of Directors and replace them.

##### *iii. Right to attend meetings (Article 29 of the articles of association)*

Any shareholder is entitled to attend General Meetings and to take part in the deliberations, either personally or represented by a proxy.

Any shareholder may participate personally or be represented by a proxy at General Meetings under the conditions established by the regulations in force, on proof of identity and ownership of shares registered in an account, under the conditions provided by the legislative and regulatory provisions in force.

Any shareholder may vote remotely or grant a power of attorney pursuant to the regulations in force using a form prepared by the Company and sent to the latter under the conditions provided by the regulations in force, including electronically or by telecommunications means, on a decision of the Board of Directors. The form must be received by the Company under the regulatory conditions for it to be counted.

Any shareholder may also, if the Board of Directors so decides when convening the General Meeting, participate and vote at the General Meeting by video-conference or by electronic or other remote telecommunications means, including by internet, which allows identification of the parties under the conditions determined by the legislation. For calculation of the quorum and majority, shareholders attending the General Meeting by video-conference or any other electronic telecommunications or

remote transmission means which permits their identification under conditions provided by Law, shall be deemed present at the meeting.

General Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence or default, by a member of the Board specifically delegated for said purpose by the Board of Directors. Otherwise the General Meeting elects its own chairman.

Minutes of the meeting are prepared and copies are certified and delivered according to the regulations in force.

The legal representatives of shareholders who are legally incapacitated and individuals representing legal entity shareholders may participate at meetings, whether or not they are shareholders in their own right.

*iv. Meeting officials – secretary (Article 30 of the articles of association)*

Meetings are chaired by the Chairman of the Board of Directors or in the latter's absence, by a director specially delegated for said purpose by the Board of Directors.

Otherwise the General Meeting elects its own chairman.

The two members present at the meeting who hold the largest number of votes act as scrutineers, provided they accept said appointment.

The meeting officials appoint the secretary, who need not be a shareholder.

An attendance sheet is kept, duly signed by participants and certified as accurate by the meeting officials.

*v. Ordinary General Meeting (Articles 31 and 32 of the articles of association)*

Quorum – majority (Article 31 of the articles of association)

The Ordinary General Meeting, convened on first notice, shall be valid only if the shareholders present or represented hold at least one fifth of the shares entitled to vote.

On second notice, the deliberation is valid regardless of the number of shares held by the shareholders present or represented.

Resolutions are passed by simple majority of votes held by shareholders present or represented.

Powers (Article 32 of the articles of association)

The Ordinary General Meeting deliberates on all proposals which do not fall within the exclusive competence of an Extraordinary General Meeting.

In particular, the Ordinary General Meeting:

- hears the reports of the Board of Directors and the Statutory Auditors submitted to the annual General Meeting;
- discusses, approves, amends or rejects the annual and consolidated financial statements for the financial year and sets the dividends to be distributed and the amounts to be allocated to retained earnings;

- resolves on the constitution of any reserve funds, any deductions to be made from the latter and on their distribution;
- determines the overall amount of directors' fees for the Board of Directors that will be distributed by the latter pursuant to the provisions of the Board of Director's internal regulations;
- appoints, re-elects or removes directors;
- ratifies temporary appointments of directors made by the Board of Directors; and
- appoints the Statutory Auditors; and approves, if necessary, on any special reports prepared by the latter pursuant to law.

vi. *Extraordinary General Meeting (Articles 33 and 34 of the articles of association)*

Quorum – majority (Article 33 of the articles of association)

An Extraordinary General Meeting may only validly deliberate if the shareholders present or represented possess at least:

- on the first notice, one quarter of shares with voting rights; or
- on the second notice, one fifth of shares with voting rights.

Decisions are taken by a two-thirds majority of the votes of the shareholders present or represented.

If the Extraordinary General Meeting resolves to approve a capital contribution in kind or to grant any special benefits, the contributor or the beneficiary, if a shareholder in the Company, is not entitled to vote on his/her own behalf or as a proxy. The shares concerned are not counted when calculating the quorum or majority.

Powers (Article 34 of the articles of association)

The Extraordinary General Meeting may amend any provisions of the articles of association and may decide to convert the Company into a company of any other legal form, subject to the provisions in the following section.

The Extraordinary General Meeting may under no circumstances, except by unanimous vote of shareholders, increase shareholders' commitments or violate the equality of shareholders' rights.

*3.5.2.6 Clauses in the articles of association likely to have an impact on the occurrence of a change of control*

The articles of association of the Company do not incorporate any provisions which allow delaying, deferring or preventing any change of control.

*3.5.2.7 Crossing of statutory thresholds (Article 13 of the articles of association)*

While the shares of the Company are admitted for trading on a regulated market, in addition to the declarations of threshold crossings expressly provided by the legislative and regulatory provisions in force, any individual or legal entity in possession, directly or indirectly, alone or jointly, of a proportion of 1% of the capital or of voting rights (calculated pursuant to Articles L.233-7 and L.233-9 of the French Commercial Code and the provisions of the general regulations of the AMF), or any multiple of said percentage, shall notify the Company of the total number (i) of shares and voting rights held directly or indirectly, alone or jointly; and (ii) of securities giving entitlement in future to Company capital held directly or indirectly, alone or jointly and voting rights potentially attached thereto. Said notification is sent by registered letter with return receipt within four stock exchange days from the time the threshold is crossed.

The obligation to notify the Company also applies according to the same deadlines and under the same conditions if the capital or voting right of a shareholder falls below one of the above-mentioned thresholds.

In the event of failure to comply with the above-mentioned duty to declare threshold crossings, the penalties provided by law for breaching the obligation to declare threshold crossings shall apply to the thresholds in the articles of association exclusively at the request, as recorded in the minutes of the General Meeting, of one or more shareholders holding at least one percent of capital or voting rights in the Company.

Subject to the foregoing provisions, this obligation of the articles of association is governed by the same provisions as those imposing a legal obligation to declare threshold crossings, including in cases of assimilation with shares held, as provided by the regulatory and legislative provisions.

#### *3.5.2.8 Identification of holders of securities (Article 9 of the articles of association)*

While company shares are admitted to trading on a regulated market, the Company is entitled to require identification of persons holding securities which confer immediately or in future, voting rights at General Meetings, as well as the number of securities held by such persons under conditions provided by the legislative and regulatory provisions in force.

When the person who received a request for said information fails to provide the latter by the deadline provided by the legislative and regulatory provisions in force or provides incomplete or erroneous information on their status, either on the holders of securities or on the quantity of securities held by each of them, the shares or securities which give immediate or future access to capital and which are registered in said person's account, are stripped of voting rights at any General Meeting held until the date of regularisation of the identification information required; payment of the corresponding dividend is likewise deferred until that date.

#### *3.5.2.9 Special provisions governing changes in the share capital (Article 7 of the articles of association)*

Concerning changes in the share capital, the articles of association of the Company do not set out any special provisions that are more restrictive than the legislative provisions.

#### *3.5.2.10 Financial year (Article 35 of the articles of association)*

Each financial year commences on 1 July of a year and terminates on 30 June of the following year.

### 3.6 SHAREHOLDING STRUCTURE

#### 3.6.1 Main shareholders

##### 3.6.1.1 Identification of shareholders

##### i. Distribution of capital and of voting rights

As at 30 June 2023, the capital and voting rights of the Company were distributed as follows (on an undiluted basis):

Shareholding structure	Number of shares	% of capital and of voting rights
Auroralux	35,999,024	74.97%
Managers	311,702	0.65%
Public	11,710,115	24.38%
<b>TOTAL</b>	<b>48,020,841</b>	<b>100.00%</b>

As at 30 June 2022, the capital and voting rights of the Company were distributed as follows (on an undiluted basis):

Shareholding structure	Number of shares	% of capital and of voting rights
Auroralux	35,699,024	74.34%
Managers	311,702	0.65%
Public	12,010,115	25.01%
<b>TOTAL</b>	<b>48.020.841</b>	<b>100.00%</b>

At the closing date of the 2021 and 2020 financial years, the share capital and voting rights of the Company were distributed as follows:



Shareholding structure	Position as at 30/06/2021			Position as at 30/06/2020		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Auroralux SAS	35,699,024	74.68	74.68	0	0.00	0.00
Olisa	0	0.00	0.00	4,564,815	9.55	9.55
Apax companies, of which:	0	0.00	0.00	19,799,595	41.42	41.42
<i>FPCI Apax France VIII A</i>	0	0.00	0.00	9,447,138	19.76	19.76
<i>FPCI Apax France VIII B</i>	0	0.00	0.00	6,298,093	13.17	13.17
<i>FPCI Apax Ortho</i>	0	0.00	0.00	4,031,518	8.43	8.43
<i>Midinvest</i>	0	0.00	0.00	22,845	0.05	0.05
<i>Apax Partners</i>	0	0.00	0.00	1	0.00	0.00
Managers	95,702	0.20	0.20	729,090	1.52	1.52
Public	12,010,115	25.12	25.12	22,711,341	47.51	47.51
<b>Total</b>	47,804,841	<b>100%</b>	<b>100%</b>	47,804,841	<b>100%</b>	<b>100%</b>

A description of changes in share capital during the financial years ended 30 June 2023, 2022 and 2021 is shown in Section 3.7.8 “Changes in the Company’s capital over the last three financial years” in this Universal Registration Document.

*ii. Threshold crossings*

During the financial year ended 30 June 2023 and from that date to the date of this Universal Registration Document, the Company was not notified of any legal, regulatory<sup>7</sup> or statutory threshold crossing.

As at 30 June 2023, the direct and indirect holdings of members of the Board of Directors and executives in the Company's capital is as follows:

	<b>Number of shares</b>
<b>Members of the Board of Directors</b>	
Olivier Jallabert	203,702 shares
Charlotte Pennec	1 share
Daniel Caille	10 shares
<b>Chairman of the Board of Directors</b>	
Stefano Drago	1 share

*iii. Transactions carried out by members of the Board of Directors and the Chief Executive Officer*

To the best of the Company's knowledge, during the financial year ended 30 June 2023, no transaction was carried out by the members of the Board of Directors or by the Chief Executive Officer<sup>8</sup>.

*iv. Free shares granted*

The General Meeting of 15 December 2022 authorised the Board of Directors to grant free shares (twenty-ninth resolution) to Company employees and corporate officers. This authorisation was not used.

*v. Presentation of the principal shareholders*

**PAI Partners**

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI manages €26 billion in funds dedicated to LBO transactions. Since 1994, the firm has completed 100 transactions in 12 countries, representing over €70 billion in value. PAI is characterised by its industrial approach as a majority shareholder, combined with a sector-specific organisation. PAI provides financial and strategic support to its investee companies to accelerate their development and optimise their value creation potential.

*3.6.1.2 Shareholders' voting rights*

On the date of this Universal Registration Document, no shareholder has special voting rights. Each Company share has one vote (with the exception of treasury shares).

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<sup>7</sup> No statement of threshold crossing published by the AMF.

<sup>8</sup> No statement of executives published by the AMF.

Following its IPO, the Company used the option provided for in Article L.225-123 Section 3 of the French Commercial Code, by deciding that the shares will not benefit from a double voting right.

### 3.6.1.3 Control of the Company

On the date of this Universal Registration Document, the Company is controlled by Auroralux SAS, itself controlled by PAI Partners. Auroralux SAS holds 35,999,024 shares, representing 74.97% of the capital and voting rights in the Company.

### 3.6.1.4 Agreements likely to result in a change of control of the Company

As at the date of this Universal Registration Document, the Company is not aware of any agreements likely to result in a change of control.

## 3.6.2 Dividend distribution policy

### 3.6.2.1 Dividends distributed over the last three financial years

During the last three financial years, the Company has not distributed any dividend.

### 3.6.2.2 Statute of limitations

Unclaimed dividends are time-limited and paid to the State after five years has elapsed since they were made available for payment.

## 3.7 SHARE CAPITAL

### 3.7.1 Share capital subscribed and share capital authorised but not issued

On the date of this Universal Registration Document, the share capital of the Company is €480,208.41 divided into 48,020,841 shares, each of nominal value of one hundredth of one euro (€0.01) fully paid.

The table below presents the delegated powers and authorisations granted by the General Meeting held on 15 December 2022 as well as the delegated powers and authorisations proposed to the General Meeting of 13 December 2023.

Current authorisations					Authorisations proposed to the General Meeting of 13 December 2023		
Type of delegation	Date of GM (Resolution no.)	Duration (expiry date)	Maximum authorised amount	Use	No. of resolution	Duration	Ceiling
Increase in share capital							

Issuance with preferential subscription rights maintained	15 December 2022 (resolution 20)	26 months (15 February 2025)	Equity securities: €600,000 Debt securities: €300,000,000 These ceilings are common to all resolutions relating to the issue of equity and/or debt securities	Nil	Resolution 15	26 months	Equity securities: €600,000 Debt securities: €300,000,000 These ceilings are common to all resolutions relating to the issue of equity and/or debt securities
Issuance by way of a public offering, with cancellation of preferential subscription rights	15 December 2022 (resolution 21)	26 months (15 February 2025)	Equity securities: €250,000 Debt securities: €150,000,000	Nil	Resolution 16	26 months	Equity securities: €250,000 Debt securities: €150,000,000
Issuance by way of an offer referred to in II of Article L.411-2 1° of the French Monetary and Financial Code, with cancellation of preferential subscription rights	15 December 2022 (resolution 22)	26 months (15 February 2025)	Equity securities: €250,000 Debt securities: €150,000,000	Nil	Resolution 17	26 months	Equity securities: €250,000 Debt securities: €150,000,000
Authorisation granted to increase the amount of the initial issues with or without preferential subscription rights	15 December 2022 (resolution 23)	26 months (15 February 2025)	15% of the initial issue	Nil	Resolution 18	26 months	15% of the initial issue
Determination of the price of issues carried out by way of a public offering or an offer referred to in II of Article L.411-2 1° of the French Monetary and Financial Code, with cancellation of preferential subscription rights, within the limit of 10% of capital per year	15 December 2022 (resolution 24)	26 months (16 February 2024)	10% of the capital per year on the date of the Board of Directors' decision to set the issue price per 12-month period	Nil	Resolution 19	26 months	10% of the capital per year on the date of the Board of Directors' decision to set the issue price per 12-month period

Issuance of shares with cancellation of shareholders' preferential subscription rights to the benefit of categories of persons	15 December 2022 (resolution 25)	18 months (15 June 2025)	Equity securities: €250,000 Debt securities: €150,000,000	-	Resolution 20	18 months	Equity securities: €250,000 Debt securities: €150,000,000
Issuance of shares up to a maximum of 10% of the share capital, with cancellation of preferential subscription rights, as consideration for contributions in kind	15 December 2022 (resolution 26)	26 months (15 February 2025)	10% of the capital on the day of the Board of Directors' decision to issue the shares	Nil	Resolution 21	26 months	10% of the share capital on the day of the Board of Directors' decision to issue the shares.
Capital increase by incorporation of premiums, reserves, profits or other items for which capitalisation would be permitted	15 December 2022 (resolution 30)	26 months (15 February 2025)	€250,000 This ceiling shall not be deducted from any ceiling	Nil	Resolution 25	26 months	€250,000 This ceiling shall not be deducted from any ceiling
<b>Employee share ownership, allocation of share subscription or purchase options, free share allocations</b>							
Issuance with cancellation of preferential subscription rights for the benefit of members of a savings plan	15 December 2022 (resolution 28)	26 months (15 February 2025)	2% of the capital on the date of the Board of Directors' decision	Nil	Resolution 23	26 months	2% of the capital on the date of the Board of Directors' decision
Grant of free performance shares	15 December 2022 (resolution 29)	38 months (15 February 2026)	3% of the capital on the date of the Board of Directors' decision	Nil	Resolution 24	38 months	3% of the capital on the date of the Board of Directors' decision
<b>Capital reduction by cancellation of shares</b>							
Capital reduction by cancellation of shares	15 December 2022 (resolution 19)	18 months (15 June 2024)	10% of the capital on the date of cancellation per 24-month period	Nil	Resolution 14	18 months	10% of the capital on the date of cancellation per 24-month period
<b>Share buyback by Amplitude Surgical</b>							
Authorisation to be granted to the Board of Directors to trade in the Company's shares	15 December 2022 (resolution 18)	18 months (15 June 2024)	€40 million	Implementation under a liquidity agreement	Resolution 13	18 months	€40 million

### 3.7.2 Non-equity securities

On the date of this Universal Registration Document, the Company has not issued any non-equity securities.

### 3.7.3 Shares held by the Company or on its own behalf

#### 3.7.3.1 Information about the share buyback programme approved by the General Meeting of 15 December 2022

##### ***Characteristics of the share buyback programme***

The Ordinary and Extraordinary General Meeting of Amplitude Surgical of 15 December 2022 authorised the Board of Directors, pursuant to Article L.225-209 et seq. of the French Commercial Code, Articles 241-1 to 241-6 of the General Regulations of the AMF and EU regulations applicable to market abuse, to purchase or have purchased a maximum number of Amplitude Surgical shares representing up to 10% of the share capital of Amplitude Surgical.

The characteristics of the buyback programme are as follows:

Securities concerned	Shares
Maximum percentage of capital that may be bought back	10% of the Company's capital existing on the date of cancellation per 24-month period
Maximum number of securities that may be acquired	4,802,084 shares (i.e. 10% of the capital on the date of this Universal Registration Document)
Maximum overall amount of programme	€40 million
Maximum unit purchase price	€10
Term of programme	18 months, i.e. until 15 June 2024

The objectives of the programme in decreasing order of priority are as follows:

- to guarantee liquidity and market-making for Company shares through an investment service provider acting independently in the framework of a liquidity agreement pursuant to a code of ethics recognised by the AMF;
- honouring obligations for the grant of share options, free shares or other grants, allocations or sale of shares to employees or to executives of the Company or a related company and performing any hedging for said transactions under the conditions provided by the market authorities, by the Board of Directors or the person acting with delegated authority of the Board of Directors;
- hedging the Company's commitments in respect of rights with cash settlement relating to the positive movement of the Company's share price granted to employees and officers of the Company or of an associated company;
- the retention and subsequent submission of Company shares for exchange or payment in the framework of external growth transactions, pursuant to acknowledged market practices in compliance with applicable regulations;
- the delivery of Company shares when exercising rights attached to securities giving access by any means, immediately or in future, to Company shares;

- the cancelling of all or some of the shares bought back, under conditions provided by law, subject to authorisation of an Extraordinary General Meeting; and
- any other practice that may be admitted or acknowledged by law or the AMF or any other objective which complies with the regulations in force.

### Overview of share buyback programme

On 30 June 2023, the Company held 32,812 shares, of which 32,812 under the liquidity agreement entered into with Natixis/Oddo BHF.

Under the liquidity agreement, the Company purchased 77,419 shares during the financial year ended 30 June 2023 at an average price of €3.08 and a total cost of €238,190 representing approximately 0.16% of the Company's capital. Moreover, under this liquidity agreement, the Company sold 77,451 shares for an average price of €3.16.

During the financial year ended 30 June 2023, transactions completed by the Group in its own securities as part of the authorised buyback programme are as follows:

Number of shares cancelled during the last 24 months	-
Number of shares held in the portfolio as at 30 June 2022	32,844
• Purchase of shares	77,419
• Sale of shares	77,451
• Transfer of shares	-
• Cancellation of shares	-
Number of shares held in the portfolio as at 30 June 2023	32,812
Percentage of capital held directly or indirectly by the Company as at 30 June 2023	0.07%
Carrying amount of the portfolio	99,854
Market value of the portfolio as at 30 June 2023	108,936
Details of the transactions carried out by Amplitude Surgical in 2023, by objective:	-
• Liquidity contract	-
<i>Purchase of shares</i>	77,419
<i>Sale of shares</i>	77,451
<i>Number of shares held in the portfolio as at 30 June 2023</i>	32,812
• Cancellation of shares	-
<i>Number of shares cancelled</i>	-
<i>Number of shares held in the portfolio as at 30 June 2023</i>	-
• Grant to employees	-
<i>Purchase of shares</i>	-
<i>Transfer of shares</i>	-
<i>Number of shares held in the portfolio as at 30 June 2023</i>	-

The Company does not have any open put or call positions as at 30 June 2023.

The expenses incurred by the Company for implementing the share buyback programme totalled €25,000 excluding tax for the financial year ended 30 June 2023.

#### 3.7.3.2 Description of the share buyback programme to be submitted to the General Meeting of 13 December 2023

##### i. Objective of the share buyback programme for 2023/2024

The objectives of the programme by decreasing order of importance are as follows:

- to guarantee liquidity and market-making for Company shares through an investment service provider acting independently in the framework of a liquidity agreement pursuant to a code of ethics recognised by the AMF;

- honouring obligations for the grant of share options, free shares or other grants, allocations or sale of shares to employees or to executives of the Company or a related company and performing any hedging for said transactions under the conditions provided by the market authorities, by the Board of Directors or the person acting with delegated authority of the Board of Directors;
- hedging the Company's commitments in respect of rights with cash settlement relating to the positive movement of the Company's share price granted to employees and officers of the Company or of an associated company;
- the retention and subsequent submission of Company shares for exchange or payment in the framework of external growth transactions, pursuant to acknowledged market practices in compliance with applicable regulations;
- the delivery of Company shares when exercising rights attached to securities giving access by any means, immediately or in future, to Company shares;
- the cancelling of all or some of the shares bought back, under conditions provided by law, subject to authorisation of an Extraordinary General Meeting; and
- any other practice that may be admitted or acknowledged by law or the AMF or any other objective which complies with the regulations in force.

*ii. Maximum proportion of capital, maximum number and characteristics of securities that may be acquired under the 2023/2024 buyback programme*

The maximum proportion of the capital which the buyback is authorised is 10% of the total number of shares comprising the share capital at any time, this percentage applying to a capital adjusted according to transactions post-dating the General Meeting.

For information, on the basis of the capital existing as at 30 June 2023 after deducting the 32,812 shares held on the same date, the maximum number of shares that may be acquired is 4,789,802.

The securities that the Company envisages acquiring are ordinary shares.

*iii. Maximum purchase price*

The maximum purchase price per share is €10, it being specified that, for transactions on capital, notably by incorporation of reserves and award of free shares, splits or reverse stock splits, this price will be adjusted to consider the impact of these transactions on the share value.

*iv. Purchase and sale methods*

Acquisition, sale or transfer of shares may be made or paid by any means, on the market or over the counter, including by block transactions, public offering, options, derivatives, purchase of options or securities all in compliance with the applicable regulatory conditions.

In the event of a public offer for Amplitude Surgical shares settled entirely in cash, Amplitude Surgical would not be able to continue its share buyback programme.

*v. Term of the share buyback programme*

The share buyback programme will have a term of 18 months from the General Meeting, i.e. until 20 June 2025.



3.7.4 History of free share grants (Table 10 Position-Recommendation – DOC-2021-02)

AGA Plan of 24 July 2018	
Meeting date	24 November 2017
Date of the Board of Directors meeting	<b>24 July 2018</b>
Total number of free shares granted	1,434,145
of which number granted to corporate officers:	540,000
Olivier Jallabert, Chief Executive Officer	540,000
Stefano Drago, Chairman of the Board of Directors	N/A
Vesting date of the shares	19 October 2021
End of holding period	19 October 2023
Performance conditions	(2)
Number of shares vested as at 30 June 2023	216,000
Cumulative number of shares cancelled or lapsed as at 30 June 2023	1,218,145
Remaining free shares granted as at 30 June 2023	216,000
<sup>(2)</sup> The presence and performance conditions are detailed below.	

**INFORMATION ON FREE SHARES**

The shares granted under this 24 July 2018 plan are divided into three tranches: (i) a Tranche A (478,048 shares); (ii) a Tranche B (478,048 shares) and (iii) a Tranche C (478,048 shares) (the “**Tranches**” and individually a “**Tranche**”) whose characteristics are described below:

- Conditions of presence on the date of vesting: (i) being an employee with a permanent employment contract with the Company or a company of which the Company holds or controls the majority of capital and voting rights, and not being subject to notice of redundancy, resignation or a procedure for breach of contract; (ii) holding a corporate office as chief executive officer or deputy chief executive officer in the Company and not being subject to notice of cessation of duties for any reason whatsoever.
- Performance conditions:
  - o Vesting of 80% of the number of shares in each tranche by each beneficiary is dependent on achieving a pre-defined consolidated revenue of the Company during the financial year ended 30 June as follows:

Number of shares in Tranche A	Criteria
0%	< to X <sub>base</sub> € million
0% to 50%	> or = X <sub>base</sub> € million and < to X <sub>target</sub> € million

	$(Adjusted\ pro\ rata\ to\ the\ realisation\ (X_{target} - N)/(X_{target} - X_{base}))^{(*)}$
50% + 0% to 30%	> or = to $X_{target}$ € million and < to $X_{plan}$ € million $(Adjusted\ pro\ rata\ to\ the\ realisation\ (N - X_{target})/(X_{plan} - X_{target}))^{(*)}$
50% + 30%	Equal to or greater than $X_{plan}$ € million

(\*) Pro-rata is capped at 100%

- o The vesting of 20% of the number of shares in each tranche by each beneficiary is subject to the achievement of an EBITDA in excess of €17.5 million and an EBITDA/revenue ratio at 30/06/N above the threshold indicated for each financial year:

Thresholds	Tranche A	Tranche B	Tranche C
	30/06/2019 (in millions of euros)	30/06/2020 (in millions of euros)	30/06/2021 (in millions of euros)
$X_{base}$	103.3	106.4	109.6
$X_{target}$	110.5	121.8	134.2
$X_{plan}$	115.4	132.7	152.6
EBITDA/REVENUE	16.0%	16.5%	17.0%

In the event of a change of control that results in one or more shareholders acting in concert holding more than 50.1% of the Company's capital or voting rights, i.e. upon completion of an initial public offering on a US market, during the vesting period, the  $X_{target}$  and  $X_{plan}$  thresholds will take the values of  $X_{base}$  for calculating shares during the vesting period, based on performance.

In the event of a transfer by the Apex Entities of shares resulting in the Apex Entities holding less than 20% of the Company's capital or voting rights during the Vesting Period, only for the portion concerned by the event:

- if the consolidated revenue of the relevant tranche is greater than  $X_{base}$  of Tranche A, the percentage calculated below shall be at least 20%;
- if the consolidated revenue of the relevant tranche is less than  $X_{target}$ ,  $X_{target}$  will take the  $X_{base}$  value and  $X_{plan}$  will take the  $X_{target}$  value for the calculation of the shares vested based on performance;
- if the consolidated revenue of the relevant tranche is less than  $X_{plan}$ ,  $X_{plan}$  will take the  $X_{target}$  value for the calculation of the vested shares based on performance;
- if the consolidated revenue of the tranche is greater than  $X_{plan}$ , the percentage will be 120% for the calculation of the shares vested based on performance;

- the total number of shares acquired from the relevant tranche will be capped at the total number of shares planned for the relevant tranche.

The above figures will be determined by the Board of Directors responsible for approving the Company's consolidated financial statements for the period in question.

On 10 November 2020, the Board of Directors noted the non-fulfilment of certain performance conditions relating to the financial years ending 30 June 2019 and 30 June 2020. Consequently, the Board of Directors noted that 20% of the free shares issued under Tranche A may be vested, i.e. 72,400 shares out of the 478,048 shares issued under Tranche B, and that 20% of the free shares issued under Tranche B may be vested, i.e. 72,400 shares out of the 478,048 shares issued under Tranche B.

During the financial year ended 30 June 2021, no shares have been vested by the corporate officers.

At its meeting of 19 October 2021 approving the financial statements for the financial year ended 30 June 2021, the Board of Directors decided on the achievement of the objectives for the remaining shares of Tranches A and B as well as for the 478,048 Tranche C shares. The Board of Directors noted that only the EBITDA criterion was met for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021, leading to the vesting of 20% of shares granted for each financial year. Given the presence in the workforce of the beneficiaries of the free share plans as at 30 June 2021, 72,000 shares have been vested and delivered for each financial year to a total of 14 beneficiaries, i.e. a total of 216,000 shares.

In the context of the acquisition by Auroralux SAS of a majority stake in the Company's capital, the latter offered the beneficiaries of the free share allocation plan of 24 July 2018 to vest the shares still in the vesting period at the time of the closing of the simplified takeover bid.

### 3.7.5 Other equity securities

On the date of this Universal Registration Document, there are no other equity securities.

### 3.7.6 Conditions governing any right of acquisition and/or any obligations attached to capital subscribed but not paid

None.

### 3.7.7 Share capital of any Group company subject to an option or an agreement to place it under option

See Section 1.4.3 "*Shareholders' agreements and non-controlling interests*" in this Universal Registration Document.

### 3.7.8 Changes in the Company's capital over the last three financial years

Date	Nature of the transaction	Capital prior to the transaction	Number of shares prior to the transaction	Number of ordinary shares issued (cancelled)	Number of preference shares issued (cancelled)	Total number of shares after the transaction	Nominal value (in euros)	Capital after the transaction
19/10/2021	Capital increase through the issue of new shares following free share grants	€478,048.41	47,804,841	216,000	0	48,020,841	€0.01	€480,208.41

As at 30 June 2023, the share capital amounted to €480,208.41 and consisted of 48,020,841 shares with a nominal value of €0.01 each, fully paid up and listed on the regulated market of Euronext Paris.

At the date of this Universal Registration Document, the share capital remained unchanged.

To the best of the company's knowledge, it has not pledged any significant part of its capital.

### **3.8 OTHER FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING**

The financing agreements entered into by the Group are described in Section 5.2 "*Cash and equity*" of this Universal Registration Document.

The key contracts entered into by the Group are described in Section 1.9 "*Key contracts*" of this Universal Registration Document.

The capital structure as well as the direct or indirect shareholdings known to the company and all relevant information are described in this Universal Registration Document. In addition, there are no statutory restrictions on the exercise of voting rights, other than the deprivation of voting rights that may result from a failure to declare the crossing of statutory thresholds. Finally, there are no securities with special control rights.

The rules for appointing and dismissing members of the Board of Directors are the legal and statutory rules as described in this document.

The articles of association of the Company shall be amended in accordance with the legal and regulatory provisions.

With regard to the powers of the Board of Directors, the current delegations of authority are described in the table of delegations of authority for capital increases.

## CHAPTER 4 CORPORATE RESPONSIBILITY

### 4.1 INFORMATION

#### 4.1.1 Methodological Note: organisation and method of reporting

For the financial year ended 30 June 2023, the statistics were collected from:

- the administrative and finance service;
- the human resources service;
- the management of the Group's subsidiaries, through questionnaires required to prepare this chapter.

Corporate social and environmental responsibility management is centralised at the Administrative and Finance Department.

Quantitative indicators are reported.

The qualitative indicators are collected continuously on the basis of information issued by the accounts department or third parties.

##### *4.1.1.1 Reporting scope and period*

The data presented relate in majority to the Amplitude Group, with the exception of certain data that relate to Amplitude SAS solely.

The scope is indicated in each section of this document.

The data concern the financial year ended 30 June 2023, unless otherwise stated in the body of the report.

##### *4.1.1.2 Relevance of the selected indicators*

The relevance of the indicators may be assessed in respect of the corporate, environmental and social impacts of Group companies' business activities and the risks associated with the challenges of its businesses.

Having regard to the Amplitude Group's business activities, the following information was not considered relevant and is therefore excluded from the report:

- Amount of provisions and guarantees for environmental risks: no provision or guarantee for environmental risks has been posted in the financial statements of the Company.
- Consideration of noise pollution and any other form of pollution specific to a business activity: no environmental complaint has been made to the Group, either in terms of pollution or any other form of nuisance.
- Use of land: the Company does not use the land as such for the purposes of its industrial activity. However, the Company takes particular care to preserve the exterior of the site where its production units are based.
- Fight against food wastage.

##### *4.1.1.3 Methodological details*

Energy consumption takes into account the energy (electricity and gas) used for heating, air conditioning of the buildings, production machinery.

Water consumption takes into account use for sanitary facilities, maintenance of the premises, the fixed sprinkler system and use for cleaning products during production and in the cleanroom.

All water and energy consumption is calculated according to the same method, the recording of invoices defining the period of consumption.

Headcount includes employees present as at 30 June 2023, whether under permanent or fixed-term, professional training or apprenticeship contracts.

Employees who had left the Group as at 30 June 2023 are excluded from headcount.

Employees joining or leaving the company include those holding permanent or fixed-term, professional training or apprenticeship contracts.

In the event of multiple-fixed term contracts over the period, only conclusion of the first contract is included with a single departure being recorded during the period.

Conversions of fixed-term to permanent contracts are neutralised.

With regard to remuneration and its changes, salaries include accounting accounts 641 and expenses include accounting accounts 645, 647 and 648.

Concerning the rate of absenteeism, absence for sickness including occupational sickness, absence caused by an occupational accident or when travelling to and from work and absence for family events are included.

The method of calculation is based on theoretical working hours and the actual hours of absence.

Occupational accidents are accidents occurring from 1 July 2022 to 30 June 2023 (excluding accidents when travelling to and from work).

The frequency rate is calculated as follows: (number of accidents declared with lost time, excluding accidents when travelling to and from work) / number of hours worked) x 1,000,000.

The number of hours worked is equivalent to the number of theoretical working hours reduced by absences during the period.

The accident severity rate is calculated as follows: (number of calendar days with lost time following accidents / number of hours worked) x 1,000.

Training hours include CPF (Compte Personnel de Formation), training in the workplace, deductible and non-deductible training and internal and external training.

#### 4.1.2 Corporate responsibility

##### 4.1.2.1 Social information

The success of Group strategy is founded on the commitment and motivation of its employees as well as compliance with the regulations in force.

The Group complies with the stipulations in the founding agreements of the International Labour Organisation on:

- respect for the freedom of association and the right of collective bargaining;

- elimination of discrimination in respect of employment and occupation;
- elimination of forced or compulsory labour; and
- effective abolition of child labour.

#### 4.1.2.2 Headcount

##### i. Total headcount (Amplitude Group)

As at 30 June 2023, the Amplitude Group employed 426 people, distributed as follows:

Country	Headcount
France	362
<i>including Amplitude SAS</i>	262
<i>including Amplitude Surgical</i>	4
<i>including Sofab Orthopédie</i>	69
<i>including Amplitude Ile de France</i>	7
<i>including Duotech Amplitude</i>	4
<i>including Amplitude Sud</i>	8
<i>including Amplitude Nord</i>	8
Australia	15
Switzerland	0
Germany	7
Belgium	4
United States	0
South Africa	21
Brazil	17
<b>Total</b>	<b>426</b>

##### ii. Breakdown of headcount by type of contract

The Group employs few people on fixed-term or temporary contracts. Recourse to this type of contract is essentially made to cater for occasional peak demand.

<b>Amplitude Group</b> <i>(in percentage)</i>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Permanent (CDI in the French acronym)	91%	94%	96%
Fixed-term (CDD in the French acronym)	9%	6%	4%

<b>Amplitude SAS</b> <i>(in percentage)</i>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Permanent (CDI in the French acronym)	88%	93%	94%
Fixed-term (CDD in the French acronym)	12%	7%	6%

iii. *Breakdown of headcount by grade (Amplitude Group)*

<b>Amplitude Group</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Managers	41%	41%	42%
Non-management	59%	59%	58%

iv. *Breakdown of headcount per age range (Amplitude Group)*

<b>Age range</b>	<b>Number of employees</b>
18 - 30	98
31 - 45	199
> 45 years	129

v. *Breakdown of headcount by gender (Amplitude Group)*

The Amplitude Group is committed to ensuring equal opportunity for men and women at all stages of their professional lives.

