ANNUAL FINANCIAL REPORT 2023

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ABC arbitrage Group

Disclaimer

This annual report and its constituent parts have been translated from the original French versions. For the purposes of interpretation, the French originals will take precedence over the English translation.

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ANNUAL FINANCIAL REPORT 2023

Management Report

ABC arbitrage Group

In accordance with the article L225-100-1 of the French Commercial Code, this management report contains the following information :

An objective and exhaustive analysis of the development of the business, the results and the financial situation of the company, in particular its debt situation, with regard to the volume and complexity of the business.	Paragraphs : **1. Business review** 1.1 Group activity and profitability 1.2. Activity and statutory accounts
To the extent necessary to understand the development of the business, the results or the situation of the company, the key performance indicators of a financial nature and, where applicable, of a non-financial nature relating to the specific activity of the company, including information on environmental and personnel matters.	Paragraph : 1.1. Group activity and profitability Report 2023 "Non-financial information provided voluntarily" section of the annual financial report
A description of the main risks and uncertainties facing the company.	Paragraph : 3.3. Risk management
When relevant to the measurement of its assets, liabilities, financial condition and profit or loss, indications of its objectives and policy regarding hedging of each major category of planned transactions for which hedge accounting, as well as its exposure to price, credit, liquidity and treasury risks is used. These indications include the company's use of financial instruments.	Paragraph : 3.3. Risk management Consolidated financial statements - § 5. risk factors

1. Business review

1.1 Group activity and profitability

Key consolidated figures for 2023 are presented below:

In EUR million	31/12/2023 IFRS	31/12/2022 IFRS	Change
Advisory revenues	-	-	na
Investment Services Fees*	18,3	27,4	-33,3%
Net gains at fair value through profit or loss	21,0	33,8	-37,7%
Net revenues	**39,3**	**61,2**	**-35,7%**
Payroll costs	(14,6)	(22,9)	-36,2%
Occupancy costs	(1,5)	(1,4)	10,0%
Other expense	(7,0)	(7,2)	-2,8%
Other taxes	0,2	(0,7)	-123,2%
Total costs	**(22,9)**	**(32,1)**	**-28,6%**
Income before tax	**16,4**	**29,1**	**-43,6%**
Net income attributable to equity holders	**16,5**	**29,2**	***-43,5%***

**Investment Services Fees relate to the services that the Group's management companies bill to Quartys Limited and ABCA Funds Ireland Plc.*

IFRS net revenues amounted to €39.3 million and net income to €61.2 million at December 31, 2023, with a decrease of -33.3%.

Return on equity (ROE) in 2023 was 10.6%.

In EUR thousand	Dec. 31, 2023 IFRS	Dec. 31, 2022 IFRS
Equity at January 1	161 655	160 024
Equity at December 31	155 409	161 655

Return on equity	**10,6%**	**18,0%**
Gross return on equity	**25,3%**	**37,9%**

Macroeconomic context and market parameters:

After 2022, a year marked by the war in Ukraine and a sharp rise in interest rates and inflation, the year 2023 presented, counter intuitively, market parameters significantly lower than their historical averages. In particular, volatility has fallen back to the low points of 2019, significantly below the volatilities seen over the last 3 years. The mergers and acquisitions sector, meanwhile, has been impacted by the rise in interest rates, leading to doubts about the valuation of these transactions. As a result, market volumes were significantly lower than in previous years.

The Group's results are still in line with the market parameters for the year 2023. The group faced a number of unusual obstacles, such as the simultaneous low volatility and relatively low levels of M&A activity. In spite of these factors, the Group still generated a significant result, with income from ordinary activities of €39.3 million. Net return on equity (ROE) for the year was 10.6% in a financial environment still steered by central banks.

Management fees include services invoiced by the Group's management companies.

They decreased from €27.4 million by December 31, 2022, to €18.3 million by December 31, 2023 (-€9.1 million, -33.3%).

Personnel expenses still represent the most significant cost, falling by -36.2% in 2023. This decrease is mainly due to the decrease in compensation broadly coming from the decrease in the performance of the Group between 2022 and 2023.

Occupancy costs are up slightly and the additional expenses are stable, mainly due to the cost of processing and acquiring information flows (optimization of current resources through one-time start-up costs) and external fees.