<b>Amplitude Group</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Women	42%	44%	42%
Men	58%	56%	58%



<b>Amplitude Group</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Women, Managers	41%	41%	42%
Women, non-management	59%	59%	58%

<b>Amplitude Group</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Men, Managers	41%	41%	41%
Men, non-management	59%	59%	59%

#### *4.1.2.3 Employment dynamics and induction*

### **Recruitment**

The Group recruited 136 employees including all types of contract (permanent, fixed-term, apprenticeship and professional training) and all grades, during the financial year ended 30 June 2023.

Amplitude inducts new employees, for example by presenting the Company and issuing a welcome booklet, and fosters staff loyalty through periodic interviews and opportunities for internal promotion and mobility.

### **Departures**

During the financial year ended 30 June 2023, 106 employees left the Group.

<b>Amplitude Group</b>	<b>30/06/2023</b>
Redundancies	5
Resignations / Expiry of fixed-term contracts / Retirement / Others	91
Terminations of contracts	10
<b>Total</b>	<b>106</b>

### **Staff loyalty**

- Turnover

The turnover of the Group is 27.25% between 1 July 2022 and 30 June 2023 (Departures/Headcount at the start of the period).

- Average length of service

As at 30 June 2023, the average length of service of Amplitude SAS staff employed under permanent contracts of employment was six years (compared to 4.71 as at 30 June 2022).

#### 4.1.2.4 Remuneration

The Company implements its remuneration policy on the basis of local labour market conditions, internal equity, applicable legislation and, as the case may be, collective bargaining agreements or the national employee status.

##### *i. Trends of Amplitude SAS employee benefits expenses*

<b>Amplitude SAS</b> (in thousands of euros)	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Salaries	9,850	8,668	8,468
Expenses	4,256	3,757	3,691

#### 4.1.2.5 Organisation of working time

##### *i. Duration and breakdown of working time*

The Group complies with legislative, regulatory, statutory and contractual obligations on working time in all of the countries in which it operates.

At Amplitude SAS, managerial employees are all contracted to work a set number of days throughout the year; full time non-management staff are bound by the collective fixed working time applicable at the Company, which is 38 hours per week.

##### ***Use of part-time working***

The number of part-time employees within the Amplitude Group was 34 as at 30 June 2023, i.e. 7.98% of the headcount.

The number of part-time employees within Amplitude SAS was 23 as at 30 June 2023 (compared to 25 as at 30 June 2022), i.e. 8.78% of the headcount.

#### 4.1.2.6 Working Conditions

##### *i. Health and safety conditions*

The Group has always paid special attention to the health and safety of its employees.

Since 2015, Amplitude SAS has published a safety and environment booklet which is issued to all employees and new recruits.

This booklet details the prevention organisation of the company by listing the most frequent risks to which employees are exposed and the means of reducing these to a minimum.

No health and safety at work agreement has been signed.

The COVID-19 health crisis has been closely monitored by the Group with regard to the protection of its employees, with an action plan and protocols initiated, monitored and updated on a very regular basis.

ii. *Number of accidents*

Occupational accidents are monitored and reported in accordance with the local legislation applicable in each country in which the Company operates.

As at 30 June 2023, three accidents (excluding accidents travelling to and from work) had been recorded in the Group (compared to eight as at 30 June 2022).

<b>Amplitude Group</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Number of occupational accidents with lost time (excluding accidents travelling to and from work)	3	8	9

<b>Amplitude SAS</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Number of occupational accidents with lost time (excluding accidents travelling to and from work)	0	0	6

iii. *Frequency rate*

The frequency rate of occupational accidents (excluding accidents travelling to and from work) at Amplitude SAS, calculated as the number of occupational accidents with lost time per million of hours worked, was 0 as at 30 June 2023 (compared to 0 as at 30 June 2022).

iv. *Severity rate*

The occupational accident severity rate (excluding accidents travelling to and from work) of Amplitude SAS calculated as the number of days' lost time per 1,000 hours worked, was 0 as at 30 June 2023 (compared to 0 as at 30 June 2022).

v. *Safety and working environment training*

From 1 July 2022 to 30 June 2023, 192 Amplitude SAS employees took part in a fire evacuation training course.

vi. *Occupational illnesses*

No employee was declared to be suffering from an occupational illness in the Group during the financial year.

vii. *Employee mobility*

A "Mobility Plan" Agreement was signed with the Valence Romans Déplacements transport consortium in April 2019.

This agreement defines the signatories' commitments regarding the implementation and promotion of a mobility plan to encourage the use of alternative means of transportation to individual driving: walking, cycling, public transport, carpooling, car-sharing, etc. used alone or in combination with each other for both home/work and business travel.

New bicycle shelters have been set up during the financial year to increase capacity.

On 6 June 2023, AMPLITUDE organised the mobility challenge. This day aims to promote other modes of mobility. Employees were asked to come to work in a different way: by bicycle, scooter, carpooling, on foot, etc. On arrival, an informal coffee was offered to the 91 employees who took part in this challenge.

These actions are used to propose solutions for alternative mobility to employees.

#### *4.1.2.7 Equality opportunity – Gender balance*

The Group is committed to equal opportunity for men and women in comparable situations and in all areas: recruitment, remuneration, careers, training, etc.

The company defends the diversity of its employees' profiles and career paths. It promotes the representation of the diversity of the society in which it operates. Within its headcount and at all hierarchical levels, women and men rich in their differences are therefore brought together. In the individual and collective management and organisation of human resources, the company follows an egalitarian logic and treats all its employees, men and women alike, fairly and equitably. A unilateral action plan was put in place in 2020 to define the areas of action and objectives.

The Egapro Index or Professional Equality Index has been designed to advance equal pay between women and men in companies. Amplitude SAS published a result of 94/100.

#### *4.1.2.8 Training*

The training plan of Amplitude SAS focuses on several key areas:

- The Group's strategic priorities.
- The needs compiled during annual interviews, via the HRIS.
- Access to training by CPF.
- Specific needs linked to the business line (regulatory changes, legal, etc.).

As at 30 June 2023, 248 Amplitude SAS employees attended training courses totalling 1,337 hours (compared to 109 employees and a total of 1,360 hours as at 30 June 2022).

As at 30 June 2023, the budget allocated by Amplitude SAS to training was €58,966 (compared to €50,951 as at 30 June 2022).

Training provided for staff covered various topics: HSE, IT, Management, Occupations/Skills.

Other subsidiaries have an autonomous training policy based on the global Group policy.

#### 4.1.2.9 *Employees and the Company*

##### *i. Absenteeism*

The Group remains attentive to the absenteeism rates in each of its subsidiaries.

The average absenteeism rate for Amplitude SAS was 7.01% as at 30 June 2023 (compared to 7.28% as at 30 June 2022).

##### *ii. Employee health*

Amplitude SAS has provided and continues to provide employees with COVID-19 self-tests.

During the quality of taste week, from 10-16 October 2022, fruit was given to employees. The goal is to promote the benefits of fruit instead of snacking.

A questionnaire for employees on Quality of life at work and psychosocial risks was carried out in July 2022 and a webinar on sleep. Actions were implemented following this questionnaire.

##### *iii. Talent management*

Amplitude SAS has been working on talent management within the company.

The objectives were:

- Identify “talents”:
  - Employees with the potential to progress within the Group.
  - Employees with “critical” expertise.
- Work on succession plans:
  - Ensure the continuity of the business in case of absence.
  - Identify potential successors within the Amplitude Group.
- Motivate, engage, retain high-performing employees:
  - Have the right person in the right job.
  - Define development plans.
  - Provide opportunities for development within the Amplitude Group.
  - Recognise expertise.

This work was carried out with the 9-block matrix: Performance axis and Potential axis.

##### *iv. Labour relations*

#### **Staff representative bodies**

There is a social and economic committee at Amplitude SAS.

This committee is made up of ten full members (two for the "Labourers, Clerical and Technical Workers Level I and II" group, three for the "Supervisors, Technicians and Clerical Workers Level IV and V" group and five for the "Managers and Engineers" group). The new members of the SEC were elected in February 2023.

Between 1 July 2022 and 30 June 2023, 12 ordinary meetings were held.

Senior Management of Amplitude SAS considers it maintains good relations with the staff representative bodies.

### **Collective agreements**

The following collective agreements have been entered into at Amplitude SAS:

- Employee shareholding agreement dated 20 June 2008 entered into for an indeterminate period.
- Rules for the company savings plan dated 14 June 2005, entered into for a term of one year, renewable automatically.
- Rules of the collective pension savings plan dated 6 November 2014, entered into for an indeterminate period.
- A profit-sharing agreement signed on 20 December 2019 for a term of three financial years, from 1 July 2019 to 30 June 2022.
- A new profit-sharing agreement signed on 31 March 2022 for a period of one financial year from 1 July 2022 to 30 June 2023.

The following collective agreement was entered into by Amplitude Surgical:

- A profit-sharing agreement, signed on 22 July 2016, for a term of three years, which was automatically renewed for the period from 1 July 2019 to 30 June 2022.
- An amendment to this profit-sharing agreement was signed on 13 December 2022, renewing the agreement for a period of one fiscal year from 1 July 2022 to 30 June 2023.

#### *v. Disabled employees*

As at 30 June 2023, the Group employed seven disabled workers (compared to nine workers as at 30 June 2022).

Amplitude SAS also orders a proportion of its office supplies from an ESAT (*Établissement de Service d'Aide par le Travail*) and has been subcontracting the cleaning of transport containers to an ESAT.

The Group's subsidiaries have an autonomous policy based on the legislation of each country. No disabled workers have been identified in the Group's other subsidiaries.

Amplitude SAS has decided to develop a diversity policy with a "disability" focus. Our aim is to be a company where employees feel good. We believe that the diversity of profiles is the strength of our company.

Amplitude recruits on specialised sites, Cap Emploi and Ok Handicap.

Amplitude SAS has also appointed a disability officer in order to respond to employees' needs and help them prepare their disability application. It is also responsible for the procedures to be put in place in the event of work stoppage, medical restrictions or requests to adapt workstations. It is looking for solutions to improve the daily lives of employees with RQTH recognition. The idea is to adapt the position to the employee and not the other way around.

#### *vi. Combating discrimination*

The Group's Ethics Charter sets the principle of providing and maintaining a work environment free from abuse and inappropriate biases.

The Group offers and maintains a workplace free from abuse based on ethnicity, colour, sexual orientation, age, religion, national origin, disability, personal data or veteran status. The workplace must also be free from abuse based on any status protected under applicable law. Any abuse in violation of this policy, under any form and at any level, will not be tolerated.

The Group holds as a principle that it will intervene by anticipation in order to take all the necessary measures to avoid any violation of this policy. Therefore, it is essential that any conduct likely to violate this policy, whether such violation affects such employee or a third party, be duly reported.

All abuse allegations must be taken seriously and must be promptly and thoroughly investigated. Confidentiality must be preserved to the full extent possible during the investigation.

Moreover, in 2013, Amplitude SAS produced a guide to good practices for combating recruitment discrimination.

The guide informs managers on the prohibition of all forms of discrimination during the recruitment process. It also indicates the information that may not be requested from applicants.

#### *vii. Well-being at work*

Amplitude SAS has introduced variable working hours since January 2020 for a portion of the non-managerial employee population. The aim of this approach is, on the one hand, to allow a reactive and flexible organisation of work in order to better adapt to the constraints and needs of customers and to the company's economic and social issues and, on the other hand, to increase the extent of the company's opening hours in order to meet customer service requirements, while at the same time laying down rules in the collective agreement to ensure that the extent and distribution of the employees' working hours allow good working conditions to be maintained. This also enables employees to reconcile their private and professional lives.

Amplitude SAS also has a remote working charter and has published a remote working guide. Remote working opportunities are two days per week for eligible employees.

## **4.2 CORPORATE INFORMATION**

### **4.2.1 Territorial, economic and social impact of the Company's business activity**

The impact on employment and regional development is assessed according to the number of jobs created directly and indirectly by regional subcontracting of products.

Furthermore, the Group's impact on local or neighbouring populations is based on a recruitment policy which promotes local recruitment; however, given the specific nature of the profiles sought, recruitment is also on a national basis.

### **4.2.2 Sponsorship**

The partnership established with the Fondation Robert Ardouvin in 2015 was continued.

The Foundation is recognised as a non-profit organisation and is authorised to take in children and young people aged 0 to 21 who are in danger or experiencing difficulties likely to seriously compromise

their stability. Belonging to the associative sector, the establishment has a Justice authorisation and an agreement with *Aide Sociale à l'Enfance* (Children's Social Services). It favours keeping siblings together.

The Foundation's Village d'enfants in Vercheny can accommodate 65 girls and boys, from the Drôme and other French geographical departments. Some children may remain at the centre up to the age of 21 years under a "young adult" contract should they wish to continue their studies or if they are experiencing difficulties in entering the world of work.

Sponsorship aims to improve the care for the children concerned, notably by financing the Foundation's projects to this end. A donation of €8,000 has been made for the 2022/2023 financial year.

#### 4.2.3 Subcontractors and suppliers

As at 30 June 2023, Amplitude SAS cooperated with 38 suppliers and subcontractors (implants and instruments) of which more than 84% are based in France.

As at 30 June 2023, Amplitude SAS had purchased goods totalling €22,888,461 from its French subcontractors and suppliers.

As the main manufacturing activity is carried out by Amplitude SAS, the analysis of suppliers and subcontractors of other Group companies is not considered relevant.

#### 4.2.4 Ethical commitment of the Amplitude Group

A Business Ethics Charter that is applicable in all countries where the Group is established. It is distributed to all of the employees of the Group.

The points addressed in the Business Ethics Charter are:

- Ethics in the world of medical devices.
- Conflicts of interest.
- Confidential and IP data protection.
- Donations to non-profit organisations.
- Gifts, invitations and various benefits.
- Competition.
- Working with healthcare professionals.
- Work environment.
- Capital market ethic.
- Implementation of the Charter and whistleblowing.



#### 4.2.5 Relationships with persons and organisations involved in the company's business activity

Amplitude SAS joined SNITEM (*Syndicat National de l'Industrie des Technologies Médicales*). SNITEM today unites more than 500 medical device companies, 93% of which are VSE-SMEs. It supports its members through, among other things, a working group and regulatory and legal monitoring.

Apprenticeship tax is paid to training establishments and schools from which we recruit students for professional training or apprenticeship contracts.

Amplitude SAS welcomed eight trainees and 14 work placements during the 2022/2023 financial year.

#### 4.2.6 Consideration in the purchasing policy of social and environmental issues

Given the importance of subcontracting and the supply of products for our business activity, but also given the lengthy selection and validation process, particular care is taken in maintaining long-term relationships of trust with our co-contractors.

#### 4.2.7 Actions taken to prevent corruption

Law No. 2011-2012 of 29 December 2011 on reinforcing the health standards for medicines and health products imposes an obligation to publish the existence of agreements or benefits offered to health professionals by companies manufacturing or marketing health products.

The Company strives to comply with its obligations and publishes on the “public transparency” website any agreements or benefits for health professionals.

This matter is also referred to in the Business Ethics Charter of the Group.

#### 4.2.8 Measures adopted for the health and safety of consumers

The Group undertakes to comply with the performance and safety requirements defined by the EU MDR regulation, which has been in force since May 2021.

To be marketed in the European Union, a medical device must comply with the performance and safety requirements defined in the regulation.

Marketing a medical device is subject to obtaining CE marking before it is offered for sale. The CE marking certifies compliance of the medical device with the performance and safety requirements set out in European legislation.

The manufacturer must compile an application which proves the resources used to meet the performance and safety objectives set by the legislation.

Devices must be designed so that their use does not compromise the clinical condition of patients or the health and safety of patients and users. In addition, devices must fulfil the performance standards claimed by the manufacturer and any risks must be acceptable, having regard to the benefits for the patient.

EC marking applications are assessed by a Notified Body. This is a third-party organisation responsible for evaluating the compliance of a medical device with the marketing requirements pursuant to the regulations. Notified bodies, which are appointed by the competent authorities in the various EU countries, must satisfy the criteria of independence, integrity and impartiality, training and competence.

#### 4.2.9 Other actions undertaken in favour of Human Rights

Over the financial year ended 30 June 2023, the Group has not undertaken any action.

#### 4.2.10 CSR rating

Ecovadis is a CSR assessment and rating company according to four main themes: Environment, Social and Human Rights, Ethics, Responsible Purchasing.

For its first year of assessment, the Group obtained a bronze medal during its Ecovadis assessment in 2022. In 2023, the Group obtained a silver medal, recognising the efforts made throughout the year to improve its social and environmental impacts.

### 4.3 ENVIRONMENTAL INFORMATION

#### 4.3.1 General environmental policy

The type of business of the Company and its subsidiaries does not generate any significant environmental risks.

#### 4.3.2 Organisation of the company with regard to environmental questions and, if applicable, the procedures for environmental assessments and certification.

#### ***The environmental safety booklet***

This booklet is distributed to all Amplitude SAS employees, raises employee awareness and includes the following messages:

#### ***“Energy***

*Once the lighting levels are adequate, I will remember to turn off the light.*

*At night, and during any prolonged absence, I will switch off my computer and all devices which do not need to remain on standby.*

*I will use the heating and air conditioning with common sense.*

#### ***Water***

*I will not throw used chemicals or waste into wash basins, toilets or drains.*

*To avoid waste, I will always turn off taps after using them.*

*I will notify my line manager if I observe a water leak.*

#### ***Paper***

*To reduce consumption, I will remember:*

*Print only if necessary.*

*Print on both sides.*

*To reuse paper for rough drafts.”*

#### ***Green Committee***

In May 2022, Amplitude SAS surveyed its employees about the environment.

The purpose of this consultation was to collect employees’ ideas to improve our impact on the environment in the short, medium and long term. Five areas emerged from this consultation:

- Mobility.
- Buildings.
- Energy.
- Waste.
- Our products.

Following this consultation, Amplitude SAS created a “green committee” in June 2022 to reflect on and implement a “Green Plan”. This committee is composed of 11 employees from the various departments of the company.

The first meeting took place on 30 June 2022. An action plan has been drafted with rapid short-term actions as a priority. The Committee meets once per quarter. Four meetings were held during the financial year.

### ***Textile collection campaign***

A textile collection was organised with our employees at the Valence site in order to collect clothes and textiles. This collection follows an awareness campaign for our employees on the life cycle of clothes and was aimed at avoiding incineration. Textiles and clothing in good condition were re-used and the others were recycled, all with the help of the Le Relais association.

### ***Bilan Carbone® (French agency ADEME-developed carbon assessment)***

The Company carried out its first Bilan Carbone® assessment using data for 2021/2022. The exercise revealed the areas where work could be carried out. A medium- and long-term action plan will be created in the coming months with quantitative targets for reducing greenhouse gas emissions.

#### 4.3.3 Means allocated to environmental risks prevention

Taking into account the Group’s business activities, no specific means dedicated to the prevention of environmental and contamination risks have been set up.

#### 4.3.4 Pollution and waste management

The business activity of Amplitude SAS is particularly subject to environmental regulations under European Directives and Regulations:

- Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on Waste Electrical and Electronic Equipment (the so-called “WEEE” directive); on 30 June 2022, no WEEE has been scrapped.
- Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 providing for the mandatory energy audits in European Union large companies.

Amplitude SAS recycles boxes, approximately 968 cubic metres in the financial year ended 30 June 2023 (compared to 1,016 cubic metres in the financial year ended 30 June 2022), as well as paper, toners and batteries.

Toners and batteries are collected for recycling. Paper is recycled by the municipality.

Recycling bins for pens have been set up in our buildings in Valence.

A new collection of food waste has been set up at our Valence sites. All food waste from our employees is collected in specific bins to be composted with the help of Rovalterre, a local company located in Bourg les Valence.

#### 4.3.5 Measures for prevention, reduction and reparation regarding waste in the air, water and soil adversely affecting the environment

The car parks at the Valence site are equipped with an oil separator to treat rainwater that could be contaminated by hydrocarbons present in the open car park.

It is drained annually.

#### 4.3.6 Use of resources

##### 4.3.6.1 Energy consumption

###### i. Amplitude SAS energy consumption

<b>Amplitude SAS</b>	<b>Data as at 30/06/2023</b>	<b>Data as at 30/06/2022</b>	<b>Data as at 30/06/2021</b>
Electricity in kWh	1,381,836	1,709,488	1,296,712*
Gas in kWh	0	0	78,736

\* Consumption for the 2020/2021 financial year has been modified following a scope error

The electricity and gas consumption stated above covers invoices from June 2022 to June 2023 and may cover different periods depending on the meters concerned.

The zero gas consumption in the 2021/2022 financial year is due to the shutdown of the gas boiler at our Valence site.

###### ii. Consumption of fuel for business travel

As at 30 June 2023, the automobile fleet of Amplitude SAS included 33 vehicles (private and commercial), compared to 35 as at 30 June 2022, and includes eight hybrid vehicles. The latter can be charged at the electric charging points installed for this purpose in the company's car park.

For Amplitude SAS, 34,174 litres of fuel were consumed over the financial year ended 30 June 2023, compared to 26,052 litres of fuel over the previous financial year.

In total, for the Group, 108,105 litres of fuel were consumed during the financial year ended 30 June 2023.

##### 4.3.6.2 Water consumption

Amplitude SAS uses water in its commercial and administrative buildings, notably in the air conditioning and sanitary systems, for maintaining the premises and the permanent water sprinkler system in one of the buildings containing the inventory of implants and instruments of Amplitude SAS. Water is also used in the implant cleaning chain.

Water is therefore extracted from the mains system only.

Amplitude SAS water consumption was approximately 3,533 cubic metres as at 30 June 2023 (compared to 3,846 cubic metres as at 30 June 2022).

The water consumption given above refers only to the Valence sites (and covers the period June 2022 to May 2023, for water from the mains system and for the calendar year 2022, for water from the Bourne canal).

The water consumption of the Group's companies amounted to approximately 52 cubic metres from 1 July 2022 to 30 June 2023.

#### 4.3.7 Greenhouse gas emissions and combating climate change

The manufacture and marketing of products generates direct CO<sub>2</sub> emissions and represents the majority of the indirect emissions linked to the Group's business activities. The material item reflects vehicle emissions (transport during production and deliveries to customers, the company fleet, employees' travel) and electricity consumption.

#### Emissions in CO<sub>2</sub> tonnes equivalent (with uncertainties related to emission factors)

<b>Amplitude SAS</b>	<b>Data as at 30/06/2023</b>	<b>Data as at 30/06/2022</b>	<b>Data as at 30/06/2021</b>
Transportation between the Valence site and customer establishments in France	167	183	209
Transport (train and plane) in France and abroad	28	22	7
Electricity	90	111	84*
Gas	0	0	16

\* Consumption for the 2020/2021 financial year has been modified following a scope error

#### 4.3.8 Consumption of raw materials and measures adopted to improve efficacious use thereof

The Group optimises its raw material consumption by limiting production losses and waste.

Consumption of polyamide powder is used to manufacture custom cutting guides. Amplitude SAS has implemented a policy of rational consumption of this raw material by using the residual powder from the manufacture of guides to produce prototypes.

#### 4.3.9 Fighting against food wastage

The Group has not carried out any actions in connection with food wastage.

#### 4.3.10 Biodiversity measures

Over the financial year ended 30 June 2023, the Group has not undertaken any biodiversity actions.

#### 4.3.11 Adaptation to consequences of climate change

Taking into account the Group's business activities and its geographical locations, no measure has been planned. However, in June 2022, the Group set up a "green committee" presented in Section 4.3.2 of this document.

## CHAPTER 5 MANAGEMENT REPORT

### 5.1 REVIEW OF THE FINANCIAL POSITION AND RESULTS OF THE COMPANY AND THE GROUP

In application of Article 19 of European Regulation No. 2017/1129 of 14 June 2017, the following information is incorporated by reference in this Universal Registration Document:

- Review of the financial position and results of the Group for the financial year ended 30 June 2022 shown on pages 223 to 245 of the Universal Registration Document filed with the AMF on 27 October 2022 under number D.22-0785.
- Review of the financial position and results of the Group for the financial year ended 30 June 2021 shown on pages 207 to 227 of the Universal Registration Document filed with the AMF on 28 October under number D.21-0889.

The parts which are not included in this document are either not relevant for investors or covered elsewhere in the Universal Registration Document.

Readers are invited to read the following information regarding the financial results of the Group in conjunction with the consolidated and separate financial statements for the financial year ended 30 June 2023, as highlighted in Section 6.1 “*Consolidated Financial Statements as at 30 June 2023*” in this Universal Registration Document.

The Company’s financial year runs from 1 July to 30 June of the following year.

The Group’s consolidated financial statements for the financial year ended 30 June 2023 were prepared in accordance with IFRS standards as adopted by the European Union. The Statutory Auditors’ reports on the consolidated financial statements for the financial year ended 30 June 2023 are presented in Section 6.2 of this Universal Registration Document.

The review of the financial position and results is presented in euros, and all values are rounded to the nearest tenth of a million, unless otherwise indicated. The totals and subtotals contained in the review of the financial position and profit are given in thousands of euros, and all values are rounded to the nearest tenth of a million. Consequently, the totals may not add up because of roundings.

#### 5.1.1 Overview

##### 5.1.1.1 Introduction

The Group is one of the leading French players in the global market for prostheses for the lower limbs (hips, knees, extremities). (*Source: Avicenne, Strategic Report – European Orthopaedic Market 2016-2021 – Hip, Knee & Shoulder – May 2017*)

The Group is present in 26 countries, in particular through 11 operational sales subsidiaries (five in France and six internationally). In terms of market share, the Group is currently ranked second and fifth in the French market in knee and hip prostheses, respectively.

The Group was established in December 1997 and launched its first products on the market in 1999. The Group designs and markets a complete and innovative range of orthopaedic products for surgical use, covering the main pathologies of the lower limbs, which could affect the hip and knee. The Group’s product range includes the SCORE® range of mobile bearing knee prostheses, and the ANATOMIC® range of fixed bearing knee prostheses. Hip prostheses include the INTEGRALE® stem, the

SATURNE® and SATURNE®2 acetabular cup (double mobility acetabular cup), and the HORIZON®2 acetabular cup (in BioloX® Delta® ceramic).

For the financial year ended 30 June 2023, the Group sold 51,533 prostheses, including 21,734 hip prostheses and 29,799 knee prostheses, compared with 44,033 prostheses for the financial year ended 30 June 2022.

This product offering is enhanced through additional innovative services with a high added-value (e.g. training, instrumentation, computer-assisted surgery, clinical follow-up). In particular, the Group has developed its AMPLIVISION® computer-assisted surgery system, the i.M.A.G.E.® tailor-made cutting guide system and the E.T.O.I.L.E.® technological platform (a global offering for the anterior approach in the context of hip surgery).

The Group's products are used in 562 establishments in France and over 342 internationally. The Group seeks to respond in the best way possible to the needs of patients, surgeons, and healthcare establishments. Its primary objectives are to increase the accuracy of fitting and insertion, patient safety in relation to operative follow-up and the timeframe of the operation itself in order to reduce patient rehabilitation time, as well as to offer surgeons ergonomic instruments which allow minimally invasive procedures. The Group distributes its products directly, through its subsidiaries, and indirectly, through agents and exclusive distributors, or through a combination of these by employing its own sales force or that of its distributors.

The Group has developed close relationships with surgeons, opinion leaders in France and abroad, with a view to developing innovative techniques and assuring clinical follow-up of the fitted prostheses.

During the financial years ended 30 June 2023 and 30 June 2022, the Group achieved revenue of €100.2 million and €87.6 million respectively, and an EBITDA of €26.13 million and €22.007 million respectively.

As at 30 June 2023, the Group had 426 employees, in France and overseas, including 40 engineers and technicians dedicated to research and development.

#### *5.1.1.2 Significant accounting principles*

On 29 June 2023, the Group published a press release announcing the completion of the disposal of the extremity surgery business activity (feet and ankles) run by the Novastep subsidiaries in France and the United States. In order to take into account the disposal, the Group applied IFRS 5 in its financial statements for the period ended 30 June 2023, as it had already done at 30 June 2022 when the Group announced that it was conducting a strategic review of these business activities. The contribution of Novastep's business activities to the Group's net income for financial year 2023, and the proceeds from the disposal, are presented on a single line as profit (loss) from discontinued operations. In order to ensure comparability of presentation, the income statement for the financial year ended 30 June 2021 has been restated to present the contribution of the Novastep entities by applying IFRS 5.

The following are the significant accounting principles applied by the Group:

##### *i. Segment reporting and Cash-Generating Units*

Since the financial year ended 30 June 2021, it has been decided to present the Group's segment information and CGUs in order to align them with the Group's product areas: a Knee and Hip area, and an extremities area, which corresponds to the business activity of the Novastep subsidiaries. These two areas corresponded to the intellectual property organisation, the separate organisation of distribution networks, and the separate management and reporting organisation.



As at 30 June 2022, the assets of the Extremities CGU were classified as assets available for sale following the decision of the Group's Board of Directors to conduct a strategic review of this business activity. The completion of the disposal of the Extremities business activities was announced on 29 June 2023. As a result, as at 30 June 2023, the Group is composed of a single CGU corresponding to the Knees and Hips business activities.

The goodwill test carried out as at 30 June 2023, on the basis of the discounted forecast cash flows of the single CGU, shows recoverable amounts in excess of the amounts of assets to be tested recorded in the financial statements.

## *ii. Revenue*

Group revenue can be broken down by customer type:

- Public and private hospitals and clinics (both in and outside of France).
- Distributors (outside of France).
- Sales agents (both in and outside of France), to whom the Group either sells products or leases ancillaries.

For hospitals and clinics: only prostheses are sold to hospitals and clinics. Ancillaries and software, for example, the AMPLIVISION® computer-assisted surgery software or the i.M.A.G.E® system, are generally provided free of charge.

There are two invoicing methods for prostheses:

- either the prostheses are placed on consignment. The inventory volume is adapted according to the level of business activity of the establishment concerned. The Group is informed on a daily basis of the number of fittings carried out, on the basis of which the Group invoices and replenishes the consigned inventory. Revenue is recognised when an invoice is issued;
- or prostheses are not sold on consignment: all sizes and types of prostheses necessary for planned operations are delivered to the hospital in time for the procedure. After the surgical procedure has been carried out the unused prostheses inventory is returned to the Group and the hospital is invoiced for the prostheses used.

Ancillaries and software (notably AMPLIVISION® or the i.M.A.G.E® system) are provided free of charge in France. In other countries (e.g. Switzerland), they are leased for a daily charge. Ancillaries provided free of charge or leased are included in tangible assets.

The Group requires a significant level of traceability. For this reason the expiry dates and batch numbers detailed on the invoice are necessary for the calculation of revenue, and payment could be delayed if they are not included.

For distributors: The Group sells prostheses and ancillaries to its distributors. Revenue is recognised when the products are despatched, according to the Incoterms applied. In most cases delivery is Free Carrier (FCA Incoterm 2010), with the Group delivering goods to the first carrier to leave Amplitude Valence's warehouses, thereby transferring ownership.

For sales agents: generally, sales agents do not take ownership of the Group's products. However, in France some of them may purchase or lease ancillaries. In the case of purchase, revenue is recognised

as soon as the ancillary is despatched to the agent. Where an item is leased, revenue is recognised in the month during which the product is leased, according to the negotiated terms of the agreement.

*iii. Property, plant and equipment*

The sale of orthopaedic prostheses necessitates the sale or supply of ancillaries (accessory surgical instruments) to be made available for different surgical procedures and which are adaptable to the specific needs of each patient. Ancillaries are included in property, plant and equipment.

Property, plant and equipment are included on the balance sheet at their historical purchase cost. They are not revalued.

Items of significant value financed under finance lease agreements, where the risks and benefits of their ownership are transferred to the Group, are included as assets on the balance sheet. The corresponding debt is included as a liability under financial debt.

Investment grants are included in liabilities under other current liabilities.

The components of a non-current asset are accounted for separately if there is a significant difference between the estimated length of their useful economic life and the length of their amortisation.

Amortisation is calculated on the depreciable amount, which is the cost of the asset or any other amount equal to the cost. Given the nature of property, plant and equipment, no value is considered at the end of their useful economic life.

Amortisation on expenses is calculated on a straight-line basis on the estimated use of each component of property, plant and equipment, which represents the best estimated rate of consumption of the future economic benefit of the asset.

Leased assets are depreciated on the shorter of the term of the lease, and their useful economic life, unless the Group is reasonably certain of assuming ownership by the end of the lease.

Land is not depreciated.

Estimated terms are detailed in Note 3.7 of the consolidated financial statements for the financial year ended 30 June 2023, which is highlighted in Section 6.1 “*Consolidated Financial Statements as at 30 June 2023*” of this Universal Registration Document.

Depreciation methods, useful life and residual values are reviewed every financial year end and adjusted accordingly.

The replacement cost of a component of property, plant and equipment is included in its carrying amount if the Group is likely to derive future economic benefits from the asset, and if its cost can be reliably assessed.

The carrying amount of the replaced component is excluded.

Current and ongoing maintenance costs are included in expenses at the time they are incurred.

*iv. Inventories*

The Group’s marketing and sales of orthopaedic prostheses also necessitates the provision of consignment inventory to customers and, periodically, to its distribution network. Consignment inventory is comprised of a complete range of prostheses (kits, sizes, accessories) for different surgical

procedures. Invoicing of orthopaedic prostheses, either to distributors or to healthcare establishments, occurs on communication of information related to the fitting of the prostheses and triggers a request from the customers to replenish consignment inventory of the products.

Inventory of finished products are valued at the lower of cost and net realisable value.

Goods and raw materials are valued using the weighted average unit cost method. Storage expenses are not included in inventory values.

Work-in-progress and finished goods were valued at their production cost. The share of indirect production costs is calculated on a normal production capacity basis, excluding all sub-activity and storage costs.

A provision for inventory depreciation is made when the gross value, calculated using the method detailed above, is greater than or equal to the realisable value, after subtracting the proportional sales cost.

In compliance with legal requirements, the Group has implemented a traceability system for all of its products. In particular, before the expiry date has passed, the inventory is returned and rejected (for perishable inventory, e.g. prostheses made from polyethylene), or is resterilised (in the case of other materials, for example metal prostheses, the expiry date of which is related to sterilisation). Since the inventory is rotated on a regular basis in respect of its expiry date, the number of prostheses actually rejected is low.

#### v. *Goodwill*

Business combinations are accounted for according to the acquisition method. The assets and contingent liabilities of the acquired entity are valued at fair value on the date of acquisition. Revaluation differences identified on acquisition are recognised in the relevant asset and liability items. The residual difference, which represents the difference between the cost of the acquisition of the securities, and the proportionate Group share in the fair value assessment of identified assets and liabilities, is included in goodwill.

Goodwill is subject to an impairment test at least once annually. Impairment analyses are carried out on the assets tested, either individually or at the cash-generating unit level of the smallest identifiable group of assets which generates cash inflows independently. Goodwill is tested at the level of the cash-generating unit concerned. Impairment is recognised when the carrying amount of the goodwill is greater than its recoverable amount. The recoverable amount is the projected cash flow realised from continued use of the assets concerned. Impairment allocated to the cash-generating unit is deducted in order, first to goodwill, then to the value of the other assets within the cash-generating unit, up to their recoverable amount.

The items included in goodwill as at 30 June 2023 are detailed in Section 5.2 “Cash and capital” of this Universal Registration Document.

As at 30 June 2023, impairment testing had been carried out on the basis of the discounted cash flow method, using the following parameters and assumptions:

- Taking into account the updated business plan at the date of the financial statements for the current period from 1 July 2023 to 30 June 2028.

- A perpetual growth rate of 2.2% for the Knees and Hips CGU.
- Discounting of expected cash flows at a rate of 11%.
- The value test confirmed the carrying amount of the assets of the single CGU (including goodwill).

Sensitivity tests were carried out on the assumptions applied:

- An increase in the discount rate of 0.5%, to 11.5%, would lead to a recoverable amount that is €(4.9) million lower than the asset to be tested.
- A growth rate of 1.8% would result in a recoverable amount of €(0.9) million less than the asset to be tested.
- A discount rate of 11.5% combined with a growth rate of 2% would lead to a recoverable amount of €(8.0) million less than the asset to be tested.

*vi. Intangible fixed assets*

Intangible assets are presented on the balance sheet at their cost price. Any intangible assets identified at the time of an acquisition are also included in this figure. These assets consist mainly of patents, exclusive licences and software.

The Company exploits patents and licences which it owns outright, or which it holds under licensing agreements.

Patents and licences are included in intangible assets.

Licences and patents which have been developed in partnership with inventors, some of whom are paid royalties which are indexed on future sales. In accordance with IAS 38, these intangibles have been recognised as assets by estimating flow of future royalties, and offset by a debt recognised for the same amount, updated at each closing. Each patent or licence is subsequently amortised on a non-straight-line basis, based on the royalties effectively due for the period, the initial debt being settled as the royalties are paid.

*vii. Research and development costs*

Research and development expenses are recorded in the financial year in which they are incurred. The Research Tax Credit is recognised in other operating income in the income statement.

Research and development costs can be capitalised immediately (as intangible assets) in respect of certain projects (for example certain prototypes), but only where the Group can demonstrate that the following conditions are fulfilled:

- Its intention and financial ability to carry out the development project from start to finish.
- Any future revenues benefit attributable to these development costs are likely to flow back to the Group.
- The cost of the asset can be assessed using a reliable method.

*viii. Provisions for risk*

Provisions are made where the Group has a legal or implied obligation resulting from a past event, and where there is the likelihood of an outflow of economic resources, without a corresponding inflow, in order to meet the obligation.

These provisions are estimated taking into account the most probable assumptions on the date of preparation of the financial statements.

If the effect of their time value is material, the provisions are discounted.

*ix. Taxes*

Income tax (expense or income) comprises the current tax payable (income receivable) and the deferred tax expense (income). Current and deferred taxes are recognised in profit or loss unless they relate to a business combination or to items that are recognised directly in equity or other comprehensive income.

Tax liability is comprised of:

- the estimated total tax due (or receivable) as income (or expense) in a given period, determined by using tax rates in force at the closing date; and
- all adjustments of tax liability relating to prior periods.

The Group recognises deferred taxes on the basis of timing differences between the carrying amount of assets and liabilities, and their tax bases. The following items are not included in the deferred tax calculation:

- The initial recognition of an asset or liability in a transaction which is not a business combination and which impacts neither the accounting profit nor the taxable profit.
- Timing differences related to shareholdings in subsidiary companies and joint ventures to the extent that they are not likely to be reversed in the foreseeable future.

Deferred taxes are not recognised on the taxable timing differences generated the first time that goodwill is recognised. Deferred tax assets and liabilities are valued at the rates of tax in force or expected to be in force for the period during which the asset will be realised and the liability settled, on the basis of the tax rules in force or applicable at the closing dates. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and if they relate to income taxes levied by the same taxation authority, either on the same taxable entity or on different taxable entities, but which intend to settle the current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

A deferred tax asset is recognised for deductible temporary differences and unused tax losses and tax credits only to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each closing date.

*x. Fair value*

A certain number of accounting policies and information require the calculation of the fair value of non-financial assets and liabilities. Fair value calculation relates mainly to interest rate hedging instruments and Convertible Bonds.

Fair values are determined for the purposes of valuation or disclosure, using the following methods:

- Property, plant and equipment: the fair value of property, plant and equipment recognised after a business combination is based on market value. The market value of property is the estimated amount for which this asset can be sold, as at the date of valuation, after the appropriate advertising, between well-informed and consenting parties acting within normal market conditions. The fair value of fixtures, fittings and equipment is based on market approach and the profit approach by using the price quoted for similar items where this is available, or the cost of replacement where appropriate.
- Intangible assets: the fair value of intangible assets is based on expected discounted cash flow on the use and eventual resale of the assets.
- Inventory: the fair value of inventory acquired as part of a business combination is determined on the basis of the estimated sale price in the course of normal business activity, less the estimated completion and resale costs, and at a reasonable profit to reward the necessary efforts required to finish and sell the goods.
- Derivatives: the fair value of interest rate swaps is based on broker quotes. Fair values reflect the credit risk of the instrument and include adjustments for the credit risk of the Group company concerned, and of the counterparty where appropriate.

#### *5.1.1.3 Main items in the income statement*

The main items included in the income statement on which the Group's management relies to analyse its consolidated financial results are set out below.

##### *i. Revenue*

Revenue comprises (i) sales of prostheses to healthcare establishments and to distributors, and (ii) sales of ancillaries to distributors. The Group may also occasionally sell or lease ancillaries to its sales agents. In France, the price recognised is the price set by the LPPR (or its equivalent outside France) where the customer is a private establishment, or the price quoted in an invitation to tender where the customer is a public establishment.

The Group's distribution models are described in Section 1.3.3.8 in this Universal Registration Document.

##### *ii. Inventories and capitalised production*

Inventory refers to inventories of prostheses (work-in-progress and finished goods); capitalised production corresponds to the expenses for the period in which the asset was recognised on the balance sheet; these expenses are either external expenses or employee benefits expenses.

##### *iii. Expenses*

Expenses essentially comprise:

- purchases of components and all the constituent elements and parts of a product (e.g. forging, packaging, instructions);

- subcontracting operations, which correspond to the price invoiced by service providers for the following operations: machining, polishing, engraving, assembly, packaging, surface treatment and sterilisation, etc.;
- other purchases and external expenses, which mainly comprise commissions paid to selling agents (based on the revenue generated), or to the supplier of services, subsidiaries' expenses, insurance premiums, temporary employee expenses and travel expenses;
- taxes, levies and related payments such as Company land and property tax (French CFE), tax on medical devices, payroll tax (e.g. apprenticeship, continuous professional development, paid training). The expense for Company value added tax is included under the heading "income tax" and not in operating expenses; and
- employee benefits expenses, made up of salaries and related costs, retirement payments, employee shareholding and profit-sharing.

*iv. Depreciation, amortisation and provisions, net of reversals*

Depreciation and amortisation relate primarily to ancillaries, patents and licences owned by the Group, the building in Valence which is owned by the Group, and provisions for risks and expenses (mainly in respect of ongoing litigation to which the Group is exposed).

*v. Other operating income and expenses*

Other operating income and expenses mainly comprise licence fees paid in respect of the use of an asset that is not owned by the Group, in addition to income from the Research Tax Credit (French CIR).

*vi. Operating income*

Operating income corresponds to revenue after deducting all operating expenses.

Operating income may include non-recurring items (for example, one-off expenses related to the registration of a product or the discontinuation of a product) or one-time expenses relating to performance improvement plans or exceptional fees.

Operating income relates to profit (loss) from continuing operations less non-recurring items.

The Company recognises charges or provisions for ongoing litigation at the Company as non-recurring.

*vii. Net financial result*

The Group's net finance income (expense) consists of financial revenues less financial expenses.

Financial revenues essentially comprise financial revenues relating to investments and gains on foreign exchange.

Financial expenses correspond mainly to interest paid or capitalised on the Group's debt (bonds issued in 2020, real estate leasing, securitisation [factoring], medium-and long-term loans).

Financial expenses also include foreign exchange losses, in particular in respect of current accounts denominated either in currencies or in euros with its foreign subsidiaries, the main sources of financing set up for the subsidiaries.

viii. *Income tax*

Income tax represents the tax expense for the financial year made up of corporation tax paid or deferred, value added tax payments, and allowances and reversals on tax provisions.

ix. *Deferred income taxes*

The Group calculates deferred taxes on the basis of timing differences between the carrying amount of assets and liabilities, and their tax basis.

x. *Profit (loss) from discontinued operations, net of tax*

Profit (loss) from discontinued operations net of tax represents the profit (loss) after current and deferred taxes from operations held for sale or disposed of during the financial year. For the 2023 financial year, this concerns the Extremities business activity, composed of Novastep Inc. and Novastep SAS, disposed of on 28 June 2023.

xi. *Net income*

Net profit represents the profit after current and deferred taxes. The share of non-controlling interests corresponds to interests held by third parties in the subsidiaries in the United States and France (Novastep Inc. and Novastep).

5.1.1.4 *Main factors affecting profit (loss)*

Certain key factors as well as past events and operations had, and could continue to have, an effect on the business activities and results of the Group. These factors are described below.

i. *Health policies and reimbursement prices*

Group business activities are carried out within the healthcare field, and are therefore affected by the prevailing regulatory and economic environment. More specifically, public health policies and reimbursement levels have a direct effect in those countries in which the Group sells directly to healthcare establishments (this is especially true where the price is fixed by health insurance policies), or indirectly where the Group sells its products through distributors who are themselves subject to these policies. The total sum of healthcare costs and the level of reimbursement therefore have a direct impact on Group business activities and on its results.

The selling price of the Group's products is the most important element of its net income, since this price is often fixed by law. For example, in 2012, the French government, with a view to reducing healthcare costs, reduced the medical reimbursement rates for hip and knee prostheses by 10.5% and 5.5% respectively. This reduction was phased in over three years, namely 2013, 2014 and 2015 (the final reduction having taken effect on 1 September 2015).

The French *Conseil d'État* (Council of State) by a decision dated 3 December 2015 cancelled the reduction of tariffs initiated in 2013. A decision of the Economic Committee for Medicinal Products dated 19 February 2016 established a reduction in the tariffs imposed on 14 March 2016 in the order of 12.30% for hip prostheses and 7.40% for knee prostheses. By an order of 18 April 2016, the French *Conseil d'État* cancelled the latter reduction exclusively for a part of the hip implants.

In June 2017, the French Economic Committee for Healthcare Products (CEPS) suggested a new plan for price reductions over two years.

On 21 August 2017, a 3.5% decrease on average was applied to hip and knee implants.



In July 2018, an average decrease of 2.25% was applied to hip and knee implants. This decrease was applied in a product-specific manner.

A new decrease took place between the months of May and June 2019, resulting in an average decrease of 2.93%.

Each such rate reduction can have a significant impact on the Group's results on the basis that 73% of its revenue is attributable to France.

*ii. Regulatory background and developments*

The control, manufacture and sale of the Group's products are dependent on obtaining and maintaining the necessary legal and regulatory certifications for the sale and marketing of medical devices. The Group's products are subject to strict regulation which is constantly changing. Adherence to these regulations can prove to be expensive. These regulatory changes can have a significant impact on the Group's business activities, and therefore on its results. In particular, each regulatory change could require the Group to conform to a new set of rules, and could force it to reapply for authorisations or licences.

For example, the regulation of medical devices is similar to applicable requirements in the pharmaceutical sector. The Group is forced to undertake a great deal of preparatory validation and clinical work in order to justify keeping its products on the market.

*iii. Foreign exchange movements*

In general, the Group manufactures its products and incurs related expenses in euros, with the exception of its manufacturing operations in Australia and the United States for certain products. On the other hand, the Group sells its products in local currency when marketing products through its foreign subsidiaries and invoices in euros when selling products to distributors located abroad. Furthermore, the Group presents its financial statements in euros. As a result, when it prepares its financial statements, the Group must convert the assets, liabilities, revenues and expenses valued in foreign currency to euros by adopting the applicable exchange rates. As a result, changes in foreign exchange rates could affect the value of these items in its financial statements (and therefore also have an impact on its margin) even if their intrinsic value remains unchanged.

The main currency fluctuations affecting the Group's results are those between the euro, and the US dollar, Australian dollar, Swiss franc and Brazilian real. As at the date of this Universal Registration Document, the Group had not entered into any currency hedging instruments.

*iv. Operating expenses*

The Group's has a significant number of operating expenses, which primarily include:

- research and development costs: the Group carries out research and development activities in France and in Australia. Research and development costs are financed by the Group using equity. Research and development costs are recognised as expenses, except those research and development costs that fulfil the necessary criteria allowing them to be recognised as non-current assets. Research and development costs are recognised by type and purpose. They mainly comprise costs related to the registration of products (e.g. FDA, ANVISA, JPMA, TGA);
- sales and marketing expenses: sales and marketing expenses relate essentially to commissions paid to selling agents (the total of which is calculated as a proportion of revenue), product

launches, conferences attended by the Group and recruitment of the Group's own sales force; and

- administrative expenses: administrative expenses are essentially the costs of setting up in a country, Group structuring expenses, and employee expenses.

Operating expenses (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
Revenue	82,713	87,559	100,200
Gross margin	60,923	62,706	70,869
<i>As a % of revenue</i>	73.7%	71.6%	70.7%
Sales and marketing expenses	26,027	27,340	29,669
Administrative expenses	12,513	11,522	13,294
R&D costs	2,547	1,837	1,776

\* The Group has restated the income statement for the financial year ended 30 June 2021 by applying IFRS 5 in the same way as this standard was applied for the financial years ended 30 June 2023 and 30 June 2022 in order to reflect the classification of Novastep's business activities as assets and liabilities held for sale.

v. *Seasonality*

The Group's business activities are affected by seasonality in certain countries. For example, very few surgical procedures are carried out in August in France or in January in Australia. Group business activity in France generally increases in January and October. This seasonality is reinforced in France by the fact that the Group builds up inventory in preparation for the busiest periods (mainly in December). Inventory levels can respond to the seasonality of sales, with one or two months of lead time. This generally results in a much weaker EBITDA in end-December than in end-June.

Group business activity is less affected by seasonality in other countries.

vi. *Sources of financing*

Selling orthopaedic prostheses requires:

- the provision of consignment stock to the distribution network;
- the sale or supplying of ancillaries (accessory surgical instruments) which are made available for different surgical procedures, and tailored to the specific needs of each patient.

As a result, any new customer incurs capital expenditure for the Group and an increase in its working capital requirement, which the Group must finance. To this end, the Group has or could have recourse

to various sources of financing: equipment or property leasing, or medium-term credit (in particular for ancillary equipment), cash flow, factoring or documentary credit.

*vii. Financial expenses*

A large part of the Group's cash flow is allocated to the servicing and repayment of its debt, in particular:

- interest on the €110 million Bond;
- interest for medium-term loans, in particular State-guaranteed loans (PGE) and the BPI Atout loan;
- interest on property finance leases.

*5.1.1.5 Principal performance indicators*

The Group uses as its principal performance indicators revenue, EBITDA, EBITDA margin, and net income.

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated	2022	2023
Revenue	82,713	87,559	100,200
EBITDA	19,836	22,007	26,130
EBITDA margin	24.0%	25.1%	26.1%
Net income excluding extraordinary items	(7,025)	1,588	(1,126)
* The Group has restated the income statement for the financial year ended 30 June 2021 by applying IFRS 5 in the same way as this standard was applied for the financial years ended 30 June 2023 and 30 June 2022 in order to reflect the classification of Novastep's business activities as assets and liabilities held for sale.			

*i. Revenue*

See definition of revenue in Section 5.1.1.3 of this Universal Registration Document.

*ii. EBITDA and EBITDA margin*

EBITDA represents profit (loss) from continuing operations, plus depreciation and amortisation, less non-recurring items. The EBITDA margin represents EBITDA as a percentage of Group revenue.

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
Profit (loss) from continuing operations	863	6,761	10,312
+ Depreciation and amortisation	14,843	12,656	12,440

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
+ Non-recurring items <sup>(1)</sup>	4,130	2,589	3,378
<b>EBITDA</b>	19,836	22,007	26,130
<b>EBITDA margin</b>	24.0%	25.1%	26.1%
<p>(1) The main non-recurring items include:  For the financial year ended 30 June 2021: non-recurring scrapping (€1.8 million), non-recurring fees and allowances (€1.5 million), non-recurring bonuses (€0.6 million), free share plan (€0.2 million).  For the financial year ended 30 June 2022: non-recurring scrapping (€1.7 million), non-recurring fees and miscellaneous compensation (€0.7 million), and capital losses on the disposal of non-current assets (€0.2 million).  For the financial year ended 30 June 2023: non-recurring fees (€2.2 million), miscellaneous compensation (€0.4 million), non-recurring scrapping (€0.4 million) and miscellaneous non-recurring items (€0.4 million),</p> <p>* The Group has restated the income statement for the financial year ended 30 June 2021 by applying IFRS 5 in the same way as this standard was applied for the financial year ended 30 June 2022 in order to reflect the classification of Novastep's business activities as assets and liabilities held for sale.</p>			

EBITDA and the EBITDA margin are not standardised accounting aggregates with a unique and generally accepted definition. They must not be considered as a substitute for operating profit (loss), net income, cash flow generated by operating activities or as a measure of liquidity. EBITDA and the EBITDA margin may be calculated differently by different companies with similar or different business activities. Hence, EBITDA and the EBITDA margin calculated by the Company may not be comparable to those used by other companies.

iii. *Net income excluding extraordinary items*

The Group shows net income excluding extraordinary items. This aggregate corresponds to net income, restated for extraordinary items.

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
Net income	(14,667)	(4,794)	38,528
+ other extraordinary items:			
• Provision for URSSAF dispute	1,893	2,014	2,247
• Other non-recurring items <sup>(1)</sup>	4,753	2,396	3,394
• Profit (loss) from discontinued operations, net of tax	996	1,972	(45,295)
<b>Net income excluding extraordinary items</b>	<b>(7,025)</b>	<b>1,588</b>	<b>(1,126)</b>
<p>(1) The other non-recurring items are:</p>			

Performance indicators (in thousands of euros)	Financial year ended 30 June		
	2021 restated*	2022	2023
As at 30 June 2021			
- Non-recurring items restated for EBITDA: €4,130K			
- Impairment of ongoing R&D projects, net of reversals: €456K			
- Miscellaneous exceptional expenses: €166K			
As at 30 June 2022			
- Non-recurring items restated for EBITDA: €2,589K			
- Impact of the disposal of the Japan and Romania subsidiaries: €(540)K			
- Miscellaneous exceptional expenses: €347K			
As at 30 June 2023			
- Non-recurring items restated for EBITDA: €3,378K			
- Miscellaneous exceptional expenses: €16K			
* The Group has restated the income statement for the financial year ended 30 June 2021 by applying IFRS 5 in the same way as this standard was applied for the financial years ended 30 June 2023 and 30 June 2022 in order to reflect the classification of Novastep's business activities as assets and liabilities held for sale.			

This calculation is not a standardised accounting calculation, with a single generally accepted definition. It should not be considered as a substitute for operating profit, net profit, cash flow from operating income, or as a measure of liquidity. This total may be calculated differently by different companies.

#### 5.1.2 Analysis of consolidated results for the financial years ended 30 June 2023 and 30 June 2022

##### 5.1.2.1 Income statement

Income statement (in thousands of euros)	Financial year ended 30 June	
	2022	2023
Revenue	87,559	100,200
Inventories and capitalised production	(202)	9,790
Raw materials, goods and other supplies	(12,649)	(18,740)
Subcontracting expenses	(7,095)	(11,825)
Other purchases and expenses	(24,255)	(29,378)
Taxes	(715)	(920)
Employee benefits expenses	(23,297)	(26,132)
Depreciation, amortisation and provisions, net of reversals	(12,656)	(12,440)
Other operating income	552	159
Other operating expenses	(368)	(461)
Capital gain/losses on disposals of non-current assets	(113)	59
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>6,761</b>	<b>10,312</b>
Non-recurring operating income	4,073	3,633
Litigation over tax on promotion of medical devices	(2,014)	(2,247)
Non-recurring operating expenses	(3,881)	(3,650)

Income statement (in thousands of euros)	Financial year ended 30 June	
	2022	2023
<b>OPERATING INCOME</b>	<b>4,942</b>	<b>8,050</b>
Other finance income	3,949	1,583
<b>Total finance income</b>	<b>3,949</b>	<b>1,583</b>
Interest and financial expenses	(9,265)	(11,057)
Changes in fair value of financial instruments	-	-
Other finance expenses	(1,258)	(4,574)
<b>Total finance expenses</b>	<b>(10,524)</b>	<b>(15,631)</b>
<b>NET FINANCE INCOME (EXPENSE)</b>	<b>(6,574)</b>	<b>(14,048)</b>
Current and deferred tax	(1,190)	(769)
Profit (loss) from discontinued operations, net of tax	(1,972)	45,295
<b>NET INCOME</b>	<b>(4,794)</b>	<b>38,528</b>
of which:		
- Owners of the parent	(4,392)	39,246
- Non-controlling interests	(403)	(718)

#### 5.1.2.2 Revenue

Revenue rose from €87.6 million as at 30 June 2022 to €100.2 million as at 30 June 2023, which represents an increase of 14.4% at current exchange rates and 14.0% on a like-for-like basis. This growth was the result of favourable sales momentum in France and growth in international business activities, particularly in Brazil.

Revenue broken down between the Knees and Hips products is as follows:

Revenue (in thousands of euros)	Financial year ended 30 June		
	2022	2023	Change (as a %)
<i>Knees</i>	58,758	66,827	13.7%
<i>Hips</i>	27,771	32,311	16.3%
<i>Others</i>	1,029	1,062	3.2%
<b>Total</b>	<b>87,559</b>	<b>100,200</b>	<b>14.4%</b>

#### 5.1.2.3 Inventories and capitalised production

The change in inventories and capitalised production rose from €(0.2) million as at 30 June 2022 to €9.8 million as at 30 June 2023.

The change in inventories had therefore risen from €(3.3) million as at 30 June 2022 to €4.6 million as at 30 June 2023, given the growth in business activity requiring additional inventory and a higher level of safety inventory. In addition, in view of the relocation of the Sofab factory in July 2023 and the tight procurement supply chain, inventory levels had also been increased.

The change in capitalised production had risen from €3.1 million as at 30 June 2022 to €5.2 million as at 30 June 2023, mainly due to a €1.2 million increase in capitalised R&D expenditure.

#### 5.1.2.4 External income and expenses

External income and expenses (in thousands of euros)	Financial year ended 30 June		
	2022	2023	Change (as a %)
Raw materials, goods and other supplies	(12,649)	(18,740)	48.2%
Subcontracting expenses	(7,095)	(11,825)	66.7%
Other purchases and expenses	(24,255)	(29,378)	21.1%
Taxes	(715)	(920)	28.7%
Employee benefits expenses	(23,297)	(26,132)	12.2%
<b>Total</b>	<b>(68,011)</b>	<b>(86,995)</b>	<b>27.9%</b>

Total external income and expenses rose from €68.0 million as at 30 June 2022 to €87.0 million as at 30 June 2023, representing an increase of 27.9%. This increase is linked to the 14.4% growth in business activity at current exchange rates, the rise in finished product inventories and the increased expenditure on capitalised projects.

#### 5.1.2.5 Depreciation, amortisation and provisions, net of reversals

Depreciation, amortisation and provisions fell from €12.7 million as at 30 June 2022 to €12.4 million as at 30 June 2023, representing a decrease of 1.7% due to a reduction in investments over the 2018–2022 period.

#### 5.1.2.6 Other operating income and expenses

All other operating income and expenses represented a net income of €0.2 million as at 30 June 2022, and a net loss of €(0.3) million as at 30 June 2022.

#### 5.1.2.7 EBITDA and EBITDA Margin

EBITDA rose from €22.0 million as at 30 June 2022 to €26.1 million as at 30 June 2023. The EBITDA margin rose from 25.1% as at 30 June 2022 to 26.1% as at 30 June 2023.

#### 5.1.2.8 Non-recurring items in the period

Non-recurring items decreased from an expense of €2.6 million as at 30 June 2022 to an expense of €3.4 million as at 30 June 2023. These items are mainly composed of non-recurring scrapping, related to the discontinuation of product lines, non-recurring fees notably in connection with the disposal of the Novastep business activity, and miscellaneous compensation.

#### 5.1.2.9 Profit (loss) from continuing operations

Profit (loss) from continuing operations is a profit of €10.3 million as at 30 June 2023, compared to a profit of €6.8 million as at 30 June 2022, thanks to a higher level of business activity in the 2022/2023 financial year and tight control over operating costs.

Excluding non-recurring items, profit (loss) from continuing operations would have been a profit of €13.7 million.

#### 5.1.2.10 *Net financial result*

The net finance income (expense) includes interest on financial debt and foreign exchange gains and losses.

At 30 June 2022, the net financial income represented a net loss of €(14.0) million, compared with a loss of €(6.6) million at 30 June 2022. This reflects an increase in interest expenses of €(1.9) million due to rise in interest rates, and a foreign exchange loss of €(3.6) million as at 30 June 2023, compared with a gain of €2.9 million as at 30 June 2022.

Interest expense on debt amounted to €(11.1) million as at 30 June 2023.

#### 5.1.2.11 *Profit (loss) from discontinued operations*

Profit (loss) from discontinued operations was €45.3 million at 30 June 2023, corresponding to:

- net income from the discontinued Novastep operations for €(6.0) million;
- proceeds from the disposal of shares for €39.2 million;
- the derecognition of the difference between the value of Novastep shares and their contribution to Group shareholders' equity for €12.1 million

#### 5.1.2.12 *Net income*

As at 30 June 2022, net income represented a loss of €4.8 million, compared with a profit of €38.5 million as at 30 June 2023, taking into account the disposal of the Novastep business activity.

The amount of taxes payable increased from €0.7 million as at 30 June 2022 to €0.9 million as at 30 June 2023.

The deferred tax expense fell from €0.5 million as at 30 June 2022 to €0.2 million as at 30 June 2023.

### 5.1.3 Analysis of separate financial results for the financial year ended 30 June 2023

During the 12-month financial year, the Company generated revenue of €2.3 million, up 3.9% in relation to the previous financial year.

Operating expenses of €4.5 million were recorded, resulting in an operating loss of €2.0 million.

After recognising finance income of €3.9 million and financial expenses of €9.9 million, the operating profit (loss) before tax was a loss of €8.0 million, compared to a loss of €7.6 million during the previous financial year.

Taking into account the income from tax consolidation of €1.9 million, the financial year ended 30 June 2023 resulted in an accounting loss of €6.1 million.



5.1.4 Table of company results for the last five financial years

<b>Financial table</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>I – Financial position at end of financial year</b>					
a) Share capital	480,208	480,208	478,048	478,048	478,048
b) Number of shares issued	48,020,841	48,020,841	47,804,841	47,804,841	47,804,841
c) Number of convertible bonds	0	0	0	0	0
<b>II – Comprehensive income</b>					
a) Revenue excluding taxes	2,299,724	2,146,093	2,006,163	1,978,170	2,274,219
b) Profit before tax, depreciation, amortisation and provisions	(6,517,787)	(6,253,667)	(8,001,984)	(4,903,835)	(5,276,618)
c) Income tax	(1,898,385)	(757,592)	(527,907)	(378,448)	(1,611,900)
d) Profit after tax, depreciation, amortisation and provisions	(6,132,291)	(6,862,095)	(8,622,747)	(4,762,674)	(4,000,419)
e) Distributed earnings	0.00	0.00	0.00	0.00	0.00
f) Employee shareholding	0.00	0.00	0.00	0.00	0.00
<b>III – Earnings per share</b>					
a) Profit after tax but before depreciation, amortisation and provisions	(0.10)	(0.13)	(0.16)	(0.09)	(0.08)
b) Profit after tax, depreciation, amortisation and provisions	(0.13)	(0.14)	(0.18)	(0.10)	(0.08)
c) Dividend paid per share	0.00	0.00	0.00	0.00	0.00

<b>Financial table</b>	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2019</b>
<b>IV – Breakdown of share types</b>					
a) Number of preference shares	0	0	0	0	0
b) Maximum number of future shares to be created	0	0	1,434,144	1,434,144	1,434,144
c) By exercising subscription rights	0	0	0	0	0
<b>V - Employees</b>					
a) Number of employees	4	4	4	4	4
b) Total payroll	1,134,496	1,147,417	1,576,379	1,306,533	1,059,868
c) Amounts paid for social security benefits (social security, works)	555,235	484,663	712,655	542,957	554,821

#### 5.1.5 Payment terms

Pursuant to Article L.441-6-1 Section 1 of the French Commercial Code, for financial years commencing after 1 July 2016, companies whose annual financial statements are certified by a statutory auditor must publish information on the payment terms of suppliers and customers.

Pursuant to Articles L.441-6-1 and D.441-4 of the French Commercial Code, on the closing date of the financial years ended 30 June 2022 and June 2021, the breakdown of the balance of payables and receivables of suppliers by due date was as follows:

	Article D. 441 I.-1°: Invoices <b>received</b> and unpaid at the closing date of the financial year whose term has expired						Article D. 441 I.-2°: Invoices <b>issued</b> and unpaid at the closing date of the financial year whose term has expired					
	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
<b>(A) Late payment instalments</b>												
Number of invoices concerned	5	8										
Total amount of invoices concerned in euros including VAT	18 217,34	14,593.00	5,615.33	12,12	0	38,437.79	-	-	-	-	-	
Percentage of the total purchases for the financial year including VAT	2.21%	1.7%	0.68%	0	0	4.66%	-					
Percentage of revenue for the financial year including VAT												
<b>(B) Invoices excluded from (A) relating to disputed or unrecognised debts and receivables</b>												
Number of excluded invoices	0											
Total amount of invoices excluded (specify: excluding VAT or including VAT)												
Reference payment deadlines used (contractual or legal deadline - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Reference payment deadlines used to calculate late payments	Contractual deadlines: 45 days FDM (LME)						Contractual deadlines: 45 days FDM (LME)					
	Legal deadlines: NA						Legal deadlines: NA					

## 5.2 CASH AND CAPITAL

### 5.2.1 Overview

The main financing needs of the Group include its working capital requirements, its investment expenses (especially for the design and purchase of ancillaries provided to medical practitioners), interest payments, and loan repayments.

The Group's primary source of regular liquid funds comprises cash generated from operating activities. Available cash and cash equivalents totalled €37.2 million and €21.0 million as at 30 June 2023 and 2022 respectively. The Group uses cash and cash equivalents to finance its current needs. The Group's cash is denominated partly in euros. Its future ability to generate cash from operating activities will depend on its future operational performance, which is, in turn, dependent to a certain extent on economic, financial, competitive, market, regulatory, and other factors. The majority of these are outside the Group's control (see risk factors described in Chapter 2 "Risk factors" of this Universal Registration Document).

The Group is also financed by debt. In June 2011, the Group finalised a senior credit facility, and issued bonds with attached share subscription warrants ("OBSA"). This debt was refinanced in its entirety in September 2014 (through the issuance of Non-convertible Bonds due 2021). In June 2011, the Group had also issued Convertible Bonds, subscribed by the shareholders, with a maturity date of 2026, which were all converted into shares at the time of the Company's initial public offering. The Group finalised

a property finance lease to finance its registered office in Valence. Finally, the Group securitises certain of its receivables (factoring).

In November 2016, the Group issued €65 million of non-convertible bonds maturing in 2022, repaid €35 million of the 2014 non-convertible bonds in advance, and deferred the balance to mature in September 2023.

In November 2020, as part of the change of control, the Company issued a €110 million bond underwritten by Tikehau in order to repay the 2014 non-convertible bonds and 2016 non-convertible bonds in advance as well as the accrued and capitalised interest for €102.6 million. In June 2023, the Group redeemed part of its non-convertible bonds for €40 million, using part of the proceeds from the disposal of the Novastep business activity, which amounted to €68 million.

Group debt totalled €106.5 million and €139.1 million as at 30 June 2023 and 30 June 2022 respectively (see Section 5.2.2.2 of this Universal Registration Document).

## 5.2.2 Equity and Debt

### 5.2.2.1 Shareholders' funds

The Group's shareholders' equity amounted to €95.8 million and €52.6 million as at 30 June 2023 and 2022, respectively.

Available cash and cash equivalents amounted to €37.2 million and €21.0 million as at 30 June 2023 and 2022, respectively.

### 5.2.2.2 Debt

The Group's debt amounted to €106.5 million and €139.1 million as at 30 June 2023 and 2022, respectively. The breakdown between the portion due in more than one year and the portion due in less than one year is presented in Note 22 of the consolidated financial statements.

The change in debt during the period was primarily due to the items below. The table below sets forth the breakdown of the Group's gross debt for the dates indicated:

<b>(in thousands of euros)</b>	<b>As at 30 June 2022</b>	<b>As at 30 June 2023</b>
Bonds	105,899	69,480
Borrowings with credit institutions	22,673	27,448
Accrued interest on borrowings	21	21
Lease debt	9,630	9,167
Factoring financial debt	836	335
Bank borrowings	24	26
<b>Total gross debt</b>	<b>139,084</b>	<b>106,477</b>

In addition, the table below gives a breakdown of the Group's net debt. The Group's net debt is defined as (A) the sum of (i) short-, medium- and long-term bank credit, bonds less issue costs, (ii) financial debts under restated equipment and property leases, (iii) amounts due to the factor under factoring

contracts, and (iv) unexpired notes presented for discount, (B) less the sum of (A) available bank cash and (B) cash in hand and the value of investments.

(in thousands of euros)	As at 30 June 2022	As at 30 June 2023
Bonds	105,899	69,480
Borrowings with credit institutions	22,673	27,448
Accrued interest on borrowings	21	21
Lease debt	9,630	9,167
Factoring financial debt	836	335
Bank overdrafts	24	26
Available funds	21,043	37,212
<b>Total net financial debt</b>	<b>118,042</b>	<b>69,267</b>

As at 30 June 2023 and 30 June 2022, the Group's ratio of net financial debt to EBITDA was 2.65x and 5.36x respectively.

EBITDA may be restated (restated EBITDA) in particular:

- neutralising the negative contribution of Group subsidiaries (with a limit of €1 million from 10 November 2020); and
- in the event of an acquisition during the financial year, the taking into account of changes in the scope of consolidation, in order to reflect an annual EBITDA as if the entry into the scope of consolidation had taken place on the first day of the period.

Net debt may be restated (restated net debt), in particular by neutralising debt issuance costs, which are deducted from the IFRS debt.

As at 30 June 2023, and 30 June 2022, the Group's ratio of net financial debt to restated EBITDA taking into account the above restatements, was 2.76x and 5.63x respectively.

The main items making up the Group's financial debt are detailed below:

*i. Senior Debt*

On 9 September 2014, OrthoFin II (taken over by Amplitude Surgical) issued 6,500 non-convertible bonds with a nominal value of €10,000 each, i.e. a nominal total of €65,000,000.