1.2. Activity and statutory accounts

ABC arbitrage key figures for 2023 are presented in the table below[1] :

In EUR thousand	Dec. 31, 2023 IFRS	Dec. 31, 2022 IFRS	Variation
Income	1 994	1 613	*23,6%*
Operating income	(3 203)	(6 134)	*47,8%*
Financial income	25 900	11 256	*130,1%*
Extraordinary income and expense	-	808	*-100,0%*
Net Income	**22 665**	**5 614**	***303,7%***

The increase in ABC Arbitrage's profit for the year is essentially due to its financial income rising, itself mainly explained by the low allocation in 2023 of the provision for depreciation of the gross value of the company's shares ABC arbitrage Asset Management, due to a lower dividend payout towards ABC arbitrage and therefore had a limited impact on net equity this year (see section 1.4 below).

1.3. Research & Development activities

The Group has always invested in Research and Development (R&D). In view of the continuing development of the quantitative management industry, the Group decided to further strengthen this area when it implemented the "ABC 2022" strategic plan presented in March 2020. This development involves recruitment and technological investments to

[1] Cf. French version on ABC arbitrage website.

enable the launch of new projects and the optimisation of existing strategies. The main objectives were to develop the Group's management capacity and build new strategies capable of performing better in sustained low-volatility scenarios generated by central bank interventions. This trend is reinforced by the new business plan Springboard 2025 (presented in March, 2023) in which, the staff and research efforts will once again increase to continue developing the strategies launched during “ABC 2022” and creating new ones to strengthen the group's ability to produce results.

1.4. Subsidiaries and holdings

General Framework:
ABC arbitrage is the leading holding company of the group. For this reason, it provides transverses services (finance and internal auditing, legal, human resources, communication, etc.) to all of its subsidiaries, itselves spread around two categories: investment entities and asset management companies.

ABC arbitrage Asset Management and ABC arbitrage Asset Management Asia are the group's management companies and are detailed below.

- ABC arbitrage Asset Management develops and executes alternative strategies of *Arbitrage* by using quantitative and systematic models, and trades on main listed world markets. The alternative strategies implemented are a combination of several operations designed to make a profit by taking advantage of the only imperfections likely to appear between the different financial markets. Treated products' selection is done by a mechanical and mathematical intervention method, even a statistical one. The resulting positions and/or exposures may shift very quickly over very short cycles.
- ABC arbitrage Asset Management Asia also executes alternative strategies of *Arbitrage* by using quantitative and systematic models. It is also involved in strategies' research and development but to a lesser extent.

The Quartys Limited company's activity is the trading of financial instruments. It is a “investment entity” :
- which has obtained funds from its holding company to provide it with investment management services;
- which activity is to mobilise its own funds in order to maximise profitability (returns in the form of capital gains and/or investment income) by mitigating risk taking;
- which evaluates and assesses the performance of all of its investments on the basis of fair value.

Its added value is therefore based on timely risk allocation through the various strategies selected and their calibration as well as on the quality of the service providers selected.

ABC arbitrage's interests in ABCA Funds Ireland and Quartys Limited, on the basis of the exception of IFRS 10 consolidation's principle, are presented within financial assets measured at fair value through profit and loss.

ABCA Funds Ireland Plc is an alternative investment fund created in 2011, incorporated in Ireland, divided into two sub-funds : ABCA Opportunities Fund and ABCA Reversion Fund.

A list of subsidiaries and holdings can be found in note 3.4. to the parent company financial statements.

Focus on the 2023 fiscal year:
As of December 31, 2023, ABC arbitrage is furthering its international expansion strategy to take into account the demands of its partner financial institutions as well as competition and regulatory requirements.
ABC arbitrage has no secondary establishment in France or abroad.

Quartys Limited, a financial instruments trading company, has continued to develop its business, diversifying its portfolio's exposure to financial instruments through allocation changes, reviews of risk parameters and the implementation of new quantitative models. Quartys ended the year with a net profit of €20.6 million, compared with €33.2 million in fiscal year 2022. This decrease should be seen in the context of the market parameters mentioned above.

- ABCA Funds Ireland Plc, an alternative investment fund, had assets of €177 million at December 31, 2023, compared with €214 million at December 31, 2022:
    - The ABCA Opportunities sub-fund, designed to partially disconnect itself from volatility, is allocated to 41% for Quant M&A, and 59% for statistical arbitrage strategy. The first half of the year was positive overall, despite the banking crisis and the impact of the FTC ruling on the Quant M&A sector. The second half of the year was disrupted by the geopolitical instability caused by the Israeli-Palestinian conflict and the announcement of a "higher-for-longer rates" policy. The ABCA Opportunities' strategies performed well in this environment, helped by the positive effect of falling inflation and rumors of faster than expected interest rate cuts by central banks. Its annual performance is therefore above that of the previous financial year: 9.7% vs -2.6%.