On 30 November 2016, Amplitude Surgical issued 65,000,000 non-convertible bonds with a nominal value of €1 each, i.e. a total nominal amount of €65,000,000. These 2016 Non-Convertible Bonds were used to (i) repay part of the 2014 Non-Convertible Bonds, (ii) finance the Group's general requirements and (iii) finance all related costs and expenses.

As part of the change of control of the Group, on 10 November 2020, Amplitude Surgical issued 110,000 non-convertible bonds with a nominal value of €1,000 each, i.e. a total nominal amount of €110,000,000, bearing interest at a rate of EURIBOR +7% per annum, it being specified that this rate may be reduced in the event of a reduction in the leverage ratio and that the Company may choose to exercise an option to partially capitalise interest at a maximum capitalised rate of 2% per annum (the "Non-Convertible Bonds"). These Non-Convertible Bonds were used to (i) refinance all of the 2014 and 2016 Non-Convertible Bonds; and (ii) fund all related costs and expenses.

## **Guarantees**

The Non-convertible Bonds are guaranteed by:

- a senior pledge of the securities accounts in which all the securities held by the Company and issued by Amplitude SAS are registered;
- a senior pledge of the bank accounts in respect of the balances of the entirety of the bank accounts held by the Company;
- a senior pledge of intra-group receivables in respect of receivables resulting from:
  - the intra-group loan in the amount of twenty million two hundred and thirty-seven thousand one hundred and sixty-four euros (€20,237,164) as at 10 November 2020 granted to Amplitude by Amplitude Surgical;
  - the current account advance of eighty-seven million nine hundred and forty-five thousand four hundred and twelve euros and eighty-eight cents (€87,945,412.88) as at 10 November 2020 made available to Amplitude by Amplitude Surgical;
  - the current account advance of one million sixty-seven thousand six hundred and fifty-eight euros and eighty-eight cents (€1,067,658.88) as at 10 November 2020 made available to SCI Les Tilleuls by Amplitude Surgical; and
  - any intra-group loan and/or current account advance made by Amplitude Surgical to any member of the Group having entered into the Framework Intragroup Loan Agreement dated 10 November 2020 between Amplitude Surgical as Lender and Amplitude as Original Borrower.

## **Commitments and restrictive clauses**

Unless specified otherwise, the terms and conditions of the Non-convertible Bonds contain restrictive covenants that restrict the ability of the Company and all other members of the Group to:

- acquire all or almost all of the securities or assets of a company;
- undertake acquisitions of securities, transfers of assets or the granting of security in the context of joint ventures;
- take on any financial debts;
- provide guarantees or grant security interests in its assets;
- make dividend payments, share redemptions or any other distributions to any person or entity outside the Group;
- carry out certain transactions with persons having a direct or indirect interest in the Company or the Group member concerned;
- sell, transfer or give up certain shares;
- combine or consolidate with other companies;
- carry out certain unauthorised holding activities;
- substantially change the nature of its business or that of the Group;

- undertake transactions with related parties other than in the course of normal business;
- give credit;
- maintain off-balance sheet commitments;
- reduce its share capital;
- issue securities that give direct or indirect access to its capital;
- supplement or amend the financing documentation in a manner prejudicial to the interests of bondholders;
- use derivatives;
- enter into commitments that have the effect of restricting its freedom to make loans, transfer assets or make distributions between members of the Group; and
- move its registered office abroad.

The terms and conditions of the Non-convertible Bonds also contain affirmative undertakings applicable to Amplitude Surgical and all other Group members, including matters relating to obtaining and maintaining authorisations, adherence to legislation (especially environmental), payment of taxes and social security contributions, asset maintenance, maintaining the rank of creditors, subscription and maintenance of insurance, access of the bondholders' representative, the financing of pension schemes, the protection of intellectual property rights, maintaining the tax consolidation scope, signing of supplementary security, subscription of hedging agreements, retaining of company financial year ends, and the fight against money laundering and the financing of terrorism.

Furthermore, the terms and conditions of the Non-convertible Bonds also impose compliance with financial commitments, in particular, adherence to a sole financial ratio which limits the amount of the debt that can be entered into by Group members.

In particular, Amplitude Surgical is committed to maintaining a leverage ratio (defined as ratio of total net financial debt divided by consolidated EBITDA) (the "**Leverage Ratio**").

<b>Test period ending:</b>	<b>Leverage Ratio less than or equal to:</b>
30 June 2023	6.80x
31 December 2023	6.80x
30 June 2024	6.10x
31 December 2024	6.10x
from 30 June 2025	5.00x

Finally, the terms and conditions of the Non-convertible Bonds require the Company to provide holders of Non-convertible Bonds with a certain amount of financial information, on an annual, six-monthly, quarterly and monthly basis.

### **Compulsory early repayment**

The Non-convertible Bonds become automatically subject to early repayment, in whole or in part, in the event of:

- a change of control in the company or its parent companies;
- a disposal of all or almost all of the securities and/or assets of the Company, its parent companies or its subsidiaries; or

- the receipt of funds as a result of a disposal of assets, the payment of insurance proceeds or the admission or trading of the shares of a member of the Group on a regulated market or any other market (the “**Listing**”), according to the terms and conditions of the Non-Convertible Bonds.

In the event of a change or transfer of control, the Company is required to immediately repay all of the Non-convertible Bonds that have not yet been repaid.

(i) In the event of a Listing that does not entail a change of control, the Company is required to allocate all or part of the income which it receives from such Listing to repayment of the Non-convertible Bonds in advance in the following way:

- 50% of the net Listing proceeds if the Leverage Ratio calculated after said allocation for the most recent completed test period is greater than 3.50x.
- 25% of the net Listing proceeds if the Leverage Ratio calculated after said allocation for the most recent completed test period is greater than 3.00x, but less than or equal to 3.50x.
- 0% of the net Listing proceeds if the Leverage Ratio calculated after said allocation for the most recent completed test period is less than or equal to 3.00x.

(ii) In the event of an early repayment, there is no penalty.

### **Early repayment**

The Terms and Conditions of the Non-convertible Bonds provide for a certain number of eventualities for early repayment, including, in particular, defaults on payment, failure to adhere to the financial ratios, failure to fulfil other commitments in relation to financing documents, inaccuracy of declarations and guarantees, a state of insolvency, the opening of collective proceedings, the occurrence of simultaneous defaults, the registration or seizure of the Company's assets, the refusal to certify the accounts, the loss of the binding nature of the Company's commitments under any of the financing documents (including the securities), the cessation of business, the breach of the provisions of the intercreditor agreement, the occurrence of any event making it impossible to maintain the Group's tax consolidation, the expropriation or nationalisation of any member of the Group, the cancellation, termination or lapse of a financing document, the occurrence of any litigation affecting the interests of the Non-Convertible Bondholders, the relocation of the registered office abroad, and the occurrence of any other material event affecting the interests of the Non-Convertible Bondholders.

### **Normal repayment**

Notwithstanding any voluntary, compulsory or early repayment, all Non-convertible Bonds not already repaid shall be repaid on 10 November 2027.

#### *ii. Leases*

Leases are described in Section 1.5 “*Real Estate Assets, Plant and Equipment*” of this Universal Registration Document.

#### *iii. Factoring programme*

### **Background and financial data**

On 29 June 2004, Amplitude SAS entered into a factoring programme with Natixis Factor, a limited company authorised as a credit institution by the French Prudential and Resolution Control Authority and which is not part of the Group (the “**Factoring Programme**”).



Under the terms of this programme, Amplitude SAS is committed to selling all of its euro trade or business receivables, arising from firm sales, from delivery of products or from the provision of services to all its customers in metropolitan France, with the exception of receivables from certain customers that have been specifically excluded from the Factoring Programme, and receivables for corporate customers with whom Amplitude SAS has financial ties, shareholders, or executives in common.

The Factoring Programme was modified on 17 September 2013 by a first amendment, which had the effect of including within the scope of the Factoring Programme receivables due from customers located in Martinique, Guadeloupe, and Reunion Island, of including credit insurance from Natixis Factor against the risk of insolvency of the customers of Amplitude SAS, up to the credit limits set by Natixis Factor, and of modifying the financial conditions of the Factoring Programme to take into account the changing characteristics of Amplitude SAS's portfolio of accounts receivable, as evaluated by Natixis Factor.

The Factoring Programme was later modified by a second amendment on 2 September 2014, which had the effect of including within the scope of the Factoring Programme receivables of customers located in French Guiana and New Caledonia, and in the countries of the European Union (excluding Greece) and Switzerland, but excluding customers in the European Union and Switzerland from the scope of the credit insurance agreed to by Natixis Factor within the context of the Factoring Programme, and modifying the financial conditions of the Factoring Programme to take into account the changing characteristics of Amplitude SAS's portfolio of accounts receivable, as evaluated by Natixis Factor. The Factoring Programme was amended by a third amendment dated 27 June 2016 with the effect, notably, of deconsolidating the Factoring Programme given the quality of the customer portfolio. In 2020, 2021 and 2022, the key features of the portfolio of accounts receivable of Amplitude SAS included within the scope of the Factoring Programme, the corresponding amounts collected, and the applicable financial conditions are set out in the table below:

	2021	2022	2023
<b>Revenue factored</b>	€60.5 million	€65.8 million	€76.2 million
<b>Average invoice value</b>	€1,600	€1,550	€1,600
<b>Number of debtors assigned</b>	540 + 100 (annual fee)	540 + 100 (annual fee)	540 + 100 (annual fee)
<b>Percentage of accounts not settled within 60 days of due date</b>	2.4%	2.6%	3.7%
<b>Average collection period</b>	59 days	66 days	64 days
<b>Percentage of unpaid values</b>	0.8%	0.9%	0.7%
<b>Factoring commission (calculated on the total sum of sold receivables and credit notes)</b>	0.175% with a minimum factoring commission of €75,000	0.165% with a minimum factoring commission of €75,000	0.165% with a minimum factoring commission of €75,000
<b>Financing commission (calculated on an annual basis of 360 days and applied to the total sums deducted by Amplitude on its current account)</b>	3-month EURIBOR rate +0.95% per year on an annual basis of 360 days	3-month EURIBOR rate +0.95% per year on an annual basis of 360 days	3-month EURIBOR rate +0.95% per year on an annual basis of 360 days
<b>Effective global rate</b>	0.978% per annum for payment by	0.978% per annum for payment by	0.978% per annum for payment by

	2021	2022	2023
	cheque or wire transfer on the basis of an assigned annual figure of €65 million, an average settlement period of 60 days and a guarantee fund rate of 5%	cheque or wire transfer on the basis of an assigned annual figure of €65 million, an average settlement period of 60 days and a guarantee fund rate of 5%	cheque or wire transfer on the basis of an assigned annual figure of €65 million, an average settlement period of 60 days and a guarantee fund rate of 5%

### Factoring Programme key characteristics

The Factoring Programme has three key features:

- Receipt of funds on demand by Amplitude SAS in advance of collection of accounts receivable delegated to Natixis Factor.
- Administration and recovery of the accounts receivable assigned to Natixis Factor.
- A guarantee against the risk of insolvency of Amplitude SAS customers (with the exception of customers located in the European Union and Switzerland).

### Receipt of funds

The Factoring Programme is based on all transactions between Natixis Factor and Amplitude SAS that fall within the scope of the programme being recorded as either a credit or a debit to a single current account, in the name of Amplitude SAS, within Natixis Factor's accounts, and offset of the reciprocal debts between Natixis Factor and Amplitude SAS that are recorded to this account. This current account comprises all open sub-accounts for each customer included within the scope of the Factoring Programme.

Natixis Factor purchases all of the accounts receivable of eligible Amplitude SAS customers that are included in the account "purchasers" of Amplitude SAS, at least once every 30 calendar days, and no more than once weekly, at the face value of the amount receivable (total tax inclusive amount of invoices issued) by way of a subrogation and booking of a credit to the current account, the total sum of accounts receivable purchased by Natixis Factor, up to the limit approved by Natixis Factor for each of the customers in question.

After booking this gross amount to its current account, Natixis Factor calculates the outstanding available amount by deducting from the gross amount the totals corresponding to the debtor balance of the account to be recharged, (i) the accounts receivable of the customers excluded from the scope of the Factoring Programme, (ii) the accounts receivable which were not settled within 30 days of their due date, (iii) the accounts receivable of the purchasers whose solvency has declined and (iv) the accounts receivable that do not fulfil the eligibility criteria of the Factoring Programme. This total amount available is then provided to Amplitude SAS who may use it, if they so choose, as a promissory note, cheque, or bank transfer (the first two subject to payment of an additional commission).

A reserve fund for an amount corresponding to 5% of the total outstanding available and, in any event, a minimum of €300,000, is issued by Natixis Factor in the form of cash collateral, which allows Natixis Factor to deduct, at any given moment, the necessary amounts to cover the total debit balance of the current account. Furthermore, provision is made for Natixis Factor to establish, by debiting the current account, a reserve fund specially set up in the form of cash collateral in their own favour, for the tax inclusive sum of all of the accounts receivable which are not settled within 30 days of their due date.

## **Management and recovery of the accounts receivable sold**

Before the occurrence of a default, the collected amounts in respect of accounts receivable are paid by customers into a dedicated open account within the books of Natixis Factor in the name of Amplitude SAS, and are periodically paid into a sub-account in the current account (recharge account).

Amplitude SAS continues to attempt recovery of all the accounts receivable assigned to Natixis Factor, on behalf of Natixis Factor, and is still responsible for payment of the collected amounts to the dedicated account, and for the management of unpaid amounts and arrears in respect of trade accounts receivable.

The mandate for management and collection of accounts receivable given to Amplitude SAS may be revoked by Natixis Factor in the event of non-payment, in which case Natixis Factor may inform the customers of Amplitude SAS that their debts have been assigned in its favour by way of subrogation, and demand immediate and direct payment of all sums due.

## **Guarantee against risk of insolvency of Amplitude SAS customers**

Natixis Factor guarantees Amplitude SAS against the risk of insolvency of any of their customers that fall within the scope of the Factoring Programme, with the exception of customers located in the European Union and Switzerland.

To invoke the credit insurance, Amplitude SAS must submit to Natixis Factor all litigation requests no later than 90 days after the payment due date of the invoices assigned, or no later than 15 days after cancellation of the approval given by Natixis Factor of the total sum of receivables that may be bought in respect of a given customer. A litigation request will result in revocation of Amplitude SAS's collection mandate, in the event of which Natixis Factor may then take charge of all litigation proceedings against the customer in question, in respect of the invoices still booked to the current account of Amplitude SAS on the date of the demand.

## **Early payment and cancellation**

The Factoring Programme agreement was drafted without a time limit. Amplitude SAS and Natixis Factor may impose a time limit unilaterally, without the need for justification, provided three months' written notice is given by registered letter with acknowledgement of receipt.

Natixis Factor may also cancel the agreement at any time in the event that Amplitude SAS fails to fulfil their contractual obligations under the Factoring Programme, is late in paying its social security contributions, tax or salary debts, has its bank accounts frozen or assets seized, in the event of any payment incident recorded, in the event of serious irregularity discovered in its financial reporting, failure to provide those documents that are required to be provided under the terms of the agreement, loss of full and total legal, commercial, or professional capacity of its executives, any change in its structure, business activities or executives, or any cancelling of or failure to renew the personal guarantees provided under the terms of the agreement. This cancellation will take effect no earlier than 48 hours after notice of cancellation has been given.

Furthermore, Natixis Factor may demand immediate payment from Amplitude SAS for all trade accounts receivable assigned to it by Amplitude SAS, and which have not yet been recovered from the customers concerned, in the event that Amplitude SAS assigns to Natixis Factor a non-issued invoice or an invalid credit note, or an invoice or credit note that falls out with the contractually prescribed time limits, in the event that Amplitude SAS fails to pay over to Natixis Factor any funds received from a customer in settlement of a debt assigned to Natixis Factor, in the event of a dispute over the existence or reality of accounts receivable assigned to Natixis Factor, or in the event that Natixis Factor has been assigned accounts receivable already assigned elsewhere.

iv. *State-Guaranteed Loans (PGE)*

In April 2020, the Group took out State-Guaranteed Loans (PGE) with four banks for a total of €12 million. All of these loans were drawn down by the Group. At the end of the initial period, in April 2021, the Group decided to amortise these loans over four years after an additional year's grace. As at 30 June 2023, the remaining amount to be repaid was €8.9 million.

v. *Atout Loan*

In April 2020, the Group took out a €7.5 million Atout Loan with BPI. The loan carries an interest rate of 5% with a five-year maturity. The loan is amortisable after a one-year grace period. As at 30 June 2023, the remaining amount to be repaid was €3.8 million.

vi. *Medium-term capex loans*

Each year, the Group takes out medium-term loans with its banking partners to finance its investment needs. The loans are typically amortised over five years. The vast majority of interest rates on these lines are between 2.3% and 4.8%. As at 30 June 2023, the remaining amount to be repaid was €9.2 million.

vii. *Long-term loan*

In April 2022, the Group took out a loan of €6.1 million to finance the construction of the new production plant to be managed by SCI Sofab Falla. The loan has an amortisation period of 15 years with a grace period of 18 months (until October 2023) and bears a fixed interest rate of 1.56%. This loan can be drawn down as the project progresses until the end of the grace period. As at 30 June 2023, the amount drawn down was €5.3 million.

5.2.3 Company cash flows for the financial years ended 30 June 2023 and 2022,

The table below summarises the Group's cash flow for the financial years ended 30 June 2023 and 2022:

<b>Cash flow (in thousands of euros)</b>	<b>Financial year ended 30 June</b>	
	<b>2022</b>	<b>2023</b>
<b>Gross cash flow (before changes in working capital requirement)</b>	<b>8,961</b>	<b>1,178</b>
Tax paid	(803)	(943)
Changes in working capital requirement	(175)	7,861
<b>Net cash flow from operating activities</b>	<b>7,983</b>	<b>8,096</b>
Net cash flow from investment activities	(12,412)	45,544
Net cash flow from financing activities	(5,409)	(37,434)
<b>Change in cash</b>	<b>(9,837)</b>	<b>16,205</b>

5.2.3.1 *Net cash flow from operating activities*

Cash flow generated by operating activities as at 30 June 2023 amounted to €8.1 million while the cash flow generated by operating activities as at 30 June 2022 totalled €8.0 million.

### 5.2.3.2 *Net cash flow generated by investment activities*

Cash flow generated by investment activities amounted to €45.5 million as at 30 June 2023, while activities had used €12.4 million in cash flow as at 30 June 2022.

The change was mainly due to the disposal of the Novastep business activity, which had an impact of €64.9 million.

The Group's investment expenses are split between intangible assets on the one hand, and property, plant and equipment on the other.

Capital expenditure for the financial years ended 30 June 2023 and 2022 amounted to €19.3 million and €11.9 million respectively. Further information on the Group's historic, current, and future investment expenses is contained in Section 1.6 "Investments" of this Universal Registration Document.

### 5.2.3.3 *Net cash flow provided by/used by financing activities*

Cash flow used by investment activities amounted to €(37.4) million as at 30 June 2023, compared with €(5.4) million as at 30 June 2022. The increased use corresponds to the early partial repayment of €(40.0) million in non-convertible bonds following the disposal of the Novastep business activity, which was partially offset by new borrowings, up by €9.9 million compared with the financial year ended 30 June 2022.

### 5.2.3.4 *Utilisation of sources of financing*

The Group's sources of financing are directed primarily towards investment expenses, payment of interest and repayment of loans, and their working capital requirements.

### 5.2.3.5 *Interest and loan repayments*

A large part of the Group's cash flow is used for the servicing and repayment of its debt.

The Group paid interest of €11.1 million and €9.3 million for the financial years ended 30 June 2023 and 2022, respectively.

### 5.2.3.6 *Financing of working capital requirements*

The Group's working capital requirement comprises the value of inventory, plus trade receivables and other operational receivables, less trade payables and other operational payables.

<b>Working capital requirement (in thousands of euros)</b>	<b>Financial year ended 30 June</b>	
	<b>2022</b>	<b>2023</b>
<b>Working capital requirement</b>		
Change in inventories	2,947	3,695
Changes in trade and other receivables	(4,829)	2,582
Changes in trade and other payables	1,203	1,371
Others	133	94
Net change in income tax liability	371	119
<b>Changes in working capital requirement</b>	<b>(175)</b>	<b>7,861</b>

## 5.2.4 Goodwill

As at 30 June 2023, goodwill totalled €95.6 million (see Note 16 to the consolidated financial statements for the financial year ended 30 June 2023, included in Section 6.1 “*Consolidated Financial Statements as at 30 June 2023*” of this Universal Registration Document).

## 5.2.5 Off-balance sheet commitments

As at 30 June 2023, the off-balance sheet commitments given relating to financing are summarised below:

Off-balance sheet commitments given related to financing	Principal characteristics	Amount as at 30 June 2021 (in euros)	Amount as at 30 June 2022 (in euros)
Commitment in respect of the unitranche debt	Pledging of Share accounts; Pledging of bank accounts	110,000K	110,000K*
Commitment for loans granted by BPI France	-	Retention of guarantee 400K	Retention of guarantee 400K

\* Following the early partial repayment of the unitranche debt on 29 June 2023, the outstanding debt as at 30 June 2023 amounted to €72.5 million.

## 5.3 OUTLOOK

### 5.3.1 Information on trends and objectives

#### 5.3.1.1 Business trends

A detailed description of the Group’s results for the financial year ended 30 June 2023 and the financial year ended 30 June 2022, is set out in Section 5.1 “*Review of the financial position and results of the Company and the Group*” in this Universal Registration Document.

#### 5.3.1.2 Medium-term outlook

The targets and trends presented below are based on data, assumptions and estimates considered as reasonable by the Group on the date of this Universal Registration Document.

This future outlook and targets, reflecting the Group’s strategic priorities, do not represent forecasts or estimates of the Group’s profits. The data and assumptions given below may change or be amended, notably following changes in the regulatory, economic, financial, competitive, accounting or tax environment or given other factors of which the Group is not aware on the date of this Universal Registration Document.

In addition, the occurrence of one or more of the risks described in Chapter 2 “*Risk factors*” in this Universal Registration Document may have an impact on the business activities, financial position, results or outlook of the Group, and therefore call into question its ability to achieve the targets set out below.

Moreover, achievement of the targets assumes success of the Group’s strategy. The Group enters into no commitments and gives no guarantees on attaining the targets included in this Section.

*i. Group objectives*

The Group's ambition is to become a leading international player in the orthopaedic prosthesis market for lower limb joints and intends to maintain its accelerated growth in the coming financial years.

To achieve this target, the Group intends to rely on its strategy (see Section 1.3.5 "*The Group's strategy*" of this Universal Registration Document) aimed at:

- consolidating the range of existing products to ensure compliance with new European regulations;
- securing the procurement of existing products through investment in the new plant, delivered in July 2023; and
- continuing to innovate and develop new technologies in its core business line, orthopaedic implants for the lower limb, with the launch of a new knee implant and the joint development of a robot for knee surgery (see Section 1.3.5.2 "*Designing the innovations of tomorrow*" of this Universal Registration Document).

*ii. Revenue target*

Based on its revenue as at 30 June 2023 and the ongoing business development, particularly in France, the Group is targeting revenue growth of around 10% for the 2023–2024 financial year.

*iii. EBITDA margin target*

Provided that the revenue target is met, the Group expects the EBITDA margin to be around 26% for the 2023–2024 financial year, stable compared with that of 2022–2023. The growth in business activity expected for 2023–2024 should offset the increase in production and overhead costs in the current inflationary environment.

*iv. Net financial debt leverage (adjusted)/EBITDA (adjusted) target ratio<sup>9</sup>*

The Group intends to comply with the leverage ratios mentioned in Section 5.2.2.2 of this Universal Registration Document.

*5.3.1.3 Comparison of profit (loss) forecasts for 2023 with achievements*

In the Universal Registration Document filed on 27 October 2022 under number D.22-0785, the Group communicated its objectives on a global basis including Novastep's business activities, which does not enable direct comparison of results. However, in its press release of 20 April 2023, the Group had indicated its expectations for the knees and hips business activities, with revenue of around €100 million and an EBITDA margin of between 26% and 27%. The financial statements ended 30 June 2023 show revenue of €100.2 million and an EBITDA margin of 26.1%.

**5.4 SIGNIFICANT CHANGES IN FINANCIAL OR COMMERCIAL POSITION**

With the exception of the items described in this Universal Registration Document, the Group is not aware of any significant changes in the financial or commercial position since 30 June 2023.

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<sup>9</sup> As defined in the Non-Convertible Bond issue contract (see Section 5.2.2.2 of this Universal Registration Document).

## CHAPTER 6 CONSOLIDATED FINANCIAL STATEMENTS

### 6.1 CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2023

*Amplitude Surgical (the “Company”) is a limited company domiciled in France. The Company’s registered office is located at 11, Cours Jacques Offenbach, 26000 Valence, (France). The consolidated financial statements for the financial year ended 30 June 2023 are those of the Company and its subsidiaries (altogether referred to as the “Group” and each of which is individually referred to as “Group companies”). The Group’s business activity consists mainly of manufacturing and selling and marketing prostheses in France and internationally.*

#### 6.1.1 Consolidated balance sheet

Assets (in thousands of euros)	Note	30 June 2023	30 June 2022
Goodwill	17	95,629	95,719
Property, plant and equipment	18	37,275	33,528
Intangible fixed assets	17	31,838	28,003
Other financial assets, including derivatives		709	468
Deferred tax assets	16	5,109	5,090
<b>Total non-current assets</b>		<b>170,560</b>	<b>162,807</b>
Inventories	19	37,955	32,900
Current tax receivable	20	1,367	1,321
Trade and other receivables	20	18,922	17,801
Cash and cash equivalent	21	37,212	21,043
Assets available for sale		-	23,591
<b>Total current assets</b>		<b>95,456</b>	<b>96,655</b>
<b>Total assets</b>		<b>266,016</b>	<b>259,462</b>
<b>Liabilities</b> (in thousands of euros)	Note	30 June 2023	30 June 2022
Share capital	22	480	480
Issuance premium		146,675	146,675
Other reserves		(93,359)	(88,067)
Items recognised directly in equity		2,771	(519)
<b>Net income attributable to owners of the parent</b>		<b>39,246</b>	<b>(4,392)</b>
Non-controlling interests		(0)	(1,610)
<b>Total equity</b>		<b>95,813</b>	<b>52,568</b>
Borrowing and financial liabilities	5 & 23	95,224	127,335
Derivative instrument liabilities	25	-	37
Pension commitments	26	537	570
Provisions for non-current risks and expenses	26	14,684	16,088
Deferred tax liabilities	16	1,727	1,697
Other non-current liabilities	27	16,707	17,332
<b>Total non-current liabilities</b>		<b>128,879</b>	<b>163,060</b>
Bank overdrafts	5 & 24	26	24
Factoring financing liabilities	5 & 24	335	836
Borrowing and financial liabilities	5 & 23	10,893	10,889
Current tax liabilities		594	428
Trade payables and other payables including derivatives	27	29,195	22,693
Provisions for risks and expenses	26	281	244
Liabilities directly related to asset groups held for sale		-	8,721
<b>Total current liabilities</b>		<b>41,325</b>	<b>43,834</b>
<b>Total liabilities and equity</b>		<b>266,016</b>	<b>259,462</b>

#### 6.1.2 Consolidated income statement

(in thousands of euros)	Note	30 June 2023	30 June 2022
		12 months	12 months
Revenue	9	100,200	87,559
Inventories and capitalised production		9,790	(202)
Raw material, goods and other supplies		(18,740)	(12,649)
Subcontracting expenses		(11,825)	(7,095)
Other purchases and expenses	10	(29,378)	(24,255)



Taxes		(920)	(715)
Employee benefits expenses	11	(26,132)	(23,297)
Depreciation, amortisation and provisions, net of reversals	12	(12,440)	(12,656)
Other operating income	13	159	552
Other operating expenses	13	(461)	(368)
Capital gain/losses on disposals of non-current assets	18	59	(113)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>10,312</b>	<b>6,761</b>
Impairment losses		-	-
Non-recurring operating income	14	3,633	4,073
Non-recurring operating expenses	14	(5,896)	(5,893)
<b>OPERATING INCOME</b>		<b>8,050</b>	<b>4,942</b>
Other finance income		1,583	3,949
<b>Total finance income</b>		<b>1,583</b>	<b>3,949</b>
Interest and financial expenses	15	(11,057)	(9,265)
Changes in value of financial instruments		-	-
Other finance expenses		(4,574)	(1,258)
<b>Total finance expenses</b>		<b>(15,631)</b>	<b>(10,524)</b>
<b>NET FINANCE INCOME (EXPENSE)</b>		<b>(14,048)</b>	<b>(6,574)</b>
Current and deferred tax	16	(769)	(1,190)
<b>Profit (loss) from discontinued operations, net of tax</b>		<b>45,295</b>	<b>(1,972)</b>
<b>NET INCOME</b>		<b>38,528</b>	<b>(4,794)</b>
<b>- Owners of the parent</b>		<b>39,246</b>	<b>(4,392)</b>
<b>- Non-controlling interests</b>		<b>(718)</b>	<b>(403)</b>
Earnings per share – owners of the parent (euros)		0.817	(0.091)
Diluted earnings per share – owners of the parent (euros)		0.817	(0.091)
Number of shares used (in thousands)			
For earnings per share		48,021	48,021
For diluted earnings per share		48,021	48,021

### 6.1.3 Comprehensive income

(in thousands of euros)	Note	30 June 2023	30 June 2022
<b>Consolidated net profit (loss) for the financial year</b>		<b>38,528</b>	<b>(4,794)</b>
Cash flow hedges		479	884
Deferred taxes on cash flow hedges		(120)	(221)
Translation differences		2,292	(1,402)
<b>Total recyclable items</b>		<b>2,651</b>	<b>(740)</b>
Actuarial losses and gains		-	-
Deferred taxes on actuarial losses and gains		-	-
<b>Total non-recyclable items</b>		<b>-</b>	<b>-</b>
<b>Comprehensive income</b>		<b>41,179</b>	<b>(5,534)</b>
Of which attributable to owners of the parent		41,814	(5,018)
Of which attributable to non-controlling interests		(636)	(516)

6.1.4 Consolidated cash flow statement (in thousands of euros)	Note	30 June 2023 12 months	30 June 2022 12 months
<b>TRANSACTIONS RELATED TO OPERATING ACTIVITIES</b>			
<b>PROFIT/LOSS after tax</b>		<b>38,528</b>	<b>(4,794)</b>
<i>Exclusion of items not impacting cash flow or unrelated to operating activities</i>			
<i>Amortisation, depreciation, provisions and impairment losses</i>	11	13,241	16,389
<i>Capital gains or losses on disposal</i>		(51,359)	(3,673)
<i>Employee benefits expense IFRS 2</i>		-	-
<i>Income tax expense</i>	15	769	1,039
<b>GROSS CASH FLOW before tax</b>		<b>1,178</b>	<b>8,961</b>
<i>Tax paid</i>	15	(943)	(803)
<i>Changes in inventories</i>		3,695	2,947
<i>Changes in trade and other receivables</i>		2,582	(4,829)
<i>Changes in trade and other payables</i>		1,371	1,203
<i>Others</i>		94	133
<i>Net change in income tax liability</i>		119	371
<b>CHANGES IN WORKING CAPITAL REQUIREMENT</b>		<b>7,861</b>	<b>(175)</b>
<b>Net cash flow from operating activities</b>		<b>8,096</b>	<b>7,983</b>
<b>INVESTMENT ACTIVITIES</b>			
<i>Disbursement/Purchase of intangible assets*</i>	16	(8,219)	(6,950)
<i>Disbursement/Purchase of property, plant and equipment</i>	17	(11,175)	(5,192)
<i>Proceeds/Sale of property, plant and equipment and intangible assets</i>		72	252
<i>Disbursement/Purchase of financial assets</i>			
<i>Impact of changes in consolidation scope</i>		64,865	(522)
<b>Net cash flow from investment activities</b>		<b>45,544</b>	<b>(12,412)</b>
<b>FINANCING ACTIVITIES</b>			
<i>Capital increase or contributions</i>			
<i>Purchases/Sales of treasury shares</i>		-	62
<i>Factoring financing</i>	23	(501)	395
<i>Proceeds from borrowings</i>		11,917	2,029
<i>Change in finance fees**</i>		(29)	(8)
<i>Repayment of loans</i>		(48,821)	(7,887)
<b>Net cash flow from financing activities</b>		<b>(37,434)</b>	<b>(5,409)</b>
<b>CHANGE IN CASH FLOW</b>		<b>16,205</b>	<b>(9,837)</b>
<i>Exchange rate losses</i>		(38)	203
<b>CASH and equivalent at BEGINNING OF YEAR</b>		<b>21,019</b>	<b>30,653</b>
<b>CASH and equivalent at END OF YEAR</b>		<b>37,186</b>	<b>21,019</b>

The reconciliation between cash and cash equivalent totals which appear on the balance sheet and the net cash total which appears in the table of changes in cash flow is as follows:

## Cash and cash equivalent

(in thousands of euros)	30 June 2023	30 June 2022
Cash and cash equivalent	37,212	21,043
Bank overdrafts	(26)	(24)
<b>Net cash flow statement</b>	<b>37,186</b>	<b>21,019</b>

### 6.1.5 Consolidated statement of change in shareholders' equity

(in thousands of euros)	Number of shares (in thousand)	Capital	Premiums	Other reserves and profit (loss)	Equity – attributable to owners of the parent	Non-controlling interests	Shareholders' funds
<b>Position as at 30 June 2021</b>	<b>47,805</b>	<b>478</b>	<b>146,677</b>	<b>(88,236)</b>	<b>58,920</b>	<b>(2,053)</b>	<b>56,867</b>
<b>Position as at 1 July 2021</b>	<b>47,805</b>	<b>478</b>	<b>146,677</b>	<b>(88,236)</b>	<b>58,920</b>	<b>(2,053)</b>	<b>56,866</b>
Consolidated profit (loss) for the year				(4,392)	(4,392)	(403)	(4,794)
Changes in fair value of financial instruments				663	663	-	663
Actuarial adjustments					-		-
Translation differences				(1,289)	(1,289)	(113)	(1,402)
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,018)</b>	<b>(5,018)</b>	<b>(516)</b>	<b>(5,534)</b>
Capital increase		2	(2)		-		-
Cost of share-based payments					-		-
Purchases/sales of treasury shares				75	75		75
Dividends paid					-		-
Increase (reduction) in percentage interest without taking (loss of) control					-		-
Disposal of subsidiaries					-	958	958
Other changes				205	205		205
<b>Position as at 30 June 2022</b>	<b>47,805</b>	<b>480</b>	<b>146,675</b>	<b>(92,977)</b>	<b>54,179</b>	<b>(1,611)</b>	<b>52,568</b>
<b>Position as at 1 July 2022</b>	<b>47,805</b>	<b>480</b>	<b>146,675</b>	<b>(92,977)</b>	<b>54,179</b>	<b>(1,611)</b>	<b>52,568</b>
Consolidated profit (loss) for the year				39,246	39,246	(718)	38,528
Changes in fair value of financial instruments				359	359	-	359
Actuarial adjustments					-		-
Translation differences				2,209	2,209	82	2,292
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,814</b>	<b>41,814</b>	<b>(636)</b>	<b>41,179</b>
Capital increase					-		-
Cost of share-based payments					-		-
Purchases/sales of treasury shares					-		-
Dividends paid					-		-
Increase (reduction) in percentage interest without taking (loss of) control					-		-
Disposal of subsidiaries*					-	2,246	2,246
Other changes				(177)	(177)		(177)
<b>Position as at 30 June 2023</b>	<b>47,805</b>	<b>480</b>	<b>146,675</b>	<b>(51,342)</b>	<b>95,813</b>	<b>(0)</b>	<b>95,814</b>

## **Notes to the consolidated financial statements**

### *Note 1. Reporting entity*

Amplitude Surgical (the “Company”) is a company domiciled in France. The registered office of the Company is located in Valence (26). The consolidated financial statements for the year ended 30 June 2023 are those of the Company and its subsidiaries (altogether referred to as the “Group” and each of which is individually referred to as “Group companies”). The Group’s business activity consists mainly of the manufacture and sales and marketing of prostheses.