    - The ABCA Reversion sub-fund, designed to take advantage of volatility, is allocated to 82% for its “mean reversion” short and middle term strategies, and to 18% for commodities strategy. It had a start of the year in line with expectations, with a rate of +3.4% over the first semester thanks to the “mean reversion” strategies. The fund suffered at the end of the half from the influence of the rapid fall in the

VIX, offset by the success of short-term volatility strategies. The second half of the year began with a positive period linked to changes in the VIX. But the end of Q3 soon proved complicated for the fund because of simultaneous effects: low levels of volatility, and difficulties on the Asian market (de-correlation with the US, rumours of a change in BoJ policy). Despite this, the fund almost reached its target for 2023, and ends the year with an annual performance that remains up at +4.5% (vs -3.1% in 2022, idem shares in dollars).

The Group maintains its ambition to develop a diversified range of investment funds and to increase its inflows. With this in mind, and on the strength of all the research and development work carried out by ABC arbitrage Asset Management and ABC arbitrage Asset Management Asia Pte Ltd, the capacity of the sub-funds of ABCA Funds Ireland Plc has been increased to enable it to accommodate nearly one billion euros.

ABC arbitrage Asset Management, authorised by the French securities regulator (Autorité des Marchés Financiers – AMF), as a portfolio management company for third parties since 2004 (n°GP-04 00 00 67), as a portfolio management company under Directive 2011/61/EU, referred to as the AIFM since 22 July 2014, is the Group's main investment management company, with expertise in alternative investment funds, discretionary management mandates of financial instruments' portfolio, investment strategy advice and trading in financial instruments with qualified investors and professional clients.
On 23 July 2019, the company obtained approval to manage complex financial instruments (extension of approval) and obtained the market passport in France granted by the AMF on 17 September 2019; it also got authorization to market in Switzerland on 17 July 2019.
In 2023, ABC arbitrage Asset Management's revenues evolved from K€ 26,452 to K€ 17,911, a significant decrease of nearly 32%. The main reason for this reduction is the significantly lower level of activity in 2023 compared with previous years. The management company also continued to invest significantly, especially in people, in order to systematically develop its know-how in equity derivatives, ETFs and digital assets, to maximise its ability to adapt to market conditions. ABC arbitrage Asset Management incurred a loss of K€ -974 versus a profit of K€ 95 as of December 31, 2022.

ABC arbitrage Asset Management Asia Pte Ltd, asset manager previously declared as a Registered Fund Management Company (RFMC) by the Monetary Authority of Singapore (MAS), continued to develop the Group's business in Asian markets. As part of its development, ABC arbitrage Asset Management Asia Pte Ltd is now declared as a Registered Licensed Fund Management Company (LFMC) by the MAS, and is now free from restrictions relating to the minimum amount of assets under management, among other things.
Its revenue decreased by -30% in 2023, from K€ 1,400 to K€ 984 (K€ -416). This is largely explained by the contraction in income from strategies implemented on behalf of Quartys Limited (K€ -362).
The remaining is accounted for by management and performance fees, relating to the investment fund management business and accruing to ABAA, down slightly over the exercise (K€ -54).

Its result therefore shows a loss of K€ -1,534 on December 31, 2023, compared to a loss of K€ -1,024 in 2022 (a decrease of K€ -510). Its contribution to the Group is in line with initial expectations, and the structuring efforts currently being made offer good prospects, particularly in terms of increasing the number of employees and know-how, to absorb an increase in assets under management, which is itself necessary for this structure to reach equilibrium.

Clients' assets amounted to €343 million at December 31, 2023, compared with 365 million euros at December 31, 2022 (decrease of -6.2%).

Year	2023	2022	2021	2020	2019
Clients' Assets* (excluding external)	343	365	512	368	347

1.5. Human resources

The Group employed an average of 101 people in 2023, compared with 95 in 2022.

In 2023, staff expenses decreased by almost -36.2% versus 2022. In line with the investments mentioned in BP Springboard 2025, the Group's average headcount rose by 6% between 2022 and 2023, leading to a concomitant increase in fixed salaries. However, against a backdrop of declining performance, the variable part of remuneration is lower in 2023, which explains the fall in personnel costs.

With a view to motivating our people over the long term and aligning their interests with those of our shareholders, management has developed various share-based incentive schemes to drive growth by retaining core skills while containing payroll and other fixed costs in a highly competitive environment.

As part of the ABC 2022 and Springboard 2025 plans, the Group carried out the following operations:

Share-based incentive programs:

Name of the plan	Plan	Acquisition date	Acquisition period	Number of shares	Effective acquisition date for granted shares	Number of shares to be granted	Number of shares definitively granted
APE-3.3/2019	Step-up 2019	14/06/2019	4	30,000	2023	-	24 396
APE-3.1/2021	ABC 2022	11/06/2021	2	25,000	2023	-	23,048
APE-3.2/2021*	ABC 2022	11/06/2021	3	25,000	2024	-	17,356
APE-3.3/2021	ABC 2022	11/06/2021	4	25,000	2025	25,000	Pending
APE-3.1/2022	ABC 2022	10/06/2022	3	110,000	2025	95,000	Pending
APV-4.1/2022	ABC 2022	10/06/2022	2	10,260	2023	-	8,617
APE 3.1/2023	Spring. 2025	09/06/2023	3	102,000	2026	87,000	Pending
APV 4.1/2023*	Spring. 2025	09/06/2023	2	17,171	2024	-	11,902
Total	**N/A**	**N/A**	**N/A**	**344 431**	**N/A**	**207 000**	**85 320**

*Taking into account the condition of presence and the results achieved over the period, the number of shares that should be definitively allocated by the end of the second semester of 2024.

Stock options subscription programs:

Name of the plan	Plan	Acquisition date	Name of the plan	Number of granted options	Exercise period start date	Options expired Date	Exercise adjusted price	Number of options to be granted	Number of unexercised options
SO-1.1/2018	Step-up 2019	15/06/2018	2	155 000	2020	30-Jun-2024	5.9122	0	15 263
SO-1.2/2018	Step-up 2019	15/06/2018	3	155 000	2021	30-Jun-2024	5.9122	0	49 524
SO-1.3/2018	Step-up 2019	15/06/2018	4	155 000	2022	30-Jun-2024	5.9122	0	67 847
Total	**N/A**	**N/A**	**N/A**	**465 000**	**N/A**	**N/A**	**N/A**	**0**	**132 634**

For all plans:

No shares will vest if net income is less than €15 million a year and they will vest progressively thereafter on a linear basis. For example, for APE-3.1/2023 plan, if net income is €20 million a year over the entire period, 33% shares will vest and if net income is €25 million a year over the entire period, 67% shares will vest.

The expense related to these plans is deferred over the vesting period. The corresponding amount recognised in equity is calculated on the basis of the overall plan value determined on the date of grant by the Board of Directors.

In accordance with IFRS 2, an expense of €306 thousand, including 56 thousand euros of employer contributions, calculated on the basis of the estimated probable number of shares under various plans, was recognised in respect of fiscal year 2023 (compared to €240 thousand at December 31, 2022). This expense is related both to the initiation of new programs and to the re-assessment of quantities expected to be granted given the programme's progression and the realised incomes.

The loss on share buybacks used amounted to €878 thousand (vs €2,809 thousand at December 31, 2022).

Since the company's incorporation in 1995, a total of 10,766,178 new shares, representing 18% of the capital, have been granted to employees in respect of equity instruments that have vested.

1.6. Earnings allocation

As of December 31, 2023, the share capital of ABC arbitrage will therefore be composed of 59,608,879 fully paid-up ordinary shares with a par value of 0.016 euro each. There was no change in share capital during 2023, so the information is identical to that given at 31 December 2022.

Net consolidated earnings per ordinary share* amounted to €0.28 in 2023.

Profit for 2023 totaled €0.38.

	31/12/2023
Number of shares issued	59,608,879
Number of common shares outstanding (weighted average)	59,385,361
Number of diluted shares** (weighted average)	59,498,554
Net earning per ordinary share	**0.28**
Diluted net income per common share	**0.28**

**The net consolidated earnings per ordinary share is calculated by dividing the net income for the year attributable to common shares by the weighted average number of common shares outstanding during the year.*
***The number of diluted shares has been determined by adjusting the net income attributable to ordinary shareholders of the parent entity, as well as the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares (mainly options and bonus shares granted,as described in §2 above).*

As a reminder, the Executive management proposed to the Board of Directors to gradually introduce a quarterly distribution instead of the usual half-yearly distribution for the past 3 years.
Following approval by the General Meeting on 9 June 2023, two distributions of 0.10 euro per share were made in October and December 2023.

Finally, subject to necessary approvals, the Board of Directors had also intended to make an interim dividend payment of €0.10 per share out of FY2023 income during the second half of April 2024 to complete the implementation of the quarterly distribution policy. The Board of Directors confirms this announcement by approving an interim dividend of €0.10 with payment on April 25, 2024.