The consolidated financial statements as at 30 June 2023 related to a 12-month period (i.e. the period from 1 July 2022 to 30 June 2023).

## **Significant events**

### **Legal items**

- On 27 January 2022, the Grenoble Court of Appeal dismissed Amplitude SAS’s request to cancel the tax on the promotion of medical devices for the period from 1 July 2014 to 30 June 2017. The adjustment amounted to €5.8 million, excluding interest and penalties. To file the appeal, the company had to reach a payment agreement with URSSAF over a period of 18 months, with the first payment being due in July 2022.
- Concerning the fourth dispute with URSSAF, the hearing was held on 16 May 2023. In a decision dated 11 July 2023, the court rejected Amplitude SAS's arguments, confirmed the adjustment and ordered the Company to pay the sum of €5,881K to URSSAF Rhône Alpes, including €5,461K in principal in respect of the contribution under Articles L.245-5-1 and L.245-5-2 of the French Social Security Code and €420K in late payment surcharges. Amplitude SAS appealed this decision.
- On 11 August 2022, the Group dissolved the subsidiary Amplitude India Private Ltd. This subsidiary was created to allow the registration of the Group’s products on the Indian market but following the fall in market prices, business activity had not started.
- In May 2023, the Court of Cassation dismissed Zimmer Biomet's appeal against Amplitude SAS, thus putting an end to the dispute.
- As part of the dispute with SERF, a settlement agreement was signed on 28 November 2022, definitively ending the dispute.

### **Financial items**

- At its meeting on 28 June 2022, the Board of Directors recommended launching a strategic review of the extremities (feet and ankles) surgery business activity, carried out by the Novastep subsidiaries in France and the United States, with the aim of maximising value creation and continuing to develop the Amplitude Surgical Group. On 29 June 2023, the Amplitude Group announced the completion of the Novastep subsidiaries’ disposal to Enovis Corporation. The Group received sales proceeds of €68 million, including a capital gain of €39.2 million for Amplitude SAS.
- Amplitude Surgical partially repaid €40 million of its €110 million bond issue, including €37.5 million in principal and €2.5 million in capitalised interest. Bond debt at 30 June 2023 before deducting issue costs and the fair value of hedging instruments amounted to €72.5 million.
- The global economic situation and the war in Ukraine led to an increase in the prices of raw materials and energy as well as a partial disruption of supply chains. Over the last year, the Group

has seen an increase in its procurement prices as well as a significant increase in procurement lead times, exceeding six months for certain products. To address the procurement risk, the Group conducts in-depth sales forecasting reviews and makes purchase commitments over longer periods. The Group has no commercial exposure in Ukraine or Russia.

## *Note 2. Basis of preparation*

### **2.1 Declaration of compliance**

The Amplitude Group consolidated income statements are prepared in accordance with the IFRS accounting standards as adopted within the European Union.

The notes cover significant items in the financial year and should be read in conjunction with the Universal Registration Document filed with the AMF and which will be available on the company's website [www.amplitude.surgical.com](http://www.amplitude.surgical.com) in the investors' space.

The consolidated financial statements of Amplitude Surgical and its subsidiaries (the Group) are presented in thousands of euros.

### **2.2 Basis of valuation**

The consolidated financial statements were prepared using the historical cost convention, with the exception of certain categories of assets and liabilities valued at fair value in accordance with IFRS. The categories in question are highlighted in the following notes.

### **2.3 Functional and presentation currency**

The Amplitude Surgical Group's consolidated financial statements are presented in euros in accordance with IAS 21. The Group's functional currency is the euro, since this is the currency in which the majority of its transactions are carried out.

Foreign currency transactions are converted into the respective functional currencies of the Group companies at the exchange rate in effect on the date of the transaction. The foreign exchange rates of the group companies are detailed in Section 3.3 of this note.

All financial information given in euros has been rounded up to the nearest thousand.

### **2.4 Use of estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the Directors to exercise judgement and to make certain estimates and assumptions which affect the application of accounting policies, the amounts of assets and liabilities, income and expenses. The final values established as transactions unwind may differ from estimates made at the closing date of the financial statements. The underlying estimates and assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is accounted for during the period of the change and all subsequently affected periods.

Information relating to critical judgements exercised by applying accounting policies which have the most significant impact on the amounts recognised in the consolidated financial statements are included in the following notes:

- Note 3.4 – Goodwill
- Note 3.5 – Valuation of Intangible assets
- Note 3.8 – Valuation and impairment of inventories
- Note 3.13 – Provisions for risks and expenses

- Note 3.17 – Deferred taxation

## **2.5 Changes in accounting policies**

As at 30 June 2023, none of the published standards that are not yet mandatory and not yet approved by the European Union have been applied in advance.

## **2.6 Standardisation**

The financial statements of all Group companies included in the consolidated financial statements were standardised in accordance with IFRS accounting rules and principles of Group accounting. The consolidated financial statements were prepared on the basis of the financial statements approved for the financial year ended 30 June 2023.

### *Note 3. Main accounting policies*

#### **3.1 Presentation of the financial statements**

The accounting policies used in the preparation of the consolidated financial statements conform to IFRS standards and their interpretation as adopted within the European Union as at 30 June 2023. These accounting policies are the same as those used in the preparation of the annual consolidated financial statements for the financial year ended 30 June 2022.

A number of new standards have also come into effect for the financial years beginning on or after 1 January 2022, but they did not have any material impact on the Group's financial statements. This concerns:

Standards	Description	Date of application (Financial years starting from:)
Amendments to IAS 37	<i>Onerous contracts: costs of fulfilling a contract</i>	1 January 2022
Amendments to IAS 16	<i>Property, plant and equipment: income before intended use</i>	1 January 2022
Amendments to IFRS 3	<i>Updating references to the conceptual framework</i>	1 January 2022
Annual improvements to IFRS	<i>2018–2020 cycle</i>	1 January 2022

The Management does not expect the adoption of the above standards to have a material impact on the Group's financial statements in future periods.

#### **3.2 Consolidation principles**

All Companies within the Group already have, or are in the process of having, a financial year end of 30 June.

The Group exercises exclusive control of all companies included within the consolidated financial statements, listed in Note 30, based on the analysis of the criteria defined in IFRS 10. They were consolidated in accordance with the principles of full consolidation. As indicated in Note 29, the

subsidiaries in the process of being set up in Ireland and India are not included in the scope given their negligible interest in relation to the objective of consistency, fairness, and true and fair view of the financial statements at 30 June 2023.

A subsidiary is a company controlled by the Group. Subsidiary financial statements were included in the consolidated financial statements from the date on which control was obtained until the date on which control ceased. The accounting policies of subsidiaries are standardised and aligned with those adopted by the Group.

All balance sheet balances, income and expenses resulting from intra-group transactions are excluded.

### **3.3 Conversion method**

#### **FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are converted into the Company's functional currency on the date of the transaction.

Foreign currency monetary assets and liabilities (debtors and creditors) are converted into the currency of the financial statements at the rate on the closing date. The resulting foreign exchange gains and losses are recognised in the profit and loss during the period.

#### **CONVERSION OF THE FINANCIAL STATEMENTS OF CONSOLIDATED COMPANIES WHOSE FUNCTIONAL CURRENCY IS NOT THE EURO**

The consolidated financial statements are presented in euro.

The financial statements of subsidiaries which use a different functional currency are converted into euros using:

- the official exchange rate as at the closing date for assets and liabilities; and
- the average exchange rate for the period for income statement items and the cash flow statement.

Exchange rate differences in the financial statements of Group companies are included in “translation differences” within other comprehensive income.

Goodwill and fair value adjustments resulting from the acquisition of a foreign company are considered to be assets and liabilities of the foreign company. They are therefore expressed in the functional currency of the foreign company, and are converted at the closing rate.

The exchange rates of the Companies outside the Eurozone are as follows:

<b>Country</b>	<b>June 2023</b>		<b>June 2022</b>	
	<b>Average rate</b>	<b>Closing rate</b>	<b>Average rate</b>	<b>Closing rate</b>
<i>Australia</i>	0.637607	0.610352	0.642517	0.658523
<i>Brazil</i>	0.185492	0.190020	0.171110	0.182342
<i>Switzerland</i>	1.014193	1.023856	0.960984	0.999101
<i>United States</i>	0.951931	0.916086	0.891949	0.954117
<i>South Africa</i>	0.053006	0.048674	0.058188	0.058513

### **3.4 Goodwill**

Business combinations are accounted for according to the method of acquisition. The assets, liabilities and contingent liabilities of the acquired entity are valued at fair value on the date on which it was acquired. Valuation differences identified on acquisition are recognised in the relevant asset and liability items within 12 months, and are recognised in profit or loss after that date. Goodwill arising from business combinations is tested for impairment annually.

Goodwill is allocated to groups of cash-generating units (CGUs). The definition of CGUs is a judgement by Senior Management based on the combination of the following three criteria at the level of the smallest possible set of assets:

- A homogeneous nature of products, notably in terms of intellectual property and production process.
- Own organisation with its own distribution networks, its own management, its own reporting and associated financial communication.
- A level of operational power in terms of continuing, restructuring or stopping activities.

The validation of these three criteria for each CGU ensures the independence of their respective cash flows.

As at 30 June 2022, the Extremities business activity, which includes the Novastep Inc. and Novastep subsidiaries, corresponds to a discontinued operation within the meaning of IFRS 5, goodwill is now only tested within the Knees and Hips CGU, which includes the other subsidiaries of the Group dedicated to this product segment. As at 30 June 2023, the subsidiaries Novastep and Novastep Inc. had been effectively disposed).

## **IMPAIRMENT**

Goodwill is not amortised in accordance with the revised IFRS 3 “*Business Combinations*”. It is subject to an impairment test at 30 June of each year and at the time of interim financial statements if there is any indication of impairment.

The impairment analysis is performed on the basis of the assets tested, either at the level of individual assets or at the level of the group of cash-generating units corresponding to the smallest identifiable group of assets that generates largely independent cash flows. Goodwill is tested at the level of the group of cash-generating units to which it is linked.

A provision for impairment is recognised when the carrying amount of the CGU is greater than its recoverable amount, which corresponds to the higher of market value less disposal costs and value in use. The value in use is the discounted projected cash flow.

Impairment allocated to the cash-generating units is imputed in order, firstly to goodwill, then to the value of the other assets within the cash-generating units, up to their recoverable amount.

## **3.5 Intangible fixed assets**

Intangible assets are presented on the balance sheet at their cost price. Any intangible assets identified at the time of an acquisition are also included in this figure. They consist mainly of patents and software. The Company operates patents which it owns directly, or which it holds under licensing agreements. The accounting treatment, in accordance with IAS 38, is identical.

The patents and licences are included in intangible assets. The gross value of capitalised assets is equal to the estimated value of any royalties on the date of acquisition of the patent or licence’s signature by Amplitude SAS, offset by a debt owing to the transferor of the invention or its licensors.

The likelihood of using these patents or the licences after the date of complete amortisation of the intangible asset is possible given the level of royalties paid and the duration of the licensing agreements signed with assignors of the inventions or its licensors.

At each closing date, the debt due on these intangible assets is recalculated on the basis of the total amount of future royalties payable, commensurate with the revaluation of the value of the patent or the licence as an asset.

The patents or licences are amortised annually, commensurate with the royalties paid to the inventors or the licensors. As royalties are paid, the amount is debited to the asset supplier account.

Software is amortised on the basis of the length of its expected use by the Group, i.e. 3 to 5 years.



### **3.6 Research and development costs**

In accordance with IAS 38, research expenses are included in costs for the financial year in which they are incurred.

In line with IAS 38, development expenses are recognised as intangible assets if the Group can demonstrate that the following conditions are fulfilled:

- its intention and financial ability to carry out the development project from start to finish;
- any future revenue benefit attributable to these development costs will flow back to the Group; and
- the method of assessing the cost of the asset must be reliable.

#### **DEPRECIATION AND AMORTISATION**

Development expenses in respect of new products are recognised as non-current assets in progress, until the product is launched for sale, after which time it is capitalised and amortised over a period of four to ten years, depending on the intended use.

Expenses relating to brand renewal or certificate renewal are included in assets until the start date of the new certificate, then they are capitalised and amortised over the duration of the new certificate (five years).

### **3.7 Property, plant and equipment**

Property, plant and equipment are stated on the balance sheet at their acquisition cost. They are not revalued.

The components of a non-current asset are accounted for separately if there is a significant difference between the estimated length of their useful economic life and the length of their amortisation.

#### **DEPRECIATION AND AMORTISATION**

Depreciation is calculated on the depreciable amount, which is the cost of the asset less the residual value at the end of its useful economic life. Given the nature of property, plant and equipment, no value is considered at the end of the economic life set out below.

Depreciation is recognised as an expense on a straight-line basis, over the estimated term of use of each component of property, plant and equipment, which represents the best estimated rate of consumption of the future economic benefits of the asset.

Leased assets are depreciated on the shorter of the term of the lease, and their useful economic life, unless the Group is reasonably certain of assuming ownership by the end of the lease.

Land is not depreciated.

Estimated useful economic lives are as follows:

Type of non-current asset	Method	Duration
Construction	Linear	20 years (*)
Materials and tools	Linear	5 to 10 years
General facilities	Linear	3 to 10 years
Transport equipment	Linear	3 years
Office materials	Linear	1 to 4 years
Office furniture	Linear	4 to 7 years
Recyclable packaging	Linear	3 to 5 years

\* Construction financed by finance leases entered into by SCI Les Tilleuls.

Depreciation methods, useful life and residual values are reviewed every financial year end and adjusted accordingly.

#### **SUBSEQUENT COSTS**

The replacement cost of a component of property, plant and equipment is included in its carrying amount if the Group is likely to derive future economic benefits from the asset, and if its cost can be reliably assessed.

The carrying amount of the replaced component is excluded. For ancillary equipment, the replacement and derecognition are done for the entire ancillary equipment and not piece by piece.

Current and ongoing maintenance costs are included in expenses at the time they are incurred.

#### **IFRS 16 LEASES**

In accordance with IFRS 16, leases are restated as assets on the balance sheet as from 1 July 2019.

The standard is applied as follows:

- When a lease is concluded, a liability corresponding to the discounted future payments of the fixed portion of the lease payments is recorded in the balance sheet, against an asset related to the right of use. This asset is depreciated over the term of the lease.
- Calculation of the marginal borrowing rate, taking into account the initial term of the contract, not the residual term. The determination of this borrowing rate is based on the observable benchmark borrowing rate per subsidiary.
- Application to leases with a residual term of more than 12 months.
- Exclusion of initial direct costs from the asset valuation.
- To determine the term of the contracts, the Group has taken into account the existence of renewal and termination options as well as medium-term projections of the evolution of the business. In practice, the restated leases relate mainly to real estate leases for which a term of nine years has mainly been retained for French commercial leases. Leases for assets with a value of less than \$5K or a term of less than 12 months are not restated.

### **3.8 Inventories**

In compliance with IAS 2, inventories of purchased goods and finished products are valued at the lower of cost and net realisable value.

#### **VALUATION OF USED INVENTORIES**

Goods and raw materials are valued using the weighted average unit cost method.

#### **VALUATION OF MANUFACTURED INVENTORIES**

Goods in progress and finished products are valued at their cost of production. The share of indirect production costs is calculated on a normal production capacity basis, excluding any below-capacity costs.

## **IMPAIRMENT OF FINISHED PRODUCT INVENTORIES**

A provision for inventory impairment is made when the gross value, calculated using the method detailed below, is greater than or equal to the realisable value deduction made from the proportionate cost of resale.

The realisable value is assessed in particular by an increasing impairment percentage based on the number of months of sales in inventory at the closing date, and the re-sterilisable or non-sterilisable nature of the products.

### **3.9 Trade and other receivables**

Trade receivable are amounts owing from customers for products sold and services provided in the course of the Group's normal business activities. Amounts due in less than 12 months are recognised as current assets, while those due in more than 12 months are included in non-current assets for the accounts receivable dated on or prior to 1 July 2021.

For trade receivables arising on or after 1 July 2021, the expected loss model of IFRS 9 is used.

### **3.10 Cash and cash equivalents**

This item comprises cash, liquid assets, and risk-free financial investments, capable of being liquidated or transferred quickly and used by the Company during the course of its normal cash flow management. Such investments represent financial transaction assets, and are therefore valued at their fair value with a corresponding profit and loss effect.

Cash and cash equivalents comprise cash on hand and demand deposits whose original maturity is less than or equal to three months. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are a component of cash and cash equivalents for the purposes of the cash flow statement.

Bank overdrafts, similar to financing, are included in "*Borrowings and current financial debt*".

### **3.11 Employee benefits**

#### **DEFINED BENEFIT PLANS**

The net obligation of the group in respect of defined benefits plans is valued separately for each plan by estimating the total future benefit to the employee in exchange for service performed over the course of the current period and prior periods. This amount is then discounted and the fair value of the assets within the plan is deducted.

Calculation of obligations in respect of defined benefit plans are carried out every financial year end using the projected unit credit method.

Revaluations of the net liability in respect of defined benefit plans, which consist of actuarial differences, the return on the plan's assets, and, if applicable, the differences resulting from the limits on the asset, are recognised immediately in other comprehensive income.

As the benefits of the plan are modified, or in the event that the plan is reduced, the impact of past services performed by the employee, or the profit (or loss) resulting from the reduction of the plan, is immediately included in net income. The Group recognises gains and losses resulting from the liquidation of a defined benefit plan at the time liquidation occurs.

#### **SHORT-TERM EMPLOYEE BENEFITS**

Obligations in respect of short-term benefits are valued on a non-discounted basis and included when the service in question is performed.

A liability is recognised where the Group expects to make payments in respect of profit-sharing plans and bonuses in cash, if the Group has a legal or implied obligation to make such payments in exchange for past services performed by the employee, and if the obligation can be reliably quantified.

### **3.12 Share-based payments**

IFRS 2 defines the methods for measuring and accounting for share-based payments. Free share plans are considered as benefits granted by the Group to the beneficiaries.

Benefits are assessed on the basis of the fair value at the grant date of the shares. The number of shares is determined according to performance criteria, i.e. revenue and EBITDA. An expense is spread over the vesting period taking into account the probability of the beneficiary leaving. This expense is recorded as an employee benefit expense.

### **3.13 Provisions for risks and expenses**

In accordance with the requirements of IAS 37, provisions are made where the Group has a legal or implied obligation resulting from a past event, and where there is the likelihood of an outflow of resources representing economic benefits, without a corresponding inflow, in order to meet the obligation.

These provisions are estimated taking into account the most probable assumptions on the date of preparation of the financial statements (see Note 25).

If the effect of their time value is material, the provisions are discounted.

### **3.14 Financial instruments**

#### **NON-CURRENT FINANCIAL ASSETS**

Other financial assets include deposits and guarantees which have an expiry date of longer than 12 months.

#### **OTHER CURRENT FINANCIAL ASSETS**

At each closing date, the carrying amounts of the Group's other current assets (apart from inventory and deferred tax assets) are reviewed in order to determine whether there is any indication of impairment. If there is any such indication, the recoverable value of the asset is estimated.

This item essentially contains the social security and tax receivables of the Group.

#### **BORROWING AND FINANCIAL LIABILITIES**

These are initially recognised at fair value of the consideration received, less any directly attributable transaction costs. They are then valued at amortised cost on the basis of the effective interest rate method.

In accordance with IFRS 9, loan issue costs are recognised as a reduction of the amount borrowed and included in the effective interest rate. The difference between the interest expense calculated using the effective interest rate and the interest paid over the period is booked as an increase or decrease in the debt.

Medium-and long-term borrowings and financial debt are included in non-current liabilities. Short-term loans and financial debts, in addition to the proportion of medium- and long-term borrowings and financial obligations repayable within one year, are included in current liabilities.

#### **NON-DERIVATIVE FINANCIAL ASSETS**

The Group initially recognises loans, receivables and deposits on the date on which they are generated. All other financial assets are initially calculated on the date of the transaction through which the Company became a party to the contractual provisions of the instrument.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value plus any directly attributable transaction costs.

Loans and debts consist of customer and other debts.

#### **NON-DERIVATIVE FINANCIAL LIABILITIES**

All other financial assets are initially calculated on the date of the transaction through which the Company became a party to the contractual provisions of the instrument.

The Group does not report financial liability for which its contractual obligations have been fulfilled, nullified or expired.

The Group has the following non-derivative financial liabilities: borrowings, bank overdrafts, supplier debts and other debts.

These financial liabilities are initially valued at fair value plus any directly attributable transaction costs, then valued at amortised cost.

#### **DERIVATIVES AND HEDGE ACCOUNTING**

These derivative instruments are recorded on the balance sheet at their fair value.

For derivative instruments not designated as hedging instruments, the subsequent changes in fair value are included in financial income.

#### **INTEREST RATE HEDGING**

The Group holds derivatives to mitigate its exposure to interest rate risk.

These derivatives act as cash flow hedges.

From the initial designation as hedges, the Group formally documents the relationship between the hedging instrument and the instrument hedged, with a view to managing the risk and the strategy employed from the start of the hedge, in addition to the methods used to evaluate the effectiveness of the hedging relationship.

From the beginning of the hedging process and on a continual basis, the Group assesses whether these hedges are going to be “highly effective” in protecting the cash flow of the hedged elements for the periods during which the hedging is designated to occur, and also assesses whether the effective results of each hedge fall within the range of 80 to 125%.

#### **CASH FLOW HEDGES**

Once a derivative is designated as a hedging instrument for hedging cash flow fluctuations attributable to a particular risk associated with a recognised asset or liability, or a future transaction highly likely to affect profit (loss), the effective part of the fair value adjustments of the derivative is included in other comprehensive income and in the hedging reserve within equity. The total recognised within other comprehensive income is extracted, and included in the income statement for the period during which the cash flow hedge affects the profit and loss. This amount is included on the same line in other comprehensive income as the item hedged. The ineffective parts of the fair value adjustments of the derivative are immediately recognised in profit and loss.

### **3.15 Revenue**

Group revenue comprise revenue from the sale of orthopaedic products, reported net of customer returns and discounts.

Revenue is valued on the basis of the consideration specified in a contract signed with a customer. The Group recognises the corresponding income when control of a good or service is transferred to its customer.

### **3.16 Finance income and expenses**

Financial income and expenses consist of interest on investments, changes in fair value of financial instruments, interest on borrowings, various bank commissions and foreign exchange profit and loss.

### **3.17 Income tax**

Income tax (expense or income) comprises the current tax payable (income receivable) and the deferred tax expense (income). Current and deferred taxes are recognised in profit or loss unless they relate to a business combination or to items that are recognised directly in equity or other comprehensive income.

Tax liability is comprised of:

- the estimated total of tax due (or receivable) as income (or expense) in a given period, determined by using tax rates in force or applicable at the closing date; and
- all adjustments of tax liability relating to prior periods.

Deferred tax is recognised on the basis of timing differences between the carrying amount of assets and liabilities and their tax bases. The following items are not included in the deferred tax calculation:

- The initial recognition of an asset or liability in a transaction which is not a business combination and which impacts neither the accounting profit nor the taxable profit.
- Timing differences related to equity interests in subsidiaries and joint ventures to the extent that they are not likely to be reversed in the foreseeable future.

Furthermore, deferred taxes are not recognised on the taxable timing differences generated the first time that goodwill is recognised. Deferred tax assets and liabilities are valued at the rates of tax in force or expected to be in force for the period during which the asset will be realised and the liability settled, on the basis of the tax rules in force or applicable at the closing dates. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and if they relate to income taxes levied by the same taxation authority, either on the same taxable entity or on different taxable entities, but which intend to settle the current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

A deferred tax asset is recognised for deductible temporary differences and unused tax losses and tax credits only to the extent that it is probable that future taxable profits will be available against which they can be utilised. These profit (loss) forecasts are determined on the basis of the budgets used for goodwill impairment tests.

Deferred tax assets are reviewed as at each closing date, and are reduced to the extent that it is no longer likely that a sufficient taxable profit will be available.

### **3.18 Earnings per share**

Net earnings per share are calculated by dividing the Company's net income, attributable to owners of the parent, by the weighted average number of ordinary shares outstanding during the period, less the treasury shares.

Diluted net earnings per share are calculated by increasing the number of the weighted average number of ordinary shares outstanding during the financial year by the number of shares that would result from the conversion of the convertible bonds and the exercise of the warrants.

### **3.19 Performance indicators**

#### **RECONCILIATION OF PROFIT (LOSS) FROM CONTINUING OPERATIONS AND EBITDA**

EBITDA represents profit (loss) from continuing operations, plus depreciation and amortisation, less non-recurring items. The EBITDA margin represents EBITDA as a percentage of Group revenue. EBITDA and the EBITDA margin are not standardised accounting aggregates with a unique and

generally accepted definition. They must not be considered as a substitute for operating profit (loss), net income, cash flow generated by operating activities or as a measure of liquidity. EBITDA and the EBITDA margin may be calculated differently by different companies with similar or different business activities. Hence, EBITDA and the EBITDA margin calculated by the Company may not be comparable to those used by other companies.

(in thousands of euros)	30 June 2023	30 June 2022
Profit (loss) from continuing operations	10,312	6,761
+ Depreciation, amortisation and provisions net of reversals	12,440	12,656
+ Non-recurring items <sup>(1)</sup>	3,378	2,589
<b>EBITDA</b>	<b>26,130</b>	<b>22,007</b>
<b>EBITDA margin</b>	<b>26.1%</b>	<b>25.1%</b>

(1) The principal non-recurring items for the financial year ended 30 June 2023 include:

- Non-recurring fees for €2.2 million.
- Non-recurring scrapping for €0.4 million.
- Miscellaneous compensation for €0.4 million.
- Non-recurring items for €0.4 million.

#### *Note 4. Determination of fair value*

A certain number of accounting policies and information require the calculation of the fair value of non-financial assets and liabilities. Fair values are determined for the purposes of valuation or disclosure, using the following methods. Additional information regarding assumptions used in determining fair value are highlighted, if necessary, in the notes for the specific asset or liability concerned.

#### **PROPERTY, PLANT AND EQUIPMENT**

Fair value of property, plant and equipment recognised after a business combination is based on market value. The fair value of property is the estimated amount for which it could be sold in a normal transaction between market players on the date of the valuation.

#### **INTANGIBLE FIXED ASSETS**

The fair value of intangible assets is based on expected discounted cash flow on the use and eventual resale of the assets.

#### **INVENTORIES**

The fair value of inventory acquired as part of a business combination is determined on the basis of the estimated sale price in the course of normal business activity, less the estimated completion and resale costs, and at a reasonable profit to reward the necessary efforts required to finish and sell the goods.

#### **DERIVATIVES**

The fair value of unlisted financial instruments for which there is observable market data is determined using valuation techniques such as the valuation models used for options, or by using the discounted cash flow method.

The models used for valuing these instruments include assumptions based on market data, in accordance with IFRS 13. The fair value of interest rate swaps is calculated on the basis of future discounted cash flows.

Fair values reflect the credit risk of the instrument and include adjustments for the credit risk of the Group company concerned, and of the counterparty where appropriate.

## Note 5. Financial risk management

The Group carries out the following interest rate hedging operations:

### Interest rate risk management

(in thousands of euros)	30 June 2023	30 June 2022
Variable rate financial debt	72,509	110,000
Fixed rate financial debt		-
<b>Interest-bearing financial debt</b>	<b>72,509</b>	<b>110,000</b>
Cash flow hedges (variable rates swapped to fixed rates)	112,014	57,014

The sensitivity analysis was carried out based on the net cash position after hedging as at 30 June 2023.

The Group is exposed to interest rate fluctuations, particularly because of changes in the conditions of its variable rate financing. However, the Group has implemented a system of interest rate management to limit this risk.

As at 30 June 2023 and 30 June 2022, the Group held the following derivatives:

#### 30 June 2023

##### Cash flow hedges – financing of project at variable rates swapped to fixed rates (in thousands of euros)

Processing date	Type	Direction	Nominal amount (millions)	Currency	Start	Maturity	Term remaining (years)	Rate	Market value
25/02/11	SWAP	E	1.007	EUR	21/03/11	22/12/25	2.5	3.2900%	33
25/02/11	SWAP	P	1.007	EUR	21/03/11	22/12/25	2.5	Euribor 3M	(37)
04/02/21	CAP	A	55.000	EUR	10/11/20	10/11/23	0.4	Euribor 3M	(721)
24/11/22	CAP	A	55.000	EUR	10/11/23	10/11/24	1.0	Euribor 3M	(554)
<b>Total</b>			<b>112.014</b>						<b>(1,280)</b>

B: borrower

L: variable rate lender

#### 30 June 2022

##### Cash flow hedges – financing of project at variable rates swapped to fixed rates (in thousands of euros)

Processing date	Type	Direction	Nominal amount (millions)	Currency	Start	Maturity	Term remaining (years)	Rate	Market value
25/02/11	SWAP	E	1.007	EUR	21/03/11	22/12/25	3.5	3.2900%	63
25/02/11	SWAP	P	1.007	EUR	21/03/11	22/12/25	3.5	Euribor 3M	(25)
04/02/21	CAP	A	55.000	EUR	10/11/20	10/11/23	1.4	Euribor 3M	(838)
<b>Total</b>			<b>57.014</b>						<b>(801)</b>

B: borrower

L: variable rate lender



## INTRODUCTION

The Group is exposed to the following risks associated with the use of financial instruments:

- credit risk;
- liquidity risk;
- market risk;
- operational risk.

This note outlines information relating to the Group's exposure to each of the above risks, its objectives, policies and procedures for estimating and managing such risk, as well as its management of capital. Quantitative data is included in other notes within these financial statements.

## RISK MANAGEMENT FRAMEWORK

It is the responsibility of the Chairman to define and oversee the Group's risk management framework.

The Group's risk management policy is aimed at identifying and analysing the risks to which the Group is exposed, to define the limits within which risk should be kept and the controls that need to be put into place, to manage the risks and to maintain oversight of the defined limits.

## CREDIT RISK

The Group is exposed, by virtue of its operational and financial activities, to the risk of default by its counterparties (customers, suppliers, partners) where they may be unable to fulfil their contractual obligations.

### Trade and other receivables

Gross outstanding trade receivables with overdue payments are analysed below:

(in thousands of euros)	Non-impaired assets due as at date of closing				Impaired assets	Non-impaired and not due assets	Total
	0–6 months	6–12 months	over 1 year	total			
As at 30 June 2023	2,336	352	586	3,274	1,698	7,846	12,818
As at 30 June 2022	3,889	318	461	4,668	1,740	5,932	12,340

Credit risk is the risk of financial loss suffered by the Group in the event that a customer or the counterparty of a financial instrument fails to fulfil its contractual obligations. This risk essentially originates from trade receivables and investment securities.

The carrying amount of financial assets represents the maximum exposure to credit risk.

## GUARANTEES

Group policy is to provide financial guarantees only to wholly-owned subsidiaries.

## LIQUIDITY RISK

Liquidity risk is the risk of the Group having difficulty in fulfilling its obligations in respect of financial liabilities which would be normally settled from cash flow or other financial assets. The approach of the Group in managing liquidity risk is to ensure, to the greatest extent possible, that it always has sufficient liquidity to honour its liabilities when they come due, under normal or "challenging" conditions, without incurring unacceptable losses or damage to the Group's reputation.

As at 30 June 2023, the non-discounted contractual flows of outstanding financial debts by maturity date and by type were as follows:

**As at 30 June 2023**

(in thousands of euros)	Total	2024	2025	2026	2027	2028	Over 5 years
<i>Unitranche bond</i>	69,480						69,480
<i>Accrued interest on Unitranche bond</i>	21	21					
<i>Borrowings with BPI France</i>	5,000	2,975	2,025	-	-	-	-
<i>Borrowings with credit institutions</i>	22,449	4,842	5,125	5,236	2,270	1,513	3,463
<i>Lease rights of use</i>	9,167	3,056	1,837	1,547	1,110	645	973
<i>Bank overdraft and cash current accounts</i>	26	26					
<i>FACTORING financial debt</i>	335	335					
<b>Outstanding financial debt</b>	<b>106,478</b>	<b>11,254</b>	<b>8,987</b>	<b>6,783</b>	<b>3,380</b>	<b>2,158</b>	<b>73,917</b>
<i>Assets linked to financing</i>							
<i>Cash and cash equivalent</i>	37,212						
<b>Net debt</b>	<b>69,267</b>						

**As at 30 June 2022**

(in thousands of euros)	Total	2022	2023	2024	2025	2026	Over 5 years
<i>Unitranche bond</i>	105,899						105,899
<i>Accrued interest on Unitranche bond</i>	21	21					
<i>Borrowings with BPI France</i>	8,625	3,625	2,975	2,025	-	-	-
<i>Borrowings with credit institutions</i>	14,048	3,440	3,400	3,414	3,380	414	-
<i>Lease rights of use</i>	9,630	3,803	2,210	1,080	923	338	1,276
<i>Bank overdraft and cash current accounts</i>	24	24					
<i>FACTORING financial debt</i>	836	836					
<b>Outstanding financial debt</b>	<b>139,084</b>	<b>11,749</b>	<b>8,585</b>	<b>6,519</b>	<b>4,303</b>	<b>752</b>	<b>107,176</b>
<i>Assets linked to financing</i>							
<i>Cash and cash equivalent</i>	21,043						
<b>Net debt</b>	<b>118,042</b>						

**OPERATIONAL RISK**

Operational risk is the risk of direct or indirect loss generated by a number of internal factors related to the Group's procedures, employees, technology, and infrastructure, and by external factors not including credit risk, market risk or liquidity risk. Such external factors may include compliance with legislation and regulation, or the rules of professional conduct. All of the Group's operations generate operational risk.

The Group's objective is to manage its operational risk in such a way as to strike a balance between avoiding financial losses and damage to the Group's image while controlling cost efficiency and avoiding control procedures that may discourage initiative and creativity.

**Note 6. Change in scope of consolidation**

Novastep and Novastep Inc. were disposed of in June 2023 and are therefore no longer included in the scope of consolidation as at 30 June 2023.

The scope of consolidation is presented in Note 30.

## Note 7. Groups of assets and liabilities held for sale

In June 2022, the Board of Directors issued the recommendation to launch a strategic review of the Group's Extremities business. The review to be carried out by the Group could lead to the disposal of this business line led by Novastep and Novastep Inc. As at 30 June 2022 and 30 June 2023, the criteria set out in IFRS 5 were met.