2. Corporate governance

2.1. Corporate governance and reference Code

The underlying rules of the current governance system are based mainly on common sense and aim to strike an appropriate balance between implementing value added processes for improved security and maintaining the simplicity needed by an organisation the size of the ABC arbitrage Group.

Since 2009, the Board of Directors has referred to the Corporate Governance Code for small and mid-sized companies promoted by MiddleNext, which became the Middlenext Corporate Governance Code in September 2016 and has been validated as a reference code by the Autorité des Marchés Financiers (AMF). This code was also revised in September 2021.

The MiddleNext Code can be consulted on the website www.middlenext.com.

ABC arbitrage is an active (participation in various working groups) member of the MiddleNext association. The Group shares the association's belief that each company should adapt best governance practices based on its ownership structure, size and legal form, in order for the governance system to be closely aligned with its corporate practices. Dominique CEOLIN, Chief Executive Officer, is a member of the Board of Directors of Middlenext.

2.2. Composition of the board of directors

The Board of Directors acts as a forum for exchanging the views and ideas of the management team that runs the company on a day-to-day basis, the main shareholders who make strategic choices as the company's owners, and external advisers who provide the benefit of their own experience and an objective, independent opinion.

This broad range of backgrounds and interests is considered to be the best way for the Board to work effectively and make the right decisions for the company and its various stakeholders.

As of December 31, 2023, the Board of Directors of ABC arbitrage had five members. A non-voting member of the Board of Directors participates on a regular basis to the sessions since the end of 2021.

The percentage of capital owned as a collective shareholding by the employees being below 3%, there is no member elected by the employees. A representative of the works council is invited to all Board meetings with advisory capacity.

The following table lists the other directorships and offices held by the members of the Board:

Name	Gender	Age (GM date)	Nationality	Directorships and other offices	Group	Listed company	Independent Director ?
Dominique CEOLIN (Chairman of the Board of Directors)	M	56	French	Chairman and Member of the Board of ABCA AM	Y	N	NO
				Member of the Board of ABCA AM Asia	Y	N	
				Chairman of the Board of Financière WDD	N	N	
				Member of the Supervisory Board of ADLOOX (appointed by GM of 10/19/23)	N	N	
				Manager of family-owned limited liability company (SARL) IDACEO	N	N	
				Member of the MEDEF commission on governance*	N	N	
				Member of the Board of Directors of MiddleNext*	N	N	
AUBEPAR INDUSTRIES SE (Director Xavier CHAUDERLOT is Permanent representative of Aubépar Industries SE)	H	60	Belgian	Aubépar Industries SE: Director of Aubépar SE	N	N	NO
				Director of H24 aviation SAS	N	N	
				Member of the Board of Financière de Bailli SA	N	N	
				Chairman of the Supervisory Board of Lehmann Aviation SAS (represented by Xavier CHAUDERLOT)	N	N	
				Member of Strategy Committee of Avel Robotics SAS (represented by Xavier CHAUDERLOT)	N	N	
				Member of Strategy Committee of Elixir Aircrafts (represented by Xavier CHAUDERLOT)	N	N	
				Manager of SCI La Source du Roubertou	N	N	
				Xavier CHAUDERLOT: **Chairman of Aubépar Industries S.E.**	N	N	
				Director of Quartys Ltd	Y	N	
				Manager of SCI Bessard Frères et Fils	N	N	
				Manager of SCI LZ Observatoire	N	N	
				Manager of SCI Immobilière Saint Anselme	N	N	
				Manager of SCI Immobilière Saint Opportune	N	N	
David HOEY Chairman as of 9 june 2023	H	54	Irish	Member of the Board of ABCA Funds Ireland Plc	Y	N	NO
				Member of the Board of ABCA AM	Y	N	
				Member of the Board of ABCA AM Asia	Y	N	

Sophie GUIEYSSE Director	F	61	French	Member of the Compensation Committee Rugby World Cup 2023	N	Y	YES
				Member of the Compensation Committee of the Paris 2024 Olympic Games	N	N	
				Board Member of Promod	N	N	
				Board Member and member of the Compensation Committee of Deezer	N	Y	
				Executive Director of NEOMOUV since september 2022	N	N	
Isabelle MAURY	F	56	French	Member of the Board of Directors of RCI Banque	N	N	YES
				Censor of Arkéa	N	N	
				Board Member of H2O AM Europe	N	N	
				Board Member of H2O Monaco SAM	N	N	
				Board Member of H2O AM LLP (since january 19, 2023)	N	N	
				Managing Director of SCI Belisa	N	N	
Sabine ROUX de BEZIEUX Chairman as of 9 june 2023	F	59	French	General Manager of Notus Technologies SAS	N	N	YES
				Member of the Supervisory Board of Banque Transatlantique	N	N	
				Advisor of CESE	N	N	
				Manager of SARL Famille Galiseo	N	N	
				Member of the Supervisory Board of Tarkett	N	Y	
Jean-François DROUETS	H	61	French	Chairman of Catella Valuation Advisors	N	N	Censor
				Member of the steering committee of Catella France	N	N	

ABCA : ABC arbitrage ABCA AM : ABC arbitrage Asset Management ABCA Asia : ABC arbitrage Asset Management Asia

** Only for the Chairman and CEO of ABCA we also indicate the associative mandates to be transparent on the use of his time*

The directors have the experience and expertise required to fulfil their duties.

Dominique CEOLIN, Chairman, is a qualified actuary and holds an advanced degree in mathematics and information technology. In 1994, he joined ABN Amro Securities France where he took part in developing the Domestic Arbitrage business. In 1995, he used this experience to help found ABC arbitrage.

Aubépar Industries SE, the historic shareholder, represented by Xavier CHAUDERLOT, co-founder of the Group, is still one of the main shareholders with a little less than 12%. Its representative on the Board combines in-depth knowledge of arbitrage operations with an objective view of the business.

David Hoey, originally from Ireland, holds a Master’s degree in Accounting and Finance with a major in Information Technology from BBS. After an initial 4 years spell at Crédit Agricole, he joined the founders of ABC arbitrage in 1996. Since then, David HOEY has actively contributed to the Group's strategic development and the growth of its core business.

The other members qualify as independent directors based on the definition of MiddleNext's corporate governance code.

Sabine ROUX DE BEZIEUX is a graduate of ESSEC business school and has a degree in accounting and financial studies (DECF). She started her career in CCF's investment banking division before spending 13 years at Arthur Andersen. From 2002 to 2012, she directed her own consulting service, Advanceo, before joining the Board of several listed companies and becoming CEO of Notus Technologies. She has been involved for more than fifteen years in Foundation, first with ARAOK which she co-created in 2005, and then by creating the association "Un Esprit de Famille", which gathers family foundations in France. She is also active in the associative sector, as treasurer of “United Way L’Alliance” and President of “Fondation de la Mer”.

Sophie GUIEYSSE, is a graduate of the Ecole Polytechnique and the Ecole Nationale des Ponts et Chaussées. She holds an MBA from the College of Engineers. After a first part of her career dedicated to urban development and public infrastructures within the Ministry of Public Works and ministerial cabinets, she has held the position of Human Resources Director in several large French and international companies such as LVMH, CANAL+ and Richemont. She also has extensive experience as a member of boards of directors and other specialised committees (GO Sport, Rallye Group, TVN (Poland), Maisons du Monde and Compagnie Financière Richemont (Switzerland)). She is also a member of the Remuneration Committees of Deezer and the Committee of Paris 2024 Olympic Games.

Isabelle MAURY holds a Master's degree in Financial Techniques from ESSEC, a DESS in Banking and Finance and a Magister's degree in Modeling Applied to Economics and Management from the University of Paris X.
After starting her career in auditing at Deloitte, she held several operational positions in investment banking within three major banking groups (Crédit Lyonnais, Société Générale, Groupe BPCE - Natixis). She became Risk Director of the Banque Populaire group in 2007 and then of the BPCE group in 2009. She joined its executive committee and was in charge of the group's risk management and governance, directed regulatory programs, ensured relations with supervisory authorities and supervised Natixis' compliance. Founder of IM7 Consulting in 2017, she assists executives through consulting missions to professionalise governance, secure relations with supervisory authorities, support executives in crisis situations and strengthen the efficiency of risk, audit and compliance functions.
Since 2017, she has also been a training speaker at the French Institute of Directors and at Sciences Po.

Jean-François DROUETS is a graduate of HEC business school and has a post-graduate diploma (DESS) in conveyancing law and is a Chartered Surveyor. He is the chairman and founder of Catella Valuation Advisors, a real estate valuation and consulting firm owned by Swedish Group Catella. He provides the Group with the benefit of his broad business experience

The Board exercised its right to invite any person of its choice to take part in Board meetings on a consultative basis or as a non-voting member, to provide additional insight. Jean-François DROUETS who is Censor since General Meeting of June 10, 2022, the end date of his directorship- attended a Board meeting in 2023.

A representative of the Works Council, Antoine ROBILLARD, is invited to all Board meetings. Antoine ROBILLARD joined the Group on April 1, 2016 and works as a stock exchange legal expert.

In accordance with the by-laws, each director owns at least one thousand shares of the company.