Novastep and Novastep Inc. represent a Cash-Generating Unit for the Group. As a result, and in accordance with the principles of IFRS 5 "Non-current assets held for sale and discontinued operations", the two subsidiaries meet the criteria of a discontinued operation.

As at 30 June 2022, the following restatements had been made:

- All current and non-current assets of the Novastep companies had been reclassified as Assets held for sale.
- All liabilities (excluding equity) had been reclassified as Liabilities directly related to asset groups held for sale.
- All expenses and income had been reclassified on a single line as profit (loss) from discontinued operations, net of tax.

As at 30 June 2023, the companies Novastep and Novastep Inc. had been effectively disposed. Therefore:

- The consolidated financial statements no longer included any assets or liabilities relating to these two companies.
- All expenses and income corresponding to the period prior to the disposal of these companies had been reclassified on a single line as *Profit (loss) from discontinued operations, net of tax*.

As at 30 June 2023, asset, liability and equity items were therefore no longer consolidated. Reclassified income and expenses were as follows:

(in thousands of euros)	30 June 2023 12 months	30 June 2022 12 months
Revenue	23,593	17,256
Profit (loss) from continuing operations	(4,472)	(2,295)
Operating income*	46,785	(2,297)
Net financial result	(1,241)	175
<b>NET INCOME</b>	<b>45,295</b>	<b>(1,972)</b>

\* As at 30 June 2023, non-recurring operating income consisted mainly of the consolidated gain on the disposal of the Novastep and Novastep Inc. subsidiaries, totalling €51 million (including €39 million in proceeds from the sale and €12 million in negative net worth of the subsidiaries sold).

## Note 8. Segment information

As indicated in Note 3.4, the Group's business activity was divided between two product divisions: (i) Knees and Hips; and (ii) Extremities (Novastep companies). Each business segment had its own research and development, its own manufacturing channels and resources, and its own sales channels for orthopaedic implants and associated instruments.

However, as at 30 June 2023, the Group sold its stake in Novastep and Novastep Inc., i.e. all of the Group's Extremities business activity. As at 30 June 2022, the assets and liabilities in the balance sheet and the income and expenses in the income statement had been isolated on a single line in accordance with IFRS 5.

The assets, liabilities, income and expenses presented in the consolidated financial statements are therefore those of the Knees and Hips business activity.

### *Note 9. Revenue*

The Group derives its revenue from sales of finished goods. Revenue is measured at the consideration to which the Group expects to be entitled in a contract with a customer, excluding amounts received on behalf of third parties. The Group recognises revenue when it transfers control of a product to the customer. Invoicing generally takes place at the date of transfer of control. Revenue breakdown by produce range, type and geographic area is as follows:

#### **BY PRODUCT RANGE**

<b>In %</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
<i>Knees</i>	66.69%	67.11%
<i>Hips</i>	32.25%	31.72%
<i>Others</i>	1.06%	1.18%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

#### **BY TYPE**

<b>(in thousands of euros)</b>	<b>30 June 2023</b>	<b>in %</b>	<b>30 June 2022</b>	<b>in %</b>
<i>Sales of purchased goods</i>	-		-	
<i>Sales of finished products</i>	100,033	100%	87,292	100%
<i>Sales of services</i>	167	0%	267	0%
<b>Total</b>	<b>100,200</b>	<b>100%</b>	<b>87,559</b>	<b>100%</b>

#### **BY GEOGRAPHIC AREA**

<b>(in thousands of euros)</b>	<b>30 June 2023</b>	<b>in %</b>	<b>30 June 2022</b>	<b>in %</b>
<i>Revenue – France</i>	73,123	73%	64,275	73%
<i>Revenue – Distributors export</i>	6,989	7%	5,115	6%
<i>Revenue – Subsidiaries export</i>	20,088	20%	18,169	21%
<b>Total</b>	<b>100,200</b>	<b>100%</b>	<b>87,559</b>	<b>100%</b>

The costs of obtaining or executing contracts are considered insignificant.

### *Note 10. Other purchases and expenses*

Other purchases and external expenses consist of the following:

<b>(in thousands of euros)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
<i>Non-inventoried purchases</i>	1,397	1,047
<i>Rents</i>	186	225
<i>Repair and maintenance</i>	2,040	1,422
<i>Insurance premiums</i>	640	623
<i>Studies and research</i>	1,538	1,372

<i>Temporary staff</i>	204	85
<i>Commissions paid to the salespersons</i>	12,788	11,647
<i>Fees</i>	5,749	3,110
<i>Advertising</i>	422	390
<i>Transportation</i>	2,170	1,883
<i>Travel, assignments</i>	1,052	804
<i>Banking fees and share purchase fees</i>	(264)	156
<i>Other purchases and expenses</i>	1,455	1,491
<b>Total</b>	<b>29,378</b>	<b>24,255</b>

### *Note 11. Employee benefits expenses and headcount*

#### **EMPLOYEE BENEFITS EXPENSES**

**(in thousands of euros)**

	<b>30 June 2023</b>	<b>30 June 2022</b>
<i>Wages and salaries</i>	18,534	17,177
<i>Social security charges</i>	7,598	6,120
<i>Cost of share-based payments</i>		
<i>Contributions to post employment defined benefit plans</i>	-	-
<i>Employee shareholding and profit-sharing</i>	-	-
<b>Total</b>	<b>26,132</b>	<b>23,297</b>

#### **HEADCOUNT**

**(in numbers)**

	<b>30 June 2023</b>	<b>30 June 2022</b>
<i>Sales &amp; Marketing</i>	109	107
<i>General &amp; administrative</i>	185	153
<i>Production</i>	91	80
<i>R&amp;D</i>	41	49
<b>Total</b>	<b>426</b>	<b>389</b>

#### **EXECUTIVE'S REMUNERATION**

Since 1 July 2022, the Chief Executive Officer has received the following components of remuneration in respect of his duties over the financial year:

- Gross salary: €345K.
- Target bonus and exceptional bonuses paid for the 2021/2022 financial year: €100K gross.
- 2021/2022 profit sharing: €5K.
- Benefit in kind: €17K.
- Retirement Savings Plan Art. 83: €9K (amount paid in contributions).

### *Note 12. Depreciation, amortisation and impairment, net of reversals*

**(in thousands of euros)**

**30 June 2023    30 June 2022**

<i>Amortisation of intangible assets</i>	4,887	3,529
<i>Depreciation of property, plant and equipment</i>	6,674	7,798
<i>Impairment of non-current assets in progress</i>		
<i>Amortisation of leased materials</i>	1,413	1,440
<i>Impairment of inventory, net of reversals</i>	(373)	(115)
<i>Impairment of current assets, net of reversals</i>	(102)	232
<i>Provision for risk and expenses, net of reversals</i>	(55)	(224)
<b>Total</b>	<b>12,440</b>	<b>12,657</b>

### *Note 13. Other operating income and expenses*

<b>(in thousands of euros)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
<b>Other operating income</b>		
<i>Research tax credit</i>	280	296
<i>Foreign exchange gains on commercial transactions</i>		
<i>Others</i>	(121)	256
<b>Total</b>	<b>159</b>	<b>552</b>
<b>Other operating expenses</b>		
<i>Royalties paid</i>	(393)	(354)
<i>Others</i>	(68)	(13)
<b>Total</b>	<b>(461)</b>	<b>(368)</b>

\* The Group changed the accounting method for patent licensing agreements (see Note 1).

### *Note 14. Non-operating income and expenses*

<b>(in thousands of euros)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
<b>Non-recurring operating income</b>		
<i>Disposals of subsidiaries</i>	-	4,029
<i>Reversal of impairment of non-current assets in progress</i>	-	-
<i>Provision reversal – Medical device promotion tax</i>	3,595	-
<i>Others</i>	38	44
<b>Total</b>	<b>3,633</b>	<b>4,073</b>
<b>Non-recurring operating expenses</b>		
<i>Net value of disposed subsidiaries</i>	-	56
<i>Losses on receivables of disposed subsidiaries</i>	-	3,433
<i>Provision allocation – Promotion DM tax</i>	2,247	2,014
<i>Impairment of non-current assets in progress</i>	-	-
<i>Others*</i>	3,650	389
<b>Total</b>	<b>5,896</b>	<b>5,893</b>

### *Note 15. Finance income and expenses*

Net finance income (expense) essentially comprises the following items:

- Cost of debt (€11,057K).
- Other financial income and expenses for a net loss of €(4,574K), consisting of a net loss of €(3,564K) in foreign exchange gains and losses.

## Note 16. Income tax expense

(in thousands of euros)	30 June 2023	30 June 2022
Current income taxes	(943)	(710)
Deferred income taxes	174	(479)
<b>Total</b>	<b>(769)</b>	<b>(1,190)</b>

Analysis of tax expense:

(in thousands of euros)	30 June 2023	30 June 2022
<b>Profit/loss before tax</b>	<b>39,297</b>	<b>(3,755)</b>
<i>Theoretical tax rate</i>	25.00%	26.50%
<b>Expected tax expense</b>	<b>(9,824)</b>	<b>995</b>
<i>Effect of the permanent differences</i>	949	(487)
<i>Tax credits</i>		(79)
<i>Employee benefits expenses IFRS 2</i>		-
<i>Deficits of the year not capitalised</i>	(2,674)	(3,445)
<i>Prior year deficits not capitalised</i>	(445)	740
<i>Deficits previously capitalised</i>		
<i>CVAE reclassification</i>	56	78
<i>Brazil tax base effect</i>	184	
<i>Provisions for litigation not subject to tax</i>	(566)	(521)
<i>Lower tax rate effect</i>		
<i>Changes in earnout of subsidiaries not subject to tax</i>		
<i>Tax-free income on disposal</i>	11,674	1,185
<i>IFRS 5</i>	(62)	(151)
<i>Others</i>	(61)	495
<b>Actual income tax expense</b>	<b>(769)</b>	<b>(1,190)</b>

### DEFERRED TAXES ON THE BALANCE SHEET

Deferred tax assets and liabilities recorded on the balance sheet break down as follows:

(in thousands of euros)	30 June 2022	Impact on reserves	Impact on profit (loss)	Reclass.	30 June 2023
<b>Deferred tax assets</b>					
<i>Organic</i>	23		6		29
<i>Fees on share purchases</i>	-				-
<i>employee shareholding</i>	0				0
<i>Retirement benefit</i>	118		(11)		107
<i>Gain on non-current asset disposal</i>	1,206	(65)	119		1,260
<i>Capitalised losses</i>	3,956		(33)		3,922
<i>Hedging instruments</i>	(200)	(120)			(320)
<i>Margin on inventories</i>	942		(312)		630
<i>Others</i>	-				-
<i>Deferred tax assets/deferred tax liabilities (IDA/IDP offset)</i>	(954)			435	(519)
<b>Total</b>	<b>5,090</b>	<b>(185)</b>	<b>(231)</b>	<b>435</b>	<b>5,109</b>
<b>Deferred tax liabilities</b>					
<i>Special provision for tax purposes</i>					
<i>Fair value of assets</i>	-				-
<i>Capitalised ancillaries</i>	133		(103)		31
<i>Gain on non-current asset disposal</i>	1,165		81		1,246
<i>Elimination of the spreading of capital gains on buildings</i>	41		(11)		30

Capitalisation of other assets	477	(139)		338
Finance leasing	372	76		449
Translation differences	411	(270)		140
Others	53	(40)		13
Deferred tax assets/deferred tax liabilities (IDA/IDP offset)	(954)		435	(519)
<b>Total</b>	<b>1,698</b>	<b>-</b>	<b>(406)</b>	<b>435</b>
				<b>1,727</b>

Deferred tax assets were recognised to the extent that recovery was deemed likely, in accordance with IAS 12.

Tax losses are utilised where Senior Management considers it likely that the Group will have future taxable profits against which the losses can be offset. This decision is based on the updated business plan. The recognised tax losses mainly concern the tax consolidation group in France for €14 million out of a total of €49 million of losses carried forward as at 30 June 2023.

The Group did not use any judgements, assumptions or estimates in determining the tax loss of the consolidated group.

### *Note 17. Intangible fixed assets*

#### **GOODWILL**

As stated in Note 3.4, goodwill was allocated to two cash-generating unit groups (up to 30 June 2022).

For the Knees and Hips products CGU, the net carrying amount of goodwill is €95.7 million, mainly comprising:

- the acquisition by Amplitude Surgical of Amplitude Group on 29 June 2011, a group made up of the companies Amplitude Group, Amplitude Finance, Amplitude, SCI Les Tilleuls and Amplitude GmbH. The purchase price of the Amplitude Group acquisition had been determined on the basis of the Company's ability to generate profit and cash, the expertise of the companies within the Group, and their relationships with clients and doctors. Goodwill in respect of the purchase of the Amplitude Group totalled €75.5 million in the consolidated financial statements;
- goodwill also includes the purchase of the Sofab companies (€2.1 million);
- goodwill from the purchase of Amplitude IDF (€2.4 million);
- goodwill from the purchase of Duotech (€0.8 million);
- goodwill from the purchase of Amplitude Australia Pty (€4.7 million);
- goodwill from the purchase of Amplitude Brésil (€9.8 million);
- goodwill from the purchase of Amplitude Suisse (€0.4m).

For the Extremities products CGU, corresponding to the Novastep subsidiaries, the net carrying amount of goodwill was €0.1 million. As at 30 June 2023, as the subsidiaries had been disposed of, this value was nil.

As at 30 June 2023, impairment tests had been carried out using the discounted cash flow method based on the following assumptions and parameters. The business plan horizon used is five years in accordance with IAS 36 and better visibility of the investment horizon.

- Taking into account the updated business plan at the date of the financial statements for the period from 1 July 2023 to 30 June 2028.
- Perpetual growth rate of 2.2% for the Knees and Hips CGU.



- Discounting at a rate of 11% of expected cash flows.

The impairment test confirmed the carrying amount of the assets of the Knees & Hips cash-generating unit (including goodwill).

Sensitivity tests were carried out on the assumptions applied:

- An increase in the discount rate of 0.5%, to 11.5%, would lead to a recoverable amount that is €(4.9) million lower than the asset to be tested.
- A growth rate of 1.8% would result in a recoverable amount of €(0.9) million less than the asset to be tested.
- A discount rate of 11.5% combined with a growth rate of 2% would lead to a recoverable amount of €(8.0) million less than the asset to be tested.

#### RESEARCH AND DEVELOPMENT COSTS

Taking into account the criteria described in Note 3.6, development expenses were recognised as intangible assets of €172K as at 30 June 2023. These costs are included in intangible assets in progress and development expenses. These costs are amortised over four to ten years. Recognition of these expenses as at 30 June 2023 was based on best estimates regarding completion of the projects as at the closing date.

In accordance with IAS 36, these costs are subject to an impairment test.

#### OTHER INTANGIBLE FIXED ASSETS

(in thousands of euros)	30 June 2022	Purchases/ (net allocations)	(Disposal)/ reversals on disposals	Translation differences	Reclass.	Other changes	30 June 2023
<i>Concessions and patents</i>	46,932	4,193	-	(15)	-	-	51,110
<i>Goodwill</i>	443	-	-	-	-	-	443
<i>Research and development costs</i>	172	-	-	-	-	-	172
<i>Other intangible fixed assets</i>	11,869	-	-	(22)	43	-	11,891
<i>Intangible assets in progress</i>	6,588	4,550	-	(3)	(43)	-	11,092
<b>Gross values</b>	<b>66,004</b>	<b>8,743</b>	-	<b>(40)</b>	-	-	<b>74,707</b>
<i>Concessions and patents</i>	(26,530)	(3,935)	-	13	-	-	(30,452)
<i>Goodwill</i>	(443)	-	-	-	-	-	(443)
<i>Research and development costs</i>	(98)	(12)	-	-	-	-	(110)
<i>Other intangible fixed assets</i>	(7,683)	(939)	-	7	-	-	(8,616)
<i>Intangible assets in progress</i>	(3,247)	-	-	-	-	-	(3,247)
<b>Depreciation, amortisation and impairment</b>	<b>(38,001)</b>	<b>(4,887)</b>	-	<b>19</b>	-	-	<b>(42,868)</b>
<b>NET VALUES</b>	<b>28,003</b>	<b>3,856</b>	-	<b>(20)</b>	-	-	<b>31,838</b>

The offset of patent acquisitions resulted in the recognition of a debt on non-current assets of €524K higher than the previous year. The amount of acquisitions is presented as adjusted for the change in debt on non-current assets in the cash flow statement, i.e. €8,219K.

## Note 18. Property, plant and equipment

### PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	30 June 2022	Purchases/ (net allocations)	(Disposal)/ reversals on disposals	Translation differences	Reclass.	Other changes	30 June 2023
<i>Land</i>	251	639	-	(0)	-	-	890
<i>Buildings</i>	-	-	-	-	-	-	-
<i>Rights of use, property</i>	12,340	182	(57)	(83)	14	-	12,396
<i>Technical facilities</i>	39,718	4,133	(8,426)	(1,127)	7,050	-	41,348
<i>Rights of use, technical facilities</i>	17,281	61	(90)	-	-	-	17,252
<i>Other tangible fixed assets</i>	10,672	246	(824)	(62)	-	-	10,031
<i>Rights of use, other tangible fixed assets</i>	1,565	683	(306)	(1)	(14)	-	1,926
<i>Tangible fixed assets in progress</i>	16,279	8,677	-	(5)	(3,966)	-	20,985
<b>Gross values</b>	<b>98,106</b>	<b>14,622</b>	<b>(9,704)</b>	<b>(1,279)</b>	<b>3,083</b>	-	<b>104,828</b>
<i>Land</i>	(152)	(15)	-	0	-	-	(166)
<i>Buildings</i>	-	-	-	-	-	-	-
<i>Rights of use, property</i>	(5,982)	(1,002)	51	57	(11)	-	(6,887)
<i>Technical facilities</i>	(36,833)	(5,741)	6,070	901	(3,234)	-	(38,837)
<i>Rights of use, technical facilities</i>	(11,838)	(26)	90	-	-	-	(11,774)
<i>Other tangible fixed assets</i>	(8,125)	(808)	830	62	(20)	-	(8,060)
<i>Rights of use, other tangible fixed assets</i>	(1,179)	(384)	305	1	11	-	(1,247)
<i>Tangible fixed assets in progress</i>	(465)	(111)	-	-	-	-	(576)
<b>Depreciation, amortisation and impairment</b>	<b>(64,574)</b>	<b>(8,087)</b>	<b>7,346</b>	<b>1,021</b>	<b>(3,254)</b>	-	<b>(67,548)</b>
<b>NET VALUES</b>	<b>33,528</b>	<b>6,535</b>	<b>(2,358)</b>	<b>(258)</b>	<b>(171)</b>	-	<b>37,275</b>

The “Technical facilities” item is mainly made up of ancillary equipment.

## Note 19. Inventories

(in thousands of euros)	30 June 2023	30 June 2022
<i>Raw materials</i>	667	239
<i>Inventory in progress</i>	10,884	8,620
<i>Intermediate and finished product inventory</i>	28,752	26,789
<b>Gross values</b>	<b>40,303</b>	<b>35,649</b>
<i>Impairment</i>	2,348	2,749
<b>Net inventory and in progress</b>	<b>37,955</b>	<b>32,900</b>

## Note 20. Receivables

TRADE RECEIVABLES (in thousands of euros)	30 June 2023	30 June 2022
<i>Gross values</i>	12,818	12,340
<i>Impairment</i>	(1,698)	(1,740)
<b>Net value</b>	<b>11,120</b>	<b>10,600</b>

The maturity of trade receivables is presented in Note 5 under the heading “Credit risk”.

## OTHER CURRENT ASSETS

(in thousands of euros)

	30 June 2023	30 June 2022
Tax receivables (excluding income tax)	5,553	4,975
Social security liabilities	43	41
Pre-paid expenses	1,181	1,093
Advances and deposits paid	144	182
Other current assets	880	909
<b>Total</b>	<b>7,802</b>	<b>7,201</b>

Given the type of these trade receivables and their due dates, it is considered that their carrying amount after possible impairment corresponds to their fair value.

Current tax receivables are mainly composed of research tax credits and competitiveness and employment tax credits.

### Note 21. Cash and cash equivalent

(in thousands of euros)

	30 June 2023	30 June 2022
Investment securities	195	186
Bank accounts and other liquid assets	37,016	20,857
<b>Total</b>	<b>37,212</b>	<b>21,043</b>

## CHANGES IN WORKING CAPITAL REQUIREMENT

Changes in working capital requirements as included in the cash flow statement are broken down as follows:

(in thousands of euros)	June 2023	Change in scope	Translation differences and other	Others	June 2022	Changes
Inventories	37,955	9,173	(422)		32,900	3,695
Trade and other receivables	18,922	3,757	(54)		17,801	2,582
Assets available for sale	-			21,519	4,162	25,681
						<b>31,958</b>
Trade and other payables	29,195	3,989	1,086		22,693	1,427
Other non-current liabilities	16,707	56	(625)		17,332	(56)
Liabilities directly related to asset groups held for sale	-				5,164	(5,164)
						<b>(3,793)</b>
Current tax liabilities	594				428	167
Current tax receivable	1,367				1,321	(46)
						<b>119</b>

## CASH FLOWS OF COMPANIES AVAILABLE FOR SALE

At its meeting on 28 June 2022, the Board of Directors recommended launching a strategic review of the extremities (feet and ankles) surgery business activity, carried out by the Novastep subsidiaries in France and the United States. On 29 June 2023, the Amplitude Group announced the completion of the Novastep subsidiaries' disposal to Enovis Corporation. The cash flows relating to these two companies are as follows:

	30 June 2023	30 June 2022
Net cash flow from operating activities	(3,637)	2,308
Net cash flow from investment activities	(3,477)	(2,062)
Net cash flow from financing activities	6,754	(328)
<b>CHANGE IN CASH FLOW</b>	<b>(359)</b>	<b>(81)</b>
Exchange rate losses	(18)	38
<b>CASH and equivalent at BEGINNING OF YEAR</b>	<b>378</b>	<b>421</b>
<b>CASH and equivalent at END OF YEAR</b>	<b>-</b>	<b>378</b>

## Note 22. Capital and reserves

The share capital is €480,208, divided into 48,020,841 shares, each with a nominal value of one euro cent, all fully paid up.

## Note 23. Borrowings

This note provides details on the contractual terms of the Group's borrowings that carry interest, and which are valued at amortised cost.

### ANALYSIS OF DEBT BY TYPE

(in thousands of euros)	30 June 2023		30 June 2022	
	Non-current	Current	Non-current	Current
<i>Convertible debenture loans</i>				
<i>Unitranche bond</i>	69,480		105,899	
<i>Accrued interest on Unitranche bond</i>	-	21	-	21
<i>Borrowings with credit institutions</i>	19,632	7,817	15,608	7,065
<i>Lease debt</i>	6,111	3,056	5,828	3,803
<b>Total</b>	<b>95,225</b>	<b>10,893</b>	<b>127,335</b>	<b>10,889</b>

As at 30 June 2023, the fair value of interest rate hedging instruments totalled €(479)K before deferred tax, or €(359)K after deferred tax, recognised as a liability (derivative), with an offset to equity.

As part of the change of control of Amplitude Surgical, on 10 November 2020, the Company issued a €110 million bond subscribed by Tikehau.

The maturity of this bond is seven years. Its interest rate is: 3-month Euribor (floor at 0) plus 7.00%, subject to a margin adjustment depending on the leverage ratio. The margin can vary from 6.00% for a leverage ratio of up to 3.5 times to 7.00% for a leverage ratio of over 5 times, with intermediate adjustments every 0.25% for intermediate leverage ratios.

Amplitude Surgical has a capitalisation option of up to 2% of the cash margin subject to the payment of a 0.25% premium on margin conversion.

### COVENANT

The Group has undertaken in respect of the new Unitranche debt to comply with a predetermined annual leverage ratio equal to total net debt (excluding debt issuance costs) divided by consolidated EBITDA restated for the negative EBITDA of loss-making subsidiaries up to a limit of €1 million. As at 30 June 2023, this ratio stood at 2.76 for a maximum ratio pursuant to the Unitranche documentation at 6.80.

## Note 24. Bank overdrafts and factoring

(in thousands of euros)	30 June 2023	30 June 2022
<i>Factoring financial debt*</i>	335	836
<i>Daily cash advances</i>		
<i>Bank borrowings</i>	26	24
<b>Total</b>	<b>361</b>	<b>859</b>

\* Within the IFRS consolidated financial statements, the Group offset the following items:

- Financial debt in relation to factoring (entirety of the portfolio of receivables factored).
- Factoring in progress (available for use by the company).
- Reserve accounts and guarantee funds.

This presentation makes it possible to show a debt to the factor in the IFRS consolidated balance sheet for the amount of only the withdrawals made by the Group from the current account opened in the factor's books.

As at 30 June 2022, the Factor debt amounted to €1,769K and the receivable amounted to €933K, i.e. a net receivable of €836K recognised under the item “*Bank overdrafts and Factoring*”.

As at 30 June 2022, the Factor debt amounted to €1,403K and the receivable amounted to €1,068K, i.e. a net receivable of €335K recognised under the item “*Bank overdrafts and Factoring*”.

On 25 June 2016, the factoring agreement was amended rendering it deconsolidating, given the quality of the customer portfolio. As at 30 June 2022, the outstanding factoring balance not reported as financial debt amounted to €9,183K compared to €10,098K as at 30 June 2023. This amount is recognised less trade receivables.

## Note 25. Derivatives

The Group subscribes to swap type interest rate hedging instruments. The aim of these is to protect the Amplitude Surgical Group from the interest rate increases to which it is exposed through its financing.

The nominal amount of derivatives qualified as cash flow hedges, within the meaning of IAS 39, totalled €112 million as at 30 June 2023 and €57 million as at 30 June 2022.

The fair value of derivatives is recognised as a balance sheet liability under the heading “Derivatives”. For the derivatives qualified as hedges under IFRS:

- The consideration for the efficient portion of the change in the fair value of derivatives intended to hedge future periods is recognised in equity (“Other comprehensive income”).
- Changes in fair value of the time value of options, and the inefficient portion of hedging relationships are included in profit and loss.

For derivative instruments not intended as hedging instruments, changes in the value of the derivatives are included in profit and loss.

(in thousands of euros)	30 June 2023		30 June 2022	
	Assets	Liabilities	Assets	Liabilities
<i>Interest rate derivatives (fair value)</i>		(4)		37
<i>Non-hedging derivatives</i>				
<b>Total</b>		<b>(4)</b>		<b>37</b>

## Note 26. Provisions for risks and expenses

### CLOSING BALANCE

(in thousands of euros)	30 June 2023	30 June 2022
<b>Provisions for non-current risks and expenses</b>	<b>15,221</b>	<b>16,658</b>
<i>Dispute, DM promotion tax</i>	14,684	16,088
<i>Dispute, buyback of Amplitude Australia shares</i>		
<i>Employees benefits</i>	537	570

<b>Provisions for current risks and expenses</b>	<b>281</b>	<b>244</b>
<i>Provisions for litigation</i>	81	55
<i>Other current provisions</i>	200	189
<b>Total</b>	<b>15,502</b>	<b>16,902</b>

## CHANGES DURING THE FINANCIAL YEAR

(in thousands of euros)

<b>Value as at 30 June 2021</b>	<b>15,272</b>
<i>Allowances</i>	2,145
<i>Reversals used</i>	(321)
<i>Reversals not used</i>	
<i>IFRS 5</i>	(51)
<i>Actuarial adjustments</i>	
<i>Others</i>	(143)
<b>Value as at 30 June 2022</b>	<b>16,902</b>
<i>Allowances</i>	2,350
<i>Reversals used</i>	(3,752)
<i>Reversals not used</i>	
<i>IFRS 5</i>	
<i>Actuarial adjustments</i>	
<i>Others</i>	3
<b>Value as at 30 June 2023</b>	<b>15,502</b>

### PROVISION FOR RETIREMENT TERMINATION PAYMENT

The total amount of all benefits conferred on employees in the form of retirement termination payments, and, assuming that the Company will still exist at the retirement age of the employees, was €570K inclusive of social security contributions as at 30 June 2022.

This amount is fully recognised in provisions for risk and expenses.

The annual rate of salary increase used is 1.50% and the discount rate is 3.90%.

### PROVISIONS FOR RISK

Provisions are recognised during the financial year to cover business and commercial risks, or risks associated with ongoing legal disputes, based on management's analysis of the cases:

#### DISPUTE – MEDICAL DEVICE PROMOTION TAX

Since 7 November 2013, the Group has been involved in a dispute with the URSSAF in relation to an assessment for contributions relating to the years 2006, 2007 and 2008, under Articles L.245-5-1 and L.245-5-2 of the French Social Security Code.

Following the decisions of the *Cour de Cassation* of 29 November 2018, the *Tribunal de Grande Instance* (social division) of Valence of 10 October 2019 and the Court of Appeal of Grenoble of 29 October 2019, and URSSAF's letter of 7 November 2019 indicating its decision not to lodge an appeal or an appeal in respect of this dispute, Amplitude Surgical had won its case against URSSAF for the period up to 30 June 2014.

The accounting consequence of this decision in the financial statements for the 2019/2020 financial year was a partial reversal of the provision of €8.6 million, for a total provision at 30 June 2020 of €12.2 million.

With respect to the third litigation still open following the €5.7 million adjustment for the period from 1 July 2014 to 30 June 2017, Amplitude had applied to the Valence Court of Justice to have the

adjustment cancelled. By decision dated 3 November 2020, notified on 2 December 2020, the Valence Court dismissed Amplitude SAS's request to cancel the adjustment. Amplitude had decided to appeal this decision. On 27 January 2022, the Grenoble Court of Appeal dismissed Amplitude SAS's request to cancel the tax on the promotion of medical devices for the period from 1 July 2014 to 30 June 2017. To file an appeal, the company had to find a payment agreement with URSSAF concerning the third dispute. The schedule provides for payment to be spread over 18 months, with the first payment occurring in July 2022.

On 21 September 2021, the Group received a letter of observation from URSSAF following a fourth audit on the tax on the promotion of medical devices for the period from 1 July 2017 to 30 June 2020. This observation letter would lead to a reminder of contributions of €5.5 million, an amount already provisioned in the Group's financial statements in previous financial years. Amplitude SAS referred the matter to the *Commission de Recours à l'Amiable* (CRA) of URSSAF. By decision of 18 July 2022, the CRA rejected the challenge. Amplitude SAS brought proceedings before the Court of Justice of Valence.

The oral hearing was held on 16 May 2023. In a decision dated 11 July 2023, the court rejected Amplitude SAS's arguments, confirmed the adjustment and ordered the Company to pay the sum of €5,881K to URSSAF Rhône Alpes, including €5,461K in principal in respect of the contribution under Articles L.245-5-1 and L.245-5-2 of the French Social Security Code and €420K in late payment surcharges. Amplitude SAS appealed this decision.

As the dispute has not been definitively settled, the Company continues to provision for future additions for the period from 1 July 2014 on the basis of the method used by the Administration in its adjustment, for as long as the litigation remains before the courts.

The additional provision in this respect amounts to €2.2 million for the 2022–2023 financial year. In addition, there was a reversal of €3.6 million (corresponding to a payment made in connection with this dispute). As a result, the provision as at 30 June 2023 amounted to €14.7 million.

### *Note 27. Trade and other payables*

Other non-current liabilities (more than one year)

<b>(in thousands of euros)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
<i>Non-current asset suppliers</i>	16,707	17,332
<i>Share of SNC losses</i>	0	0
<b>Total</b>	<b>16,707</b>	<b>17,332</b>

Other current liabilities (less than one year)

<b>(in thousands of euros)</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
<i>Trade payables</i>	15,460	11,368
<i>Tax payables (excluding income tax)</i>	1,444	1,365
<i>Social security liabilities</i>	6,301	5,393
<i>Non-current asset suppliers</i>	3,516	2,366
<i>Deferred revenue</i>	93	-
<i>Current accounts outside the group</i>	(0)	(0)
<i>Other current liabilities</i>	2,382	2,202
<b>Total</b>	<b>29,195</b>	<b>22,693</b>

As indicated in Note 3.5, patents and licences gave rise to the recognition of an intangible asset. The gross value of these non-current assets corresponds to the estimated value of the royalties on the date the patent was acquired or the licence was signed by Amplitude SAS, with an offset corresponding to a

liability, broken down into other non-current and other current liabilities, in favour of the seller of the invention or the licensors.

For trade payables, the Company has determined that amortised cost constituted a reasonable estimation of their fair value.

### *Note 28. Related-party transactions*

No transaction between the Group and related parties was carried out during the period.

### *Note 29. Off-balance sheet commitments*

#### **FINANCIAL COMMITMENTS GIVEN**

In respect of a Unitranche debt:

- Pledging of Share accounts.
- Pledging of bank accounts.
- Pledging of receivables.

For loans granted by BPI France: withholding of €400,000 as guarantee.

#### **FINANCIAL COMMITMENTS RECEIVED**

As part of the implementation of the new €110 million bond, the Group had an additional €30 million of Capex financing available for drawdown over a three-year period, the availability of which is subject to the Group's leverage ratio.

This line was cancelled at the Group's request as at 30 September 2022.

### *Note 30. Group entities*

Company and legal structure	SIREN No.	Registered office	Methods of consolidation applied	% control 30/06/2023	% control 30/06/2022
<i>Amplitude Surgical (ex Orthofin 1)</i>	533,149,688	France	Parent company	<b>Parent company</b>	<b>Parent company</b>
<i>Amplitude</i>	414,448,464	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude GmbH</i>	NA	Germany	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Australia Pty</i>	NA	Australia	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Brésil</i>	NA	Brazil	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Suisse</i>	NA	Switzerland	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Benelux</i>	NA	Belgium	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Novastep*</i>	752,292,797	France	Full consolidation	<b>/</b>	<b>68.0%</b>
<i>Novastep Inc.*</i>	NA	United States	Full consolidation	<b>/</b>	<b>85.0%</b>
<i>Amplitude South Africa</i>	NA	South Africa	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Sofab Orthopédie SAS</i>	822,921,383	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Corp.</i>	NA	United States	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Duotech</i>	488,772,763	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude IDF</i>	447,869,496	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Sud</i>	843,256,322	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>SCI Les Tilleuls</i>	439,216,748	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>Amplitude Nord</i>	882,949,977	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>
<i>SCI Sofab Falla</i>	908,379,480	France	Full consolidation	<b>100.0%</b>	<b>100.0%</b>

\* *Novastep and Novastep Inc. were disposed of in June 2023 and had been fully consolidated as at 30 June 2022.*



## Note 31. Events after the reporting period

On 1 July 2023, Sofab was absorbed by Amplitude SAS.

On 12 July 2023, the Group took delivery of the industrial building owned by SCI Sofab Falla, which will house all the industrial activities previously carried out by Sofab Orthopédie.

## Note 32. Potential liabilities

No contingent liabilities had been identified as at 30 June 2023.

## Note 33. Environmental risks

The Group takes care to analyse the evolution of regulations and laws relating to environmental protection and does not anticipate any significant impact on the Group's business activity, financial position, results or assets in the future.