Application of the principle of equal representation of women and men :
As of December 31, 2023, Women account for 40% of Board members. Excluding the founding shareholder directors, women represent 100% of the Board (two in three members).
Prior to the Annual General Meeting of June 9, 2023, women accounted for 60% of the Board of Directors; this proportion fell following the departure of Mrs Sabine ROUX de BEZIEUX.
By comparison, following the 2023 general meetings, the average representation of women on company boards was about 46.6% for SBF 120 companies (source: Barometer Ethics & Boards for the French Institute of Directors (IFA), post General Meeting 2023).

Independent directors:

The definition of independent director is the same as set out in recommendation 3 of the MiddleNext Code:

Name	Position	Date of first term	Date last elected to the Board	Term ends
Dominique CEOLIN	Director	October 10, 1997	June 9, 2023	AGM held to approve the 2026 financial statements
	Chairman of the Board	October 10, 1997	June 9, 2023	AGM held to approve the 2026 financial statements
Aubépar Industries SE Represented by Xavier CHAUDERLOT	Director	June 1, 2012	June 12, 2020	AGM held to approve the 2023 financial statements
David HOEY	Director	June 9, 2023	June 9, 2023	AGM held to approve the 2026 financial statements
Sophie GUIEYSSE	Director	June 11, 2021	June 11, 2021	AGM held to approve the 2024 financial statements
Isabelle MAURY	Director	June 10, 2022	June 10, 2022	AGM held to approve the 2025 financial statements

- is not and has not been in the past five years an employee or executive officer of the company or a Group company;

- must not have a significant business relationship with the company or its Group (client, supplier, competitor, banker, etc), and must not have been in such a situation within the last two years;
- is not a major shareholder of the company and do not have a significant percentage of voting rights;
- is not related by close family ties to an executive officer or major shareholder;
- has not been an auditor of the company in the previous six years.

Recommendation N3 of the MiddleNext code of corporate governance, recommends that the Board of Directors includes at least two independent members. Up to December 31, 2023, the Board of Directors of the company count three independent administrators (as stated in above table).

Term of office:

The choice of four-year terms is suited to the specific needs of the company, within the limits laid out by the law and in line with recommendation no.11 of the MiddleNext code.

Conflicts of interest and code of conduct:

Dominique CEOLIN is the Chairman and Chief Executive Officer of ABC arbitrage. The Board decided to combine the two roles after making sure that the principles of segregation of executive and supervisory functions would be upheld through sufficient counterweight to his powers and that the combined Chairman/Chief Executive role would not therefore pose a threat to the Group.

The Board asked the compliance officer, Gaëtan FOURNIER, to relate any unusual events or potential conflicts of interest. In 2023, no such events were brought to the Board's attention by the compliance officer, Chairman or any of the directors.

The Charter of the Board explicitly requires all members of the Board to assess whether they are faced with a potential, perceived or actual conflict of interest both as soon as they take up their directorship and throughout their entire term of office, and, if they are, to disclose the situation at the next Board meeting. The director concerned must then abstain from voting on any matters involved with or affected by the conflict.

At the beginning of each Board meeting, the Board assesses the independence of its directors and identifies any potential conflict of interest areas. During this assessment, the directors are required to declare in writing that they are not aware of any conflict of interest that has not already been disclosed to the Board.

Compliance with codes of conduct and regulations is a key concern for Board members in accordance with recommendation 1 and 2 of MiddleNext's code, particularly in view of Directors' deontology and absence of conflict of interest.

This emphasis has been reinforced in view of the growing interest shown in this matter by investors in funds managed by ABC arbitrage Asset Management. In 2023, 51% of investors in number representing 59% of ABCA Funds Ireland share capital sent a due diligence questionnaire to the asset management company, which included questions about whether there had been any investigations or criminal, civil or administrative proceedings involving the company, an affiliated company or any of their key executives or employees over the past five years.

Appointment of directors:

The suitability of potential candidates for election to the Board of Directors is reviewed in a full Board meeting and several meetings are then arranged between the candidate or candidates and the independent directors, without the Chairman being present. The appointment as censor is then decided by all the directors, in order to make their mark within the board of directors and before the latter formally submits the nomination proposal to the general meeting.
At annual general meetings, each director is proposed for election or re-election in a separate resolution, in accordance with recommendation 10 of MiddleNext's code, to allow shareholders to freely decide on the membership of the Board. The list of candidates for election or reelection to the Board has been posted on the Group's website, along with details of their experience and skills.