## Note 34. Statutory Auditors' fees

<i>In euros</i>	<b>Deloitte</b> <b>30 June</b> <b>2023</b>	<b>Mazars</b> <b>30 June</b> <b>2023</b>
<b>Statutory audit, certification, review of individual and consolidated financial statements</b>		
<i>Issuer</i>	74,000	76,000
<i>Subsidiaries</i>	73,231	80,139
<b>Subtotal<sup>(1)</sup></b>	<b>147,231</b>	<b>156,139</b>
<b>Services other than certification of financial statements (SACC) as required by law</b>		
<i>Issuer</i>	5,000	5,000
<i>Subsidiaries</i>		
<b>Subtotal<sup>(2)</sup></b>	<b>5,000</b>	<b>5,000</b>
<b>Other SACC</b>		
<i>Issuer</i>	600	600
<i>Subsidiaries</i>		
<b>Subtotal<sup>(3)</sup></b>	<b>600</b>	<b>600</b>
<b>TOTAL</b>	<b>152,831</b>	<b>161,739</b>

## **6.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

To the General Meeting of AMPLITUDE SURGICAL,

### **Opinion**

In performance of the assignment entrusted to us by your General Meetings, we have audited the attached consolidated financial statements of Amplitude Surgical for the financial year ended 30 June 2023.

We hereby certify that the consolidated financial statements, in accordance with the IFRS standards as adopted by the European Union, give a true and fair view of the results of operations for the past financial year and of the financial position and assets and liabilities at the end of the financial year of all persons and entities included in the scope of consolidation.

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

### **Basis of Opinion**

#### *Audit standards*

We have conducted our audit in accordance with professional standards applicable in France. We believe that the information we have gathered is sufficient and appropriate to form our opinion.

Our responsibilities under these standards are set out in the “Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements” section of this report.

#### *Independence*

We have carried out our audit assignment in compliance with the independence rules, pursuant to the French Commercial Code and the Code of Ethics of the statutory auditing profession over the period from 1 July 2022 to the date of issue of our report, and in particular we have not provided services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

### **Justification of assessments – Key audit points**

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement, which, in our professional judgement, were the most important for the audit

of the consolidated financial statements for the financial year, as well as the responses we have provided to these risks.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole, and the preparation of our opinion expressed above. We do not express an opinion on individual items in these consolidated financial statements.

***Valuation of goodwill – impairment tests*** (Notes 3.4 and 17 to the consolidated financial statements)

**Risk identified**

As part of its creation and development, the Group carried out targeted external growth transactions, and therefore recognised several goodwill items. This goodwill, which corresponds to the difference between the price paid and the fair value of the assets and liabilities at the acquisition date, had been allocated to two cash-generating units (CGUs), defined according to the internal organisation of the Group, i.e. the Hips and Knees CGU and the Extremities CGU (the CGUs had been revised in the 2020/2021 financial year).

On 28 June 2023, the Group disposed of its Extremities business activity, removing €0.1 million of goodwill from the balance sheet. As at 30 June 2023, the Group had only one Hips and Knees CGU.

At each financial year, the management ensures that the carrying amount of these goodwill items, shown in the balance sheet for an amount of €95.7 million, is not higher than their recoverable amount and does not present any impairment risk.

The methods used to test for impairment and the details of the assumptions used are described in Note 17 to the consolidated financial statements. The recoverable amount was determined by reference to the value in use calculated on the basis of the discounted value of the expected cash flows of the groups of assets that made up the two CGUs to which the goodwills are allocated.

The determination of the recoverable amount of the goodwill, which represents a significant amount with regard to the Group's balance sheet, requires significant judgement on the part of management, particularly with regard to the growth rate used for cash flow projections and the discount rate applied to them. We therefore considered the measurement of goodwill as a key point of the audit.

**Our response**

We have reviewed the Company's methodology for compliance with current accounting standards.

We have also carried out a critical review of the methods of implementing this methodology and verified in particular:

- the comprehensiveness of the items composing the carrying amount of the Hips and Knees CGU by reconciling them with the consolidated financial statements and the consistency of

- the determination of this value with the way in which cash flow projections have been determined for value in use;
- the consistency of cash flow projections with the economic and financial environment and the reliability of the estimation process by examining the causes of differences between forecasts and actuals for the financial year;
  - the consistency of these cash flow projections with management's latest estimates, as presented to the Board of Directors as part of the budget process;
  - the consistency of the growth rate used for projected flows with market analyses and the consensus of the main players;
  - the calculation of the discount rate applied to the estimated cash flows of the business activity by verifying that the various discount parameters composing the weighted average cost of capital of the CGU made it possible to approximate the reference rate for this CGU. We have relied on our valuation experts;
  - the calculation and appropriateness of the sensitivity test on value in use, carried out by management to a change in the main assumptions used.

***Valuation of work-in-progress and finished goods inventories*** (Notes 3.8 and 19 to the consolidated financial statements)

***Risk identified***

The Group's inventories are shown in the consolidated balance sheet as at 30 June 2023 for a gross amount of €40.3 million, with an impairment charge of €2.3 million. They consist mainly of outstanding amounts and intermediate and finished products, valued at cost of production and impaired based on historical sales (see Notes 3.8 and 19 to the consolidated financial statements).

Due to the nature of the business activity, the Group provides hospitals and clinics with surgical prostheses of different sizes (this is a regulatory obligation) that can lead to long rotation cycles for atypical sizes.

The company's impairment rules are based on rotation criteria and whether or not the finished implants can be resterilised. Assessing the percentage of impairment based on the number of months of sales in inventory requires the Company's judgement.

There is therefore a risk that the net realisable value of certain references, corresponding to the sales price expected by the Group, may be lower than their manufacturing cost and therefore a risk of overvaluation of inventories of intermediate and finished products.

The assessment of whether finished implants can be resterilised or not may evolve, particularly in response to changes in quality standards.

We considered this subject as a key point of the audit because any provisions arising from it are, by essence, dependent on assumptions, estimates or assessments made by the Group's management.

#### Our response

Our work consisted in assessing the data and assumptions used by management to determine the net realisable value and thus identify the items that should be recorded at this value.

We have:

- reviewed the internal control procedures in place to identify slow-moving or time-limited items;
- recalculated the inventory impairment through group assumptions;
- analysed the latter's sensitivity using different scenarios;
- reviewed the year-on-year change in negative margin ratios by geographical region.

#### **Specific audits**

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by law and regulations of information relating to the Group, as provided for in the Board of Directors' management report.

We have no comment to make on their fair presentation and consistency with the consolidated financial statements.

#### **Other verifications or information required by law and regulations**

##### ***Format of the consolidated financial statements to be included in the annual financial report***

In accordance with professional standards for the statutory auditors' work relating to the annual and consolidated financial statements presented in the European Single Electronic Format, we have also verified compliance with this format defined by the European delegated regulation no. 2019/815 of 17 December 2018 in the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer. With regard to consolidated financial statements, our procedures include verifying that the mark-up of these financial statements complies with the format defined by the aforementioned regulation.

Based on our work, 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 single European electronic reporting format.

Given the technical limitations of macro-tagging, which is required by the European Single Electronic Format for consolidated financial statements, the content of certain tags in the notes may not be rendered identically to the consolidated financial statements attached to this report.

Furthermore, it is not our responsibility to verify that the consolidated financial statements that will be included by your Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

### ***Appointment of the statutory auditors***

We have been appointed statutory auditors of AMPLITUDE SURGICAL by the General Meeting of 21 December 2011 for MAZARS and 9 December 2015 for DELOITTE & ASSOCIÉS.

As at 30 June 2023, MAZARS was in the 12th year of continuous engagement and DELOITTE & ASSOCIÉS in the eighth year, including nine and eight years respectively since the Company's shares were admitted to trading on a regulated market.

### **Responsibilities of the Management and persons representing corporate governance with respect to the consolidated financial statements**

It is the responsibility of the Management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union, and to put in place such internal control as it deems necessary for the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing in these financial statements, if applicable, the necessary information relating to the going concern and for applying the going concern accounting policy, unless it is planned to liquidate the Company or 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, internal audit with respect to the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

### **Statutory auditors' responsibilities relating to the audit of the consolidated financial statements**

#### ***Audit objective and approach***

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from

any material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will always detect any material misstatement. Abnormalities can be fraudulent or error-related and are considered material when they can reasonably be expected to influence, either individually or cumulatively, the economic decisions that account users make based on them.

As specified by Article L.823-10-1 of the French Commercial Code, our audit mission is not to guarantee the viability or quality of your company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises his professional judgement throughout the audit. Furthermore:

- it identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, defines and implements audit procedures to address these risks, and collects information that it considers sufficient and appropriate to base its opinion upon. The risk of undetected material misstatement arising from fraud is greater than the risk of undetected material misstatement resulting from an error, as fraud may involve collusion, forgery, wilful omission, misrepresentation or circumvention of internal control;
- it takes into consideration the internal control procedures that are relevant to the audit in order to define audit procedures that are appropriate in the circumstances, and not to express an opinion on the effectiveness of internal control;
- it assesses the appropriateness of the accounting practices used and the reasonableness of the accounting estimates made by the Management, as well as the information provided in the consolidated financial statements;
- it assesses the appropriateness of Management's application of the going concern accounting policy and, depending on the information collected, whether or not there is significant uncertainty related to events or circumstances that could affect the Company's ability to continue as a going concern. This assessment is based on the information collected up to the date of its report, although it should be kept in mind that future circumstances or events could affect the ability to continue as a going concern. If it concludes that there is significant uncertainty, it draws the attention of the readers of its report to the information provided in the consolidated financial statements about such uncertainty or, if such information is not provided or is not relevant, it issues a qualified certification or a refusal to certify;
- it assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events in such a way

as to give a true and fair view;

- with regard to the financial information of the persons or entities included in the consolidation scope, it collects information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and conduct of the audit of the consolidated financial statements and the opinion expressed thereon.

### ***Report to the Audit Committee***

We submit a report to the Audit Committee, which includes the scope of the audit work and the work programme implemented, as well as the conclusions resulting from our work. We also bring to its attention, where appropriate, any material weaknesses in internal control that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we believe to have been the most significant for the audit of the consolidated financial statements for the year and which are therefore the key points of the audit. These points are described in this report.

We also provide the Audit Committee with the declaration required by Article 6 of (EU) Regulation No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the auditing profession. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Lyon, 18 October 2023

The Statutory Auditors

**MAZARS**

Séverine HERVET

**DELOITTE & ASSOCIÉS**

Jean-Marie LE JÉLOUX



## CHAPTER 7 ANNUAL FINANCIAL STATEMENTS

### 7.1 ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

#### 7.1.1 Balance sheet

<b>Assets</b>		At 30/06/2023			At 30/06/2022	
		Gross Amount	Depr. or Allow.	Net amount		
Uncalled subscribed capital						
<b>Fixed assets</b>	<b>Intangible fixed assets</b>	Start up costs				
		Research and development costs				
		Franchises, patents and similar assets				
		Goodwill				
		Other intangible fixed assets				
		Intangible assets in progress				
		Advance payments on intangible fixed assets				
	<b>TOTAL</b>					
	<b>Tangible fixed assets</b>	Land				
		Buildings				
Industrial fixtures and equipment						
Other tangible fixed assets						
Tangible fixed assets in progress						
Advance payments on tangible fixed assets						
<b>TOTAL</b>						
<b>Financial fixed assets</b>	Investments measured using the equity method					
	Other investments	110 634 867		110 634 867	110 634 779	
	Loans to group and related companies					
	Investments held in portfolio for the long term					
	Other investments					
	Loans					
Other financial assets	22 800 341		22 800 341	21 637 913		
<b>TOTAL</b>	<b>133 435 208</b>		<b>133 435 208</b>	<b>132 272 693</b>		
<b>Total fixed assets</b>		<b>133 435 208</b>		<b>133 435 208</b>	<b>132 272 693</b>	
<b>Current assets</b>	<b>Inventories</b>	Raw materials and supplies				
		Work in progress (goods)				
		Work in progress (services)				
		Finished goods and by-production				
		Merchandise				
	<b>TOTAL</b>					
	Advances to suppliers					
	<b>Receivables</b>	Trade accounts receivable	18 412 927		18 412 927	2 163
		Other receivables				62 825 523
		Unpaid called capital				
<b>TOTAL</b>	<b>18 412 927</b>		<b>18 412 927</b>	<b>62 827 686</b>		
<b>Other</b>	Marketable securities (of which own shares : )	304 400		304 400	278 238	
	Cash instruments					
	Available funds	40 958		40 958	616 264	
<b>TOTAL</b>	<b>345 359</b>		<b>345 359</b>	<b>894 502</b>		
Prepaid expenses		358 859		358 859	71 887	
<b>Total current assets</b>		<b>19 117 146</b>		<b>19 117 146</b>	<b>63 794 077</b>	
Deferred charges		1 749 287		1 749 287	3 262 177	
Premiums on redemption of borrowings						
Exchange rate differences assets						
<b>TOTAL ASSETS</b>		<b>154 301 643</b>		<b>154 301 643</b>	<b>199 328 948</b>	

<b>Liabilities</b>		At 30/06/2023	At 30/06/2022	
<b>Shareholder's funds</b>	Share capital (of which paid up : 480 208 )	480 208	480 208	
	Share premiums (mergers, contributions)	144 531 276	144 531 276	
	Revaluation variance			
	Equity reserve			
	Reserves			
	Legal reserves	46 929	46 929	
	Statutory reserves			
	Tax regulated reserves			
	Other reserves			
	Profit and loss account brought forward	-58 593 569	-51 731 474	
	Previous results not yet allotted			
Result for the financial year (profit or loss)	-6 132 291	-6 862 095		
Net worth before allocation	<b>80 332 554</b>	<b>86 464 845</b>		
Investment grants				
Special provision for tax purposes				
	<b>Total</b>	<b>80 332 554</b>	<b>86 464 845</b>	
<b>Other funds</b>	Subordinated equity			
	Advances subject to covenants			
	<b>Total</b>			
<b>Provisions</b>	Provisions for risks			
	Provisions for future costs	110 648	100 090	
	<b>Total</b>	<b>110 648</b>	<b>100 090</b>	
<b>Liabilities</b>	<b>Financial liabilities</b>			
	Convertible debenture loans			
	Other debenture loans			
	Borrowing from credit institution	2 725	3 511	
	Other borrowings	72 529 982	110 021 388	
		<b>Total</b>	<b>72 532 707</b>	<b>110 024 900</b>
	Advances received on orders			
	Trade accounts payable and related liabilities	284 365	255 448	
	Taxes and social debts	1 040 564	966 716	
	Liabilities related to fixed assets			
Other debts	802	1 516 947		
Cash instruments				
	<b>Total</b>	<b>1 325 732</b>	<b>2 739 111</b>	
Deferred income				
	<b>Total liabilities and income recorded in advance</b>	<b>73 858 440</b>	<b>112 764 012</b>	
Exchange rate differences liabilities				
	<b>TOTAL LIABILITIES</b>	<b>154 301 643</b>	<b>199 328 948</b>	
Leasing for buildings				
Leasing for other equipment				
Non expired discounted notes receivable				

## 7.1.2 Income statement

		France	Export	From 01/07/2022 At 30/06/2023 12 months	From 01/07/2021 At 30/06/2022 12 months
Operating income	Sales of purchased goods				
	Sales of manufactured goods				
	Sales of services	2 299 724		2 299 724	2 146 093
	Net sales	<b>2 299 724</b>		<b>2 299 724</b>	<b>2 146 093</b>
	Changes in stock of manufactured goods and work in progress				
	Production of fixed assets capitalised				
	Partial profits on long term contracts				
	Trading incentive grants				
	Write-back of depreciation, provisions and transferred charges			126 616	44 419
	Other income			3	5
	Total			<b>2 426 343</b>	<b>2 190 518</b>
Operating expenses	Goods Purchases Changes in inventory				
	Raw materials and other supplies Purchases Changes in inventory				
	Other purchases and expenses			1 192 663	678 124
	Taxes			50 210	52 760
	Wages and salaries			1 134 496	1 147 417
	Social security charges			555 235	484 663
	Depreciation and Provisions - on fixed assets - on current assets: provisions - for risks and future costs: provisions			1 512 889	608 428
	Other expenses			10 557	7 078
				8 022	8 029
		Total			<b>4 464 076</b>
	Operating result	A		<b>-2 037 732</b>	<b>-795 984</b>
Joint venture oper.	Profit attributed or loss transferred	B			
	Loss attributed or profit transferred	C			
Financial income	From shares in group companies			1 746 715	494 003
	From other investments			1 162 427	741 529
	Interests and similar incomes			911 842	
	Write-back of provisions and transferred charges				
	Exchange gain				
	Net profit on disposals of current financial investments			51 869	64 097
	Total			<b>3 872 855</b>	<b>1 299 630</b>
Financial expenses	Increase of provisions against financial assets			9 840 091	8 123 337
	Interests payable and similar charges				
	Exchange loss				
	Net losses on disposals of current financial investments			25 707	1 656
	Total			<b>9 865 798</b>	<b>8 124 994</b>
	Net financial result	D		<b>-5 992 943</b>	<b>-6 825 364</b>
	RESULT OF ORDINARY OPERATIONS BEFORE CORPORATE TAX ON PROFIT (±A+B-C±D)	E		<b>-8 030 676</b>	<b>-7 621 348</b>
Exceptional income	On operating items				
	On capital items				
	Write-back of provisions and transferred charges				
	Total				
Exceptional expenses	On operating items				-1 661
	On capital items				
	Depreciation and provisions				
	Total				<b>-1 661</b>
	Net exceptional result	F			<b>1 661</b>
	Employees' profit sharing plan	G			
	Corporate tax on profit	H		-1 898 385	-757 592
	PROFIT OR LOSS (± E ± F - G - H)			<b>-6 132 291</b>	<b>-6 862 095</b>

## 7.1.3 Notes

### 7.1.3.1 Significant events

#### **Significant events during the financial year**

Partial repayment of the TIKEHAU loan:

At the end of the financial year, Amplitude Surgical partially repaid €37.5 million on the Tikehau loan taken out on 10 November 2020, at the time of the refinancing transaction (transfer of control from Apax to Auroralux).

In addition, €2.5 million was repaid in capitalised interest.

#### **Events after the reporting period**

Nil

#### **Accounting principles, rules and policies**

The financial statements for the financial year ended 30 June 2023 have been prepared in accordance with the rules of the French Authority of Accounting Standards (*Autorité des Normes Comptables*) No. 2016-07 of 4 November 2016, updated with the various supplementary regulations at the date of preparation of the said annual financial statements.

General accounting conventions on the principle of prudence have been applied, on the basis of the following assumptions:

- going concern;
- consistency of accounting principles in each financial year;
- independence of financial years;

and in compliance with the general accounting principles governing the preparation and presentation of financial statements.

All items within the financial statements are valued using the historical cost convention.

The main principles used were as follows:

#### ***Loan issuance expenses***

With regard to loan issuance costs, the Company opted to spread these across the lifetime of the loans. These costs were first recognised as banking expenses. In terms of accounting treatment, they were entered in the balance sheet account for loan issue costs and then amortised on a straight-line basis over the term of the loans.

#### ***Provisions for risks and expenses***

These were made in accordance with the opinion of the CNC published on 20 April 2000:

- “a provision is a liability, the amount and due date of which are unspecified;
- a liability is an element of a company's asset base which has a negative economic impact on the company, namely an obligation on the part of the company with respect to a third party where there is the likelihood or certainty that it will result in an

outflow of funds to that third party, with no corresponding consideration expected from them”.

### ***Equity securities***

The gross value of equity investments is, on the one hand, their purchase price, if they are purchased for a consideration, or the market value if they are contributed in kind and, on the other hand, any directly attributable costs (such as the following costs: transfer, deed, and other fees, and commissions). For tax purposes, the acquisition cost of investments were amortised over five years starting from the date of acquisition, using a special depreciation method.

If there is an indication of impairment, and at least once a year, an impairment test is carried out. The value of the equity investments is then calculated, as necessary, on the basis of a number of different criteria, using the following valuation methods: the discounting of projected available cash flows, the financial ratios of comparable companies, and the comparable transactions methods.

Where the calculated value was lower than the gross value, an impairment provision was made for the difference.

### ***Receivables and payables***

Receivables and payables were valued at their nominal value. Receivables were impaired using a provision where the value was lower than the carrying amount.

### ***Change in accounting policies***

There were no changes in accounting policies during the financial year.

#### *7.1.3.2 Information relating to the balance sheet*

##### *i. Assets*

### **Intangible assets – Principal changes**

<b>(in thousands of euros)</b>	<b>30 June 2021</b>	<b>Purchases/ (net allocations)</b>	<b>(Disposals)/reversals on disposals/transfers</b>	<b>30 June 2022</b>
Concessions and patents				
Goodwill				
Research and development costs				
Other intangible fixed assets				
Intangible assets in progress				
<b>Gross values</b>				
Concessions and patents				
Goodwill				

***Nil***

Other intangible assets and development costs				
<b>Depreciation, amortisation and impairment</b>				
<b>NET VALUES</b>				<b>0</b>

### Set-up costs

These costs include: Nil.

### Research and development costs

These costs include: None.

### Goodwill – Merger losses

In euros

### Depreciation and amortisation for impairment

Type of non-current asset	Method	Duration
Formation costs	<b><i>Nil</i></b>	<b><i>Nil</i></b>
Set-up costs		
Capital increase costs		
Research and development expenses		
Tenancy rights		
Goodwill		
Software		

### Property, plant and equipment – Principal changes

The main investments undertaken during the course of the financial year were:

Type of non-current asset	Totals	
	Direct investments	Finance lease
Transport equipment	<b><i>Nil</i></b>	<b><i>Nil</i></b>
Office materials		
<b>Total</b>		<b>0</b>

### Property, plant and equipment – Depreciation and amortisation for impairment

Type of non-current asset	Method	Duration
Buildings	<b><i>Nil</i></b>	
Materials and tools		
General facilities		
Transport equipment		
Office materials		
Office furniture		

## List of subsidiaries and equity investments

In euros

Company	Shareholders' funds	Capital held	Net carrying amount of investments	Revenue excluding tax from past financial year ended	Profit (loss) from last financial year	Dividends received during the financial year
Amplitude SAS	51,853,320	100%	25,075,265	88,498,898	40,057,682	0
Technical loss on Amplitude SAS			85,458,545			
SCI Les Tilleuls	258,027	99.35%	100,928	987,221	236,282	234,741 <sup>(1)</sup>
Amplitude Latam		0.01%	28.63			

(1) Allocation of SCI Les Tilleuls profit (loss) to Amplitude Surgical.

Details of technical loss on Amplitude SAS shares

Absorbed company	Merger losses
	Profit (loss)
AEM Médical	19,474,878
Amplitude Group	14,679,080
Orthofin II	8,518,356
Orthomanagement	1,069
<b>Merger losses from absorbed companies</b>	
Amplitude cadre	949,877
Financière Prothée	182,435
Amplitude Finance	41,652,851
<b>TOTAL</b>	<b>85,458,545</b>

These mergers were carried out as part of the Group's legal restructuring under the terms of the treaties of 4 May 2015 and amendments of 13 May 2015.

These technical losses resulting from the simplified mergers in favour of Amplitude Surgical were allocated on 1 July 2016 to the Amplitude SAS shares for an amount of €85.5 million.

### Equity securities

The value test (see Section 1.3 of the notes to the financial statements, "Equity investments") confirmed the amount recognised for equity securities, and no provision is required as at 30 June 2023.

## Other financial assets

Under the Group's financial restructuring programme, an intra-group loan totalling €16,405,110 was made between OrthoFin II, absorbed by Amplitude Surgical, and Amplitude SAS. As at 30 June 2023, the loan plus capitalised interest totalled €21,795,425.

This loan plus capitalised interest will be repaid by the borrower on the 8th anniversary of the date it was made (16 September 2014).

Provisioned accrued interest as at 30 June 2023 amounted to €1,004,856.

**Discounted notes not yet due Nil**

**Receivables assigned under guarantee (Daily) Nil**

### Breakdown of assets – categorised by due date

	RECEIVABLES	Gross Amount	Not exceeding 1 year	At more than one year	
NON-CURRENT ASSETS	Receivables from equity interests	-	-	-	
	Loans	-	-	-	
	Other financial assets	22,800,342	-	22,800,342	
CURRENT ASSETS	Doubtful or disputed trade receivables	-	-	-	
	Other trade receivables	-	-	-	
	Receivables for securities loaned or given in guarantee	-	-	-	
	Employee costs	1,516	1,516	-	
	Social security and other social organisations	-	-	-	
	Income tax	State and other public organisations	783,662	783,662	-
		Value Added Tax	59,721	59,721	-
		Other taxes, duties and similar payments	-	-	-
		Miscellaneous	637	637	-
	Group and associates	16,774,551	16,774,551	-	
Sundry debtors	792,840	792,840	-		
Prepaid expenses	358,860	358,860	-		
	<b>TOTAL</b>	<b>41,572,128</b>	<b>18,771,787</b>	<b>22,800,342</b>	



## Accrued income

Interest on the Amplitude loan:	€1,004,856
Interest on shareholders' current accounts:	€1,501,603
State	€637
Miscellaneous accrued income – cap rate guarantee	<u>€263,120</u>
	€2,770,216

## Investment securities

The “Amplitude Surgical SA” investment securities are recognised at their historical cost of €104,421. The liquidating value of the 32,812 investment securities held as at 30 June 2023 at the price of €3.32 is €106,936. This valuation represents an unrealised gain of €4,515. Under the Natixis liquidity contract, the cash position amounts to €199,979.

## Loan issuance expenses

The costs of the loan issued on 10 November 2020 for €110,000,000 amount to €4,259,000. They are amortised over seven years.

Remaining to be amortised as at 30 June 2022	€3,262,177
Amount amortised as at 30 June 2023	-€608,429
Additional allocation for early repayment of loans	<u>-€904,461</u>
	€1,749,287

## Interest rate risk management

In 2021, the Group entered into a cap-type interest rate hedging instrument. The purpose is to protect the Amplitude Surgical Group from rising interest rates to which it is exposed for its unitranche financing.

The cap was taken out for a notional amount of €55 million with a start date of 10/11/2020 and a final maturity date of 10/11/2023. The guaranteed cap rate is 0%.

It was renewed for the same amount on 10 November 2023, with a final maturity date of 10 November 2024.

The guaranteed cap rate is 3%.

### ii. Liabilities

## Statement of changes in equity

In Euros	N-1	+	-	N
Capital	480,208			480,208
Legal reserve	46,930			46,930

Issuance premiums	144,531,276			144,531,276
Retained earnings	(51,731,474)		(6,862,095)	(58,593,569)
Profit (loss)	(6,862,095)	6,862,095	(6,132,291)	(6,132,291)
Regulated provisions	0		0	0
Others				
<b>Total</b>	<b>86,464,845</b>	<b>6,862,095</b>	<b>(12,994,386)</b>	<b>80,332,554</b>

## Capital

Capital is made up of 48,020,841 shares, each with a nominal value of 0.01 euros.

	Capital		Issuance premium in euros
	Number of shares	Capital in euros	
Opening balance	48,020,841	480,208	144,531,276
<b>Closing balance</b>	<b>48,020,841</b>	<b>480,208</b>	<b>144,531,276</b>

## Special tax-based valuations

Negative impacts on profit (loss) and equity during the financial year

— Taxable profit (loss) for the financial year	-	(7,932,059)
— State and other public organisations <sup>(1)</sup>	+	0
— Profit/loss before tax	=	(7,932,059)
— Changes in regulated provisions		0
— Profit (loss) before special tax-based valuations		(7,932,059)

(1) Ordinary rate applicable to the financial year ended

## Provisions for risks and expenses

### Summary of provisions for risks and expenses

In Euros	Amount at the beginning of the financial year	Allowances for the financial year	Reversals used	Reversals not used	Amount at end of financial year
Pension provisions	25,144	3,892			29,036
Tax provisions	74,947	6,667			81,614
<b>Total</b>	<b>100,091</b>	<b>10,559</b>			<b>110,650</b>

## Pension commitments

The amount of rights that would be acquired by employees in respect of the retirement termination payment calculated according to the prospective method – IFRS standard (IFC amendment of 5 November 2021), taking into account a probability of presence in the company at retirement age amounts to €29,035, including social security charges.

The discount rate used is 3.90%.

The rate of salary growth is 1.50% per year.

The social security charge rate is 44%.

The mortality and turnover tables are based on INSEE statistics.

This amount is fully recognised in provisions for risk and expenses.

## Debts – Categorised by maturity date (in euros)

	Gross Amount	Not exceeding 1 year	More than 1 year and not exceeding 5 years	More than 5 years
Convertible debenture loans	-	-	-	-
Other bonds	-	-	-	-
Borrowing from credit institutions				
- Originally up to 1 year max	2,726	2,726	-	-
- Originally more than 1 year	-	-	-	-
Miscellaneous borrowings and financial debt	72,529,982	20,607	72,509,375	-
Trade payables	284,365	284,365	-	-

Employee costs	513,191	513,191	-	-
Social security and other agencies	462,012	462,012	-	-
Income tax	-	-	-	-
VAT	-	-	-	-
Guaranteed bonds	-	-	-	-
Other taxes and levies	65,361	65,361	-	-
Liabilities on non-current assets	-	-	-	-
Group and related companies	-	-	-	-
Other debts	803	803	-	-
Debt securities borrowed or guarantee repaid	-	-	-	-
Deferred revenue	-	-	-	-
<b>TOTAL</b>	<b>73,858,440</b>	<b>1,349,065</b>	<b>72,509,375</b>	<b>-</b>

#### *Bond of 10 November 2020*

As part of the change of control of Amplitude Surgical, the Company issued a €110 million bond on 10 November 2020, underwritten by Tikehau, and repaid in advance €37.5m and €2.5m in capitalised interest.

The maturity of this bond is seven years.

The bonds bear interest at a rate of the EURIBOR rate applicable to the interest period + 7% per annum. The rate of 7% may fall if the leverage ratio is reduced. Given a leverage ratio of 2.76 as at 30 June 2023, the rate will drop to the EURIBOR rate applicable to the interest period +6%.

#### *Banking covenants*

The Group has undertaken in respect of the new Unitranche debt to comply with a predetermined annual leverage ratio equal to total net debt (excluding debt issuance costs) divided by consolidated EBITDA restated for the negative EBITDA of loss-making subsidiaries up to a limit of €1 million.

As at 30 June 2022, this ratio stood at 2.76 for a maximum ratio pursuant to the Unitranche documentation at 76.80.

#### **Expenses payable (in Euros)**

<b>Labels</b>	<b>Total</b>
<b>ACCRUED HOLIDAY</b>	
Holiday provisions	79,579
Provisions for social security expenses	34,919
Tax provisions	-
<b>ACCRUED INTEREST</b>	
Borrowings and similar debt	-

Debt attributable to owners of the parent	-
Debt not attributed to owners of the parent	-
Amounts of affiliated companies	-
Suppliers	-
Shareholders	-
Banks	522
Current bank overdrafts	2,203
<b>OTHER EXPENSES</b>	
Invoices receivable	253,450
Discounts and rebates to be granted, credit notes to be issued	803
employee shareholding	100,060
Employees	324,000
Social security <sup>(1)</sup>	275,760
Other tax expenses	1,814
Miscellaneous	-
<b>TOTAL</b>	<b>1,073,110</b>

(1) Including a provision for employer's charges of 30% of the amount of the free share allocation, i.e. €139,320.

### 7.1.3.3 Information relating to the income statement

#### i. Analysis of revenue

In Euros

	France	Export and European Union	Total
Sales Merchandise			
Production sold			
- Goods			
- Services	2,299,724		2,299,724
Net revenue	2,299,724		2,299,724

#### ii. Expense transfers

- Benefits in kind: €46K

#### iii. Extraordinary profit (loss)

Nil

#### iv. Net finance income (in euros)

SCI Les Tilleuls income	234,741
Interest on Amplitude & Tilleuls current account	1,511,975

Interest on Intra-group loan	1,162,428
Reversal provision financial depreciation	0
Proceeds from disposal of investment securities and income from term accounts	963,711
<b>Total finance income</b>	<b>3,872,855</b>
Bond issuances interests	9,741,213
Interest on BPI advance	23,046
Financing commission	75,833
Expenses on from disposal of investment securities	25,707
<b>Total finance expenses</b>	<b>9,865,798</b>
<b>Net financial result</b>	<b>(5,992,943)</b>

#### 7.1.3.4 Other information

##### i. Details of the parent company (consolidating the financial statements)

From 1 July 2011: Amplitude Surgical SA, 11 Cours Jacques Offenbach, 26000 Valence (France)  
SIREN number: 533149688

The Group is made up as follows:

<b>Company</b>	<b>Registered office</b>	<b>% control</b>
Amplitude Surgical	France	Parent company
Amplitude	France	<b>100%</b>
Amplitude GmbH	Germany	<b>100%</b>
Amplitude Australia Pty	Australia	<b>100%</b>
Amplitude Brésil	Brazil	<b>100%</b>
Amplitude Suisse	Switzerland	<b>100%</b>
Amplitude Benelux	Belgium	<b>100%</b>
Amplitude Orthopedics Corp	USA	<b>100%</b>
Joint Research LTD	Ireland	<b>100%</b>
Amplitude South Africa	South Africa	<b>100%</b>
SCI Les Tilleuls	France	<b>100%</b>
Sofab Orthopédie	France	<b>100%</b>
Amplitude Ile de France	France	<b>100%</b>
Amplitude Sud	France	<b>100%</b>
Duotech	France	<b>100%</b>

Amplitude Nord	France	<b>100%</b>
SCI Sofab Falla	France	<b>100%</b>

Novastep SAS and Novastep Inc. were disposed of on 28 June 2023. Amplitude India was dissolved on 11 August 2022.

*ii. Analysis of headcount as at 30 June 2023*

	Salaried employees	Available employees
Managers	4	
Expert agents and technicians	-	
Employees	-	
Labourers	-	
<b>Total</b>	<b>4</b>	

*iii. Executive's remuneration*

Remuneration of the corporate officers are not included in this note since this information would permit individual remuneration to be identified.

*iv. Loans made to senior executives*

There were no loans made to the company's senior executives during the year.

*v. Breakdown of income tax (IS)*

**In Euros**

	<b>Operating profit (loss)</b>	<b>Extraordinary profit (loss) (and equity interests)</b>
Profit (loss) before tax		
Taxes: - at the rate of 28%	(7,932,059)	0
- contribution 3.3%	0	0
- income tax audit	/	
- research tax credit, apprentices and sponsorships	0	
<b>Profit (loss) after tax</b>	<b>(7,932,059)</b>	<b>0</b>

Method used:

Tax adjustments were made according to their nature in current and extraordinary profit (loss).

In Euros	Profit (loss) before tax	Reintegrations	Deductions	Taxable profit (loss)
Operating profit (loss)	(8,030,676)	110,618	12,000	(7,932,059)
Exceptional	0			0
	- 8,030,676	110,618	12,000	(7,932,059)

*vi. Tax consolidation*

With effect from 29 June 2018, the Company has been in a tax consolidation arrangement with the Group's companies, Amplitude Surgical being the parent company. In accordance with the rules on tax consolidation, the benefit afforded by this arrangement was enjoyed by the parent company.

The companies consolidated are:

- Amplitude
- Amplitude Ile de France
- Duotech
- Amplitude Sud
- Sofab Orthopédie
- Amplitude Nord
- SCI Sofab Falla

Revenue recognised in relation to this arrangement for 2022/2023 totalled €2,253K.

It breaks down into tax savings on subsidiaries:

— Amplitude Ile de France:	€140K
— Duotech:	€100K
— Amplitude:	€1,926K
— Amplitude Sud:	€26K
— Amplitude Nord:	€61K

*vii. Tax losses carried forward*

There were no tax losses carried forward from any of the Group companies.

The Group's tax loss carry-forwards amount to €48,614K as at 30 June 2023.

The net financial expenses that are not deductible at the end of the calculation of the cap on the deduction of financial charges can be carried forward indefinitely to subsequent years. The amount represents €2,634,939 as at 30/06/2023.



viii. *Deferred tax items*

Details of pending items giving tax relief: Nil.

ix. *Commitments already highlighted*

Note No.	Headings
2.1.11	- Discounted notes not yet due
2.1.12	- Receivables assigned - Dailly Act
2.2.5	- Restated
Nil	- Finance lease

x. *Financial commitments*

As part of the issue of a €110,000,000 bond by Amplitude Surgical:

- Pledge of the shares of Amplitude Surgical.
- Senior pledge of the bank accounts relating to the balance of all Amplitude Surgical bank accounts.
- Pledge of receivables between Amplitude Surgical and Amplitude SAS.

**7.2 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

To the General Meeting of AMPLITUDE SURGICAL,

**Opinion**

In performance of the assignment entrusted to us by your General Meetings, we have audited the attached annual financial statements of AMPLITUDE SURGICAL for the financial year ended 30 June 2023.

We hereby certify that the annual financial statements, in accordance with French accounting rules and principles, give a true and fair view of the results of operations for the past financial year and of the financial position and assets and liabilities of the Company at the end of such financial year.

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

**Basis of Opinion**

*Audit standards*

We have conducted our audit in accordance with professional standards applicable in France. We believe that the information we have gathered is sufficient and appropriate to form our opinion.

Our responsibilities under these standards are set out in the “Statutory Auditors’ Responsibilities for the Audit of the Annual Financial Statements” section of this report.

### *Independence*

We have carried out our audit assignment in compliance with the independence rules, pursuant to the French Commercial Code and the Code of Ethics of the statutory auditing profession over the period from 1 July 2022 to the date of issue of our report, and in particular we have not provided services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

### **Justification of assessments – Key audit points**

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement, which, in our professional judgement, were the most important for the audit of the annual financial statements for the year, as well as the responses we have provided to these risks. These assessments were made in the context of the audit of the annual financial statements taken as a whole, and the preparation of our opinion expressed above. We do not express an opinion on individual items in these annual financial statements.

### **Valuation of the equity interests of Amplitude SAS**

#### *Risk identified*

The equity securities, shown in the balance sheet as at 30 June 2023 for a net amount of €110.6 million, including €110.5 million of AMPLITUDE SAS shares as presented in Note 2.1.8 to the annual financial statements, represent one of the largest items of the balance sheet. Equity securities are recorded at their acquisition cost at the acquisition date and impaired on the basis of their value in use.

The value in use is assessed on the basis of a multi-criteria approach incorporating the following valuation methods: discounting method for projected free cash flow, market multiples of comparable companies and comparable transaction methods (see Notes 1.3 and 2.1.9 to the consolidated financial statements).

Estimating the value in use of these securities requires Management's judgement in selecting the items to be considered. We have considered that the correct valuation of equity securities of AMPLITUDE SAS was a key point of the audit.

#### *Our response*

In order to assess the reasonableness of the estimate of the value in use of the equity securities of AMPLITUDE SAS, our work consisted mainly in verifying that the estimate of this value determined by the Management was based on an appropriate justification of the valuation method and the numerical elements used.

We have:

- obtained the cash flow and operating forecasts of AMPLITUDE SAS's business activity prepared by Management, and assessed their consistency with forecast data from the latest strategic plans;
- verified that the assumptions used were consistent with the economic environment at the closing date of the financial statements;
- compared the forecasts used for previous periods with the corresponding achievements in order to assess the achievement of past objectives;

- verified the appropriateness of the information provided in the notes to the annual financial statements.

### **Specific audits**

In accordance with professional standards applicable in France, we have also performed the specific verifications required by the legal and regulatory texts.

*Information provided in the management report and in other documents on the financial position and annual financial statements addressed to shareholders*

We have nothing to report on the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements sent to shareholders.

We certify that the information relating to the payment terms mentioned in Article D.441-6 of the French Commercial Code is accurate and consistent with the financial statements.

### *Corporate Governance Report*

We certify that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

With regard to the information provided in accordance with the provisions of Article L.22-10-9 of the French Commercial Code on remuneration and benefits paid or granted to the Company's corporate officers, as well as on the commitments made in their favour, we have verified their consistency with the financial statements or with the data used to draw up these financial statements and, where applicable, with the information collected by your company from companies controlled by it and included in the scope of consolidation. On the basis of this work, we certify the accuracy and fairness of this information.

Concerning the information relating to the elements that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided in accordance with the provisions of Article L.22-10-11 of the French Commercial Code, we have verified its conformity with the documents from which it was taken and which were communicated to us. On the basis of this work, we have no comments to make on this information.

### *Other information*

In accordance with the law, we have verified that the various disclosures relating to the identity of shareholders and holders of voting rights have been disclosed to you in the management report.

### **Other information required by the legal and regulatory texts**

#### Format of the annual financial statements to be included in the annual financial report

In accordance with professional standards on the statutory auditors' work relating to the annual and consolidated financial statements presented in the single European electronic reporting format, we have also verified compliance with this format defined by the European delegated regulation no. 2019/815 of 17 December 2018 in the presentation of the annual financial statements intended to be included in the annual financial report mentioned in I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer.

On the basis of our work, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the single European electronic reporting format.

It is not our responsibility to verify that the annual financial statements that will be included by your company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

#### *Appointment of the statutory auditors*

We have been appointed statutory auditors of AMPLITUDE SURGICAL by the General Meeting of 21 December 2011 for MAZARS and 9 December 2015 for DELOITTE & ASSOCIÉS.

As at 30 June 2023, MAZARS was in the 12<sup>th</sup> year of continuous engagement and DELOITTE & ASSOCIÉS in the eighth year, including nine and eight years respectively since the Company's shares were admitted to trading on a regulated market.

#### **Responsibilities of the Management and persons representing corporate governance with respect to the annual financial statements**

It is the responsibility of the Management to prepare annual financial statements that present a true and fair view in accordance with the French accounting standards, and to put in place such internal control as it deems necessary for the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing in these financial statements, if applicable, the necessary information relating to the going concern and for applying the going concern accounting policy, unless it is planned to liquidate the Company or 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, internal audit with respect to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

#### **Statutory auditors' responsibilities relating to the audit of the annual financial statements**

##### *Audit objective and approach*

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free from any material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional standards will always detect any material misstatement. Abnormalities can be fraudulent or error-related and are considered material when they can reasonably be expected to influence, either individually or cumulatively, the economic decisions that account users make based on them.

As specified by Article L.823-10-1 of the French Commercial Code, our audit mission is not to guarantee the viability or quality of your company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises his professional judgement throughout the audit. Furthermore:

- it identifies and assesses the risks of material misstatement in the annual financial statements, whether due to fraud or error, defines and implements audit procedures to address these risks, and

collects information that it considers sufficient and appropriate to base its opinion upon. The risk of undetected material misstatement arising from fraud is greater than the risk of undetected material misstatement resulting from an error, as fraud may involve collusion, forgery, wilful omission, misrepresentation or circumvention of internal control;

- it takes into consideration the internal control procedures that are relevant to the audit in order to define audit procedures that are appropriate in the circumstances, and not to express an opinion on the effectiveness of internal control;
- it assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as the information provided in the annual financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, depending on the information collected, whether or not there is significant uncertainty related to events or circumstances that could affect the Company's ability to continue as a going concern. This assessment is based on the information collected up to the date of its report, although it should be kept in mind that future circumstances or events could affect the ability to continue as a going concern. If it concludes that there is significant uncertainty, it draws the attention of the readers of its report to the information provided in the annual financial statements about such uncertainty or, if such information is not provided or is not relevant, it issues a qualified certification or a refusal to certify;
- it assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

#### *Report to the Audit Committee*

We submit a report to the Audit Committee, which includes the scope of the audit work and the work programme implemented, as well as the conclusions resulting from our work. We also bring to its attention, where appropriate, any material weaknesses in internal control that we have identified with regard to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements disclosed in the report to the Audit Committee are the risks of material misstatement that we believe to have been the most significant for the audit of the annual financial statements for the year and which are therefore the key points of the audit which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration required by Article 6 of (EU) Regulation No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the auditing profession. Where appropriate, we discuss with the Audit Committee the risks to our independence and the safeguards applied.

Lyon, 18 October 2023  
The Statutory Auditors

MAZARS

Séverine HERVET

DELOITTE & ASSOCIÉS

Jean-Marie LE JÉLOUX

## CHAPTER 8 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

### PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Olivier Jallabert, Chief Executive Officer of the Company

#### 8.1.1 Certification by the person responsible for the Universal Registration Document

*I certify, after adopting all reasonable measures to such purpose, that the information contained in this Universal Registration Document to my knowledge accurately reflects the actual position and does not entail any omissions of a nature as to change its scope.*

*I certify that to my knowledge the financial statements are prepared according to the applicable accounting standards and faithfully reflect the assets and liabilities, financial position and results of the Company and all companies included in the scope of consolidation and that the management report included in this Universal Registration Document in accordance with the cross-reference table set forth in Chapter 9, presents a faithful picture of business trends, the results and financial position of the Company and all companies included in the scope of consolidation as well as a description of the main risks and uncertainties to which it is exposed.*

Signed in Valence

26 October 2023

Olivier Jallabert

Chief Executive Officer

#### 8.1.2 Person responsible for Financial Information

Mr Dimitri Borchtch

Vice President – Finance

Address: 11, Cours Jacques Offenbach, 26000 Valence (France)

Telephone: +33 4 75 41 87 41

Email: [finances@amplitude-surgical.com](mailto:finances@amplitude-surgical.com)

[www.amplitude-surgical.com](http://www.amplitude-surgical.com)

### 8.2 STATUTORY AUDITORS

#### 8.2.1 Statutory Auditors

##### **Mazars SAS**

109 rue Tête d'Or, 69006 Lyon, registered in the Lyon Trade and Companies Register under number 351 497 649

Represented by Mrs Séverine Hervet,

Member of the *Compagnie régionale des Commissaires aux Comptes* of Lyon

Mandate renewed by the General Meeting of 15 December 2022 for a term of six financial years, expiring after the General Meeting called to approve the financial statements for the financial year ended 30 June 2028.

## **Deloitte & Associés**

106 Cours Charlemagne, 69286 Lyon, registered in the Nanterre Trade and Companies Register under number 572 028 041

Represented by Jean-Marie Le Jéloux,  
Member of the *Compagnie régionale des Commissaires aux Comptes* of Lyon

Appointment at the General Meeting of 24 November 2017, for a term of six financial years, expiring after the General Meeting to approve the financial statements for the financial year ending 30 June 2023.

### 8.2.2 Alternate Statutory Auditors

None.

## **8.3 DOCUMENTS ACCESSIBLE TO THE PUBLIC**

The articles of association of the Company, this Universal Registration Document and other corporate documents must be made available to shareholders, pursuant to the regulations in force. They may be consulted at the Company's registered office.

Copies of this Universal Registration Document are available free of charge from the Company (11, Cours Jacques Offenbach, 26000 Valence [France]), as well as on the Company's website ([www.amplitude-surgical.com](http://www.amplitude-surgical.com)) and that of the AMF ([www.amf-france.org](http://www.amf-france.org)).

## CHAPTER 9 CROSS-REFERENCE TABLES

### 9.1 CROSS-REFERENCE TABLE WITH REGULATION (EU) 2019/980 OF 14 MARCH 2019

The following cross-reference table allows identification, in this Universal Registration Document, of the information required by Annexes I and II of Regulation (EU) 2019/980 of the European Commission dated 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017.

<b>CROSS-REFERENCE TABLE (Annexes I and II of Delegated Regulation [EU] No. 2019/980 of 14 March 2019)</b>		<b>Chapter/Sections</b>
<b>1</b>	<b>PERSONS RESPONSIBLE, INFORMATION ORIGINATING FROM THIRD PARTIES, DECLARATIONS BY EXPERTS AND APPROVAL BY THE RELEVANT AUTHORITY</b>	<b>8.1</b>
1.1	Identity of the persons responsible	8.1
1.2	Declaration of the persons responsible	8.1.1
1.3	Name, address, qualifications and potential interests of persons acting as experts	NA
1.4	Certificate relating to information from a third party	NA
1.5	Declaration without prior approval of the competent authority	NA
<b>2</b>	<b>STATUTORY AUDITORS</b>	<b>8.2</b>
2.1	Identity of the statutory auditors	8.2.1; 8.2.2
2.2	Possible change	NA
<b>3</b>	<b>RISK FACTORS</b>	<b>2.1</b>
<b>4</b>	<b>INFORMATION CONCERNING THE ISSUER</b>	<b>1.2</b>
4.1	Legal name and commercial name of the issuer	1.2.1
4.2	Place, number of registration and LEI of the issuer	1.2.2
4.3	Date of incorporation and term of the issuer	1.2.3
4.4	Registered office, legal status, legislation, country of origin, address and telephone number of registered office, website with a disclaimer	1.2.4
<b>5</b>	<b>OVERVIEW OF ACTIVITIES</b>	<b>1.3</b>
5.1	Main activities	1.3.3
5.1.1	Nature of main activities	1.3.2; 1.3.3; 1.3.4
5.1.2	New products and/or important services	1.3.3; 1.3.4
5.2	Main markets	1.3.2
5.3	Important events	1.3; Chapter 5
5.4	Strategy and objectives	1.3.5; 5.3
5.5	Degree of dependence of the issuer on patents or licences, contracts and new manufacturing processes	1.8
5.6	Statement concerning the competitive position	1.3.4
5.7	Investments	1.6
5.7.1	Important investments made	1.6.1



5.7.2	Principal investments in progress or future investments to be made by the issuer and for which its management bodies have already made firm commitments and financing method	1.6.2
5.7.3	Joint ventures and commitments in which the issuer holds a significant proportion of the capital	NA
5.7.4	Environmental questions	4.3
<b>6</b>	<b>ORGANISATION CHART</b>	<b>1.4</b>
6.1	Overview of the Group	1.4.1
6.2	List of major subsidiaries	1.4.2
<b>7.</b>	<b>EXAMINATION OF THE FINANCIAL POSITION AND PROFIT (LOSS)</b>	<b>5.1</b>
7.1	Financial position	5.1
7.1.1	Change in the profit (loss) and of the financial position with key performance indicators of a financial and, where applicable, non-financial nature	5.1
7.1.2	Future development forecasts and research and development activities	1.8
7.2	Operating profit (loss)	5.1
7.2.1	Significant factors, unusual, infrequent events or new developments	5.1
7.2.2	Reasons for significant changes in net revenue or income	5.1
<b>8</b>	<b>CASH AND CAPITAL</b>	<b>5.2</b>
8.1	Information on capital	5.2
8.2	Cash flow	5.2
8.3	Working capital requirements and financing structure	5.2
8.4	Restrictions on use of capital	5.2
8.5	Anticipated sources of finance	5.1; 5.2
<b>9</b>	<b>REGULATORY ENVIRONMENT</b>	<b>1.7</b>
9.1	Description of the regulatory environment and any administrative, economic, fiscal, fiscal, monetary or political measures or factors	1.7
<b>10</b>	<b>INFORMATION ON TRENDS</b>	<b>1.3; 5.3</b>
10.1	Description of the main trends and any significant changes in the Group's financial performance since the end of the last financial year	1.3; 5.3
10.2	Event likely to have a significant influence on the outlook	1.3; 5.3
<b>11</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>	<b>5.3</b>
11.1	Published profit forecasts or estimates	5.3.1.3
11.2	Statement on the main assumptions of the forecasts	5.3.1.2
11.3	Statement of comparability with historical financial information and compliance with accounting policies	5.3.1.3
<b>12</b>	<b>ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>	<b>3.1</b>

12.1	Information concerning members	3.1.1.1
	Name, business address and position	3.1.1.1
	Nature of any existing family relationship	3.1.1.1
	Expertise and experience	3.1.1.1
	Statement of non-conviction	3.1.1.1
12.2	Conflicts of interest	3.1.1.2
<b>13</b>	<b>REMUNERATION AND BENEFITS</b>	<b>3.2</b>
13.1	Remuneration paid and benefits in kind	3.2.3; 3.2.4
13.2	Provisions for pensions and retirement	3.2.3; 3.2.4; 6.1 Note 26
<b>14</b>	<b>FUNCTIONING OF ADMINISTRATIVE AND MANAGEMENT BODIES</b>	<b>3.1</b>
14.1	Date of expiry of the terms of office	3.1.1
14.2	Service contracts binding members of administrative, management or supervisory bodies to the issuer	3.1.1
14.3	Information on the Audit Committee and Remuneration Committee	3.1.2.3
14.4	Statement of compliance with the corporate governance regime in force	3.1
14.5	Potential significant impacts on corporate governance	-
<b>15</b>	<b>EMPLOYEES</b>	<b>4.1</b>
15.1	Number of employees	4.1
15.2	Equity interests and stock options	4.1.2.9
15.3	Agreement providing for employee shareholding	4.1.2.9
<b>16</b>	<b>MAIN SHAREHOLDERS</b>	<b>3.6</b>
16.1	Shareholders holding more than 5% of the capital on the date of the registration document	3.6.1.1
16.2	Differential voting rights	3.6.1.2
16.3	Direct or indirect control	3.6.1.3
16.4	Agreement whose implementation could result in a change of control	3.6.1.4
<b>17</b>	<b>RELATED-PARTY TRANSACTIONS</b>	<b>3.3</b>
<b>18</b>	<b>Financial information concerning the assets and liabilities, financial position and results of the issuer</b>	<b>Chapter 6; Chapter 7</b>
<b>18.1</b>	<b>Historic financial information</b>	<b>6; 7</b>
18.1.1	Audited historical financial information for the last three financial years and the audit report	6; 7
18.1.2	Change of accounting reference date	NA
18.1.3	Accounting standards	6; 7
18.1.4	Change in accounting basis	6; 7
18.1.5	Financial information under French accounting standards	6; 7
18.1.6	Consolidated financial statements	6
18.1.7	Date of the latest financial information	6; 7
<b>18.2</b>	<b>Interim and other financial information</b>	<b>NA</b>
18.2.1	Quarterly or half-year financial information	NA
<b>18.3</b>	<b>Audit of historical annual financial information</b>	<b>6.2; 7.2</b>

18.3.1	Independent audit of historical annual financial information	6.2; 7.2
18.3.2	Other audited information	NA
18.3.3	Sources and reasons why information was not audited	NA
<b>18.4</b>	<b>Pro forma financial information</b>	NA
<b>18.5</b>	<b>Dividend distribution policy</b>	<b>3.6.2</b>
18.5.1	Description of dividend distribution policy and any applicable restrictions	3.6.2
<b>18.6</b>	<b>Administrative, judicial and arbitration proceedings</b>	<b>2.1.4.1; 6.1: Notes 1 and 26</b>
<b>18.7</b>	<b>Significant change in financial position</b>	<b>5.4</b>
<b>19</b>	<b>SUPPLEMENTARY INFORMATION</b>	<b>3.7</b>
<b>19.1</b>	<b>Share capital</b>	<b>3.7</b>
19.1.1	Amount of subscribed capital, number of shares issued and fully paid up and nominal value per share, number of shares authorised	3.7.1
19.1.2	Information related to the shares not representing capital	3.7.2
19.1.3	Amount, carrying amount and nominal value of shares held by the issuer	3.7.3
19.1.4	Information relating to convertible, exchangeable securities or securities with warrants	3.7.5
19.1.5	Information on the terms of any acquisition rights and/or obligations attached to subscribed but unpaid capital or any undertaking to increase the capital	3.7.6
19.1.6	Information on the capital of any member of the group subject to an option or conditional or unconditional agreement providing for options and the details of these options	3.7.7; 1.4.3
19.1.7	History of the share capital	3.7.8
<b>19.2</b>	<b>Founding deeds and articles of association</b>	<b>3.5</b>
19.2.1	Register and corporate purpose	3.5.1
19.2.2	Rights, privileges and restrictions attached to each class of existing shares	3.5.2.3
19.2.3	Provision delaying, deferring or preventing a change of control	3.5.2.6
<b>20</b>	<b>KEY CONTRACTS</b>	<b>1.9; 3.8</b>
<b>21</b>	<b>ACCESSIBLE DOCUMENTS</b>	<b>8.3</b>

## 9.2 CROSS-REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT

In this Universal Registration Document the cross-reference table below identifies the information constituting the annual financial report which must be published pursuant to Articles L.451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the AMF.

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ANNUAL FINANCIAL REPORT

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<b>No.</b>	<b>ITEM</b>	<b>CHAPTERS/SECTIONS</b>
1.	Annual financial statements	7.1
2.	Consolidated financial statements	6.1
3.	Management report (see Section 9.3)	
4.	Statement by individuals assuming responsibility for the annual financial report	8.1
5.	Report of the Statutory Auditors on the annual financial statements	7.2
6.	Report of the Statutory Auditors on the consolidated financial statements	6.2

### 9.3 CROSS-REFERENCE TABLE WITH THE MANAGEMENT REPORT (INCLUDING THE CORPORATE GOVERNANCE REPORT)

In this Universal Registration Document the cross-reference table below identifies the information constituting the management report.

MANAGEMENT REPORT		
No.	ITEM	CHAPTERS/SECTIONS
7.	Business and financial position	1.3; 5.1; 5.2
8.	Recent events, trends and outlook	5.3
9.	Research and development	1.8
10.	Description of main risks and uncertainties	2.1
11.	Internal control and risk management procedures	2.3
12.	Use of financial instruments	6.1
13.	Corporate social and environmental responsibility (see Section 9.4)	Chapter 4
14.	Subsidiaries and equity interests	1.4.2
15.	Dividends distributed over the last three financial years	3.6.2
10.	Other information (payment terms, etc.)	6.1; 7.1
11.	Identity of the individuals or legal entities holding directly or indirectly more than one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the share capital or voting rights at General Meetings	3.6.1.1
NOTES		
12.	Summary table of currently valid delegated powers	3.7.1
13.	Table of Company results for the last five financial years	5.1.4
14.	Corporate Governance Report	Chapter 3
15.	Level of remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and each Chief Executive Officer in relation to (i) the average remuneration and (ii) the median remuneration on a full-time equivalent basis of the issuer's employees other than corporate officers and the change in this ratio over at least the five most recent financial years, presented together and in a manner that allows for comparison	3.2.3
	Choice of methods to perform Senior Management	3.1.1.1
	Composition of the Board of Directors, conditions for the preparation and organisation of the work of the Board of Directors	3.1.1.1; 3.1.2.2; 3.1.2.3

List of corporate offices and positions in any company by each office holder during the financial year	3.1.1.1
Remuneration of corporate officers	3.2
Undertakings made in respect of corporate officers	3.2
Summary of transactions in the Company's securities by corporate officers and their close relations	3.6.1.1
Description of the diversity policy applied to members of the Board of Directors	3.1.1.1
Description of the objectives, implementation methods and results obtained during the financial year	3.1.1.1
Provisions of the Afep-Medef Code excluded and reasons for their exclusion	3.4
Specific procedures for shareholder participation in the General Meeting	3.5.2.3; 3.5.2.5
Factors likely to have an impact in the event of a takeover bid or exchange offer	3.8
Information concerning the share capital (capital structure, restrictions of the articles of association and employee share ownership)	3.5 to 3.7
Review of agreements relating to current transactions entered into under normal conditions	3.3

## 9.4 CROSS-REFERENCE TABLE WITH INFORMATION ON CORPORATE AND ENVIRONMENTAL RESPONSIBILITY

In this Universal Registration Document the cross-reference table below identifies the information on corporate and environmental responsibility.

CORPORATE AND ENVIRONMENTAL RESPONSIBILITY		
No.	ITEM	SECTION(S)
16.	Social information	4.1
	a) Employment	
	Total headcount and distribution of employees	4.1.2.2
	Recruitment and redundancies	4.1.2.3
	Remuneration and change	4.1.2.4
	b) Organisation of work	
	Organisation of working time	4.1.2.5
	Absenteeism	4.1.2.9
	c) Labour relations	
	Social dialogue organisation	4.1.2.9
	Status of collective agreements	4.1.2.9
	d) Health and safety	
	Health and safety in the workplace	4.1.2.6
	Status of agreements signed	4.1.2.9
	Occupational accidents and illness	4.1.2.6
	e) Training	
	Policies deployed	4.1.2.8
	Total number of hours of training	4.1.2.8
	f) Equality of treatment	
	Measures taken to promote equal opportunity between women and men	4.1.2.7
	Gender balance in positions of greater responsibility	3.1.2.4
	Measures adopted to promote employment and inclusion of the disabled	4.1.2.9
	Policy on combating discrimination	4.1.2.9
	Diversity policy of the Board of Directors	3.1.1.1

	Remuneration policy applicable to executives	3.2.3
	g) Promotion and respect of the stipulations of the fundamental conventions of the International Labour Organisation	
	Respect of freedom of association and the right of collective bargaining	4.1.2.1
	Elimination of employment and professional discrimination	4.1.2.1
	Elimination of forced or mandatory labour	4.1.2.1
	Effective abolition of child labour	4.1.2.1
17.	Environmental information	4.3
	a) General environmental policy	
	Organisation of the company	4.3.2
	Training and information of employees	4.1.2.8
	Resources allocated to preventing environmental risks and pollution	4.3.3
	Amount of provisions and guarantees for environmental risks	4.1.1.2
	b) Pollution and waste management	
	Measures for prevention, reduction or repair of scrapped items	4.3.4
	Measures for prevention, recycling and elimination of waste	4.3.4
	Consideration of noise and other forms of pollutions specific to an activity	4.1.1.2
	c) Sustainable use of resources	
	Consumption of water and water supply	4.3.6.2
	Consumption of raw materials and measures adopted to improve efficacious use thereof	4.3.8
	Energy consumption, measures adopted to improve energy efficiency and use of renewable sources	4.3.6.1
	Use of land	4.1.1.2
	d) Climate change	
	Emission of greenhouse gases	4.3.7
	Adaptation to consequences of climate change	4.3.11
	e) Protection of biodiversity	
	Measures adopted to preserve or develop biodiversity	4.3.10
18.	Information on corporate commitments to sustainable development	4.2



a) Territorial, economic and social impact of the Company's business activity	
On employment and regional development	4.2.1
On neighbouring or local populations	4.2.1
b) Relationships with persons or organisations affected by the Company's business activity, notably associations for vocational integration, teaching establishments, associations for the protection of the environment, consumers' associations and of neighbouring populations	
Conditions for dialogue with said persons or organisations	4.2.5
Partnership or sponsorship initiatives	4.2.2
c) Subcontracting and suppliers	
Consideration in the purchasing policy of social and environmental issues	4.2.6
Extent of subcontracting and responsibility of suppliers and subcontractors for social and environmental aspects	4.2.1; 4.2.3; 4.2.6
d) Fair practices	
Actions taken to prevent corruption	4.2.7
Measures adopted for the health and safety of consumers	4.2.8
e) Other initiatives in favour of human rights	4.2.9

## ANNEXE I DEFINITIONS

The terms below shall have the following meanings when used in this Universal Registration Document:

**AMPLIVISION®** means the navigation system developed by the Group and described in Section 1.3.3.3 of this Universal Registration Document.

**ANATOMIC®** means the total knee prosthesis manufactured by the Group and described in Section 1.3.3.2 of this Universal Registration Document.

**Ancillaries** means all accessory surgical instruments and software.

**ANSM** means the *Agence Nationale de la Sécurité du Médicament et des Produits de Santé* (French National Agency for Medicines and Health Products Safety).

**ANVISA** means the Brazilian Health Regulatory Agency, which is responsible for monitoring and regulating medical devices manufactured or sold in Brazil. ANVISA is under the supervision of Brazil's Minister of Health.

**Osteoarthritis** means a condition of the joints of mechanical rather than inflammatory origin, manifested as degenerative lesions of the joint and damage to the underlying bone tissue.

**Bluetooth** means a personal wireless network technology (classified as a WPAN, or Wireless Personal Area Network) with a short-range signal enabling the user to connect devices wirelessly.

**BSI** means the British Standards Institution, an independent British Notified Body that has supervised the Group since 27 March 2015.

**CFR** means the Code of Federal Regulations applicable in the United States.

**CIR** refers to the Research Tax Credit.

**CJEU** means the Court of Justice of the European Union.

**CLAA** means the Indian Central Licensing Approval Authority.

**Class action** means a common law (Anglo-Saxon) procedure that enables a group of plaintiffs with a common interest to join together as a class to commence an action to assert their right or obtain redress for their injuries.

**Clinirecord®** means the CLINIRECORD® software and website developed by the Company, which enables surgeons to gather clinical data, as defined in Section 1.3.4.1 of this Universal Registration Document.

**Acetabulum** means the articular (joint) cavity of the ilium (hip bone), located on either side of the pelvis, into which the femoral head (the rounded top of the thigh bone) fits to form the hip joint.

**Osteoarthritis of the hip** means the deterioration of cartilage in the joint located at the top of the thigh, between the femur (thigh bone) and the pelvic cavity (coxofemoral joint). It occurs following strong pressure on the cartilage. Arthritis of the hip is one of the most debilitating types, because – like arthritis of the knee – it affects large joints that bear the body's weight. Dysfunction of the coxofemoral joint may significantly impede walking. It begins with deterioration of the cartilage and gradually begins to affect all of the structures in the joint, in particular the bone under the cartilage. However, normal ageing of the cartilage over the course of a lifetime cannot by itself cause arthritis.

**CRA** means the French Amicable Settlement Board.

**DEKRA** means the independent German Notified Body.

**DREAL** means the *Directions Régionales de l'Environnement, de l'Aménagement et du Logement* (Regional Directorates of the Environment, Development and Housing), whose main task is to implement the Grenelle Environment Round Table.

**E.T.O.I.L.E.®** means the equipment developed by the Group and described in Section 1.3.3.3 in this Universal Registration Document.

**EEA** means the European Economic Area.

**ERP** means the integrated software package “Enterprise Resource Planning”.

**FCPA** means the U.S. Foreign Corrupt Practices Act of 1977.

**FDA** means the U.S. Food and Drug Administration.

**FDCA** means the U.S. Food, Drug and Cosmetics Act of 1938.

**Osteoarthritis of the knee** means the deterioration of the cartilage of the knee joint. Most often, it affects the joint between the femur and the tibia (femorotibial osteoarthritis). It can also affect the joint between the patella and the femur (patellofemoral osteoarthritis). In general, it affects both knees.

**Group** refers to (i) the Company; (ii) the subsidiaries consolidated by the Company, as described in Section 1.4.1 of this Universal Registration Document

**i.M.A.G.E.®** means the system developed by the Group to permit customised instrumentation using an additional manufacturing machine (3D printer) and described in Section 1.3.3.3 this Universal Registration Document.

**ICPE** means *installations classées pour la protection de l'environnement* (French classified installations for the protection of the environment).

**IFRS** means International Financial Reporting Standards.

**Bertrand Law** means French Law No. 2011-2012 of 29 December 2011 on strengthening the safety of medicine and health products.

**LPPR** means the *liste des produits et prestations remboursables* (list of products and services reimbursable by French Social Security).

**Medical Device Amendments** means the amendments to the FDCA enacted on 28 May 1976 to create a framework for the regulation of medical devices.

**Knee meniscus** means the cartilage located between the femur and the tibia. Each knee has two menisci (internal and external). As a result of either age or trauma, the menisci may present various types of lesions: pinches, cracks, tears or dislocation (caused by tears at the points of contact). Sometimes a torn piece of meniscus (or tab) will be found in isolation. The meniscus may also be torn completely in two from front to back. This type of lesion is called a bucket handle meniscus tear. The internal meniscus is more frequently injured than the external meniscus. The menisci undergo repeated micro-traumas throughout life, leading to progressive wear and tear. The degenerative lesions that appear with age are

called degenerative tears. Degenerative tears occur more frequently in patients with bow legs (*genu varum*) or knock knees (*genu valgum*) and those who suffer from arthritis of the knee.

**Fabless model** means the Group's economic model as described in Section 1.3.4.5 this Universal Registration Document.

**Non-convertible Bonds** are defined in 5.2.2.2 in this Universal Registration Document.

**OEM** or Original Equipment Manufacturer means a company that makes parts for use in the end product of another company (the integrator or assembler).

**Notified Body** means a body appointed by a State and certified to assess a product's compliance with national and/or international standards.

**Osteotomy** means a surgical procedure in which a long bone is cut in order to change its alignment, size or shape for therapeutic or cosmetic purposes. Such surgeries correct malformations of the lower limb by correcting the tibia or, more rarely, the femur. They are performed by cutting the bone, correcting the malformation and then holding the correction in place. This is a controlled break that requires waiting for the bone to heal through formation of a fibrocartilage callus.

**GDP** means Gross Domestic Product.

**PMDA** means the Japanese Pharmaceuticals and Medical Devices Agency.

**PMS** means the post-marketing surveillance process.

**Polyarthritis** refers to inflammatory and chronic joint disease that affects several joints. It is manifested by flare-ups and periods of lull. It is an autoimmune disease characterised by the production of autoantibodies directed against the synovial membrane. In polyarthritis, this membrane, which surrounds the joints and secretes joint fluid, is the site of inflammation. Without treatment, polyarthritis leads to the malformation or progressive destruction of the affected joints (often the hands and the feet).

**Pre-Market Approval** means the authorisation that must be obtained from the FDA before marketing any medical device on the U.S. market and defined in Section 1.7.1.2 of this Universal Registration Document.

**Pre-Market Notification 510(K)** means the registration and supervisory process for medical devices on the U.S. market.

**QPC** means *Question Prioritaire de Constitutionnalité* (a priority preliminary ruling on the issue of constitutionality).

**Cruciate Ligament Tear** means a complete or partial tear of one or both of the knee's cruciate ligaments. It is usually the anterior cruciate ligament (*ligamentum cruciatum anterius*), or ACL, that tears. Cruciate ligament tears are caused by exceeding the ligament's maximum tension.

**Company** means Amplitude Surgical, a limited company (*société anonyme*) with its registered office at 11, Cours Offenbach, 26000 Valence (France), registered with the Trade and Companies Register in Romans under number 533 149 688, previously known as OrthoFin I and renamed Amplitude Surgical by the General Meeting of 5 May 2015.

**Group Company** means the Company or any other company or entity i.e. directly or indirectly controlled by the Company within the meaning of Article L.233-3 of the French Commercial Code.

**T2A** means the “price per activity” system in use in several countries. In a price per activity system, the allocation of hospital resources, and, as a result, product pricing, depends on the nature and volume of the hospital activities of the institutions in question.

**TGA** or Therapeutic Goods Administration means the Australian authority charged with overseeing and applying medical device regulations.

**CGU** means a cash-generating unit as defined in Section 5.1.1.2 of this Universal Registration Document.