2.3. Conditions for preparing and organising council work

Directors' Charter:

On December 7, 2010, the Board drew up a Directors' Charter setting out the Board's key practices and principles. This Rules of procedure, regularly reviewed, is consistent with the recommendations and criteria provided by the Corporate Governance Code of Middelnext and with the Rules of procedure designed by Middlenext.

The Charter describes the Board's roles and powers, as well as certain specific rules to be adhered to by directors in addition to the relevant provisions of French law and the company's bylaws. This is a purely internal document and under no circumstances does it take precedence over French company law or any related regulations or the relevant provisions of the company's bylaws.

The Directors' Charter can be viewed on the company's website.

The Directors' Charter was lastly updated on October 16, 2023. The changes made are in line with the last version of Corporate Governance Code published by Middlenext in September 2021.

Board committees:

Recommendation 7 of the MiddleNext Code requires us to report to you on the special committees created by the Board, namely the Audit Committee, the Strategy Committee, and a CSR Committee. Members are designated on a case-by-case basis depending on the issues to be addressed. They meet at the request of executive management or any Board member.

- *Audit Committee*

The Audit Committee is currently composed of tree directors, one of them is independent, the chairman since June 10, 2022 is Isabelle MAURY, and the others members are Aubépar Industries represented by Xavier CHAUDERLOT and David HOEY, an independent member within the meaning of the MiddleNext code, it being specified that the other directors and senior management may join the meetings at the invitation of the Chairman of the Audit Committee .
The duties and functioning of the audit committee were redefined in accordance with the recommendations of the Middlenext code by the Board of Directors and are included in the Audit Committee charter signed in 2019.
Without prejudice to the Board, the Audit Committee has three main missions :

- Firstly, monitoring issues relating to the preparation and control of accounting and financial information. The audit committee monitors the process for preparing financial information and, where appropriate, makes recommendations to ensure its integrity. It examines the Group's draft interim and annual consolidated financial statements, the annual financial statements of ABC arbitrage, as well as the presentation made by management describing the Group's risk exposure and material off-balance sheet as well as the selected accounting options.
- Secondly, the audit committee ensures the existence and effectiveness of internal control systems, internal audit and the management of the most significant risks that the Group may face in the course of its activities.
Following the strengthening of its missions on risk monitoring, it carries out at least once a year an overall review of the main risks to which the Group may be exposed.
- Thirdly, the Committee monitors the statutory audit of the Group's annual and half-yearly consolidated financial statements and the company's annual financial statements, ensures the independence of the Statutory Auditors and, more generally, monitors the performance of their assignment.

The members have both financial and accounting expertise and knowledge of the Group's business sector. Their skills and backgrounds enable the Committee to fulfil its mission with the required experience.

The Audit Committee adopted a charter on December 3, 2019 in order to take into account the new missions assigned to it following the audit reform that came into force on June 17, 2016.

The Audit Committee met on March 16, 2023 to review the 2022 financial statements. It was composed of all Committee members. The meeting was also attended by Gaëtan FOURNIER, Secretary General, and Dominique CEOLIN, invited by the Chairman of the Audit Committee. The Committee also met on September 15, 2022 to review the 2022 interim financial statements. All the members of the Audit Committee attended. Gaëtan FOURNIER also attended as the Secretary General. Lastly, the Audit Committee met on November 17, 2022 for a session focusing on the internal control system, a review of risk mapping and a study of the statutory auditors' audit plan for the closing of the 2023 financial statements.

The Audit Committee reported to the Board on the conclusion of the auditors and its own work, it also explained to the Board how the statutory audit contributes to the integrity of financial reporting and what role it had played in this process.
This integrity was also verified by the following controls:
- The Group does not entrust mission to the statutory auditors apart from certification of the accounts; The audit committee confirmed with the Group's finance department that they had submitted every request different from accounts certification.
- The Audit committee has issued a tender for the nomination of a new auditor for the audit of the accounts of the parent company.
- The audit committee checked that the audit firms had indeed submitted their report to the audit committee before issuing their final report. The audit committee discussed with the auditors the key points of the audit and noted that there were no matters requiring particular attention in its internal control system or its accounting system.

During the year 2022, the Audit Committee strived to fulfil its mission to assist and inform the Board of Directors. After each meeting of the Audit Committee, it reported to the Board on its work and summaries and issued recommendations on specific points of attention. These recommendations were discussed within the Board.

In addition to its main tasks, the Audit Committee reported to the Board on :

- The review of the draft of the Annual Financial Report ;
- The review of the financial press releases prepared by the General Management ;
- The review of the Corporate Governance Report ;
- The monitoring of the main risk areas and the internal control system, in particular the updating of the risk mapping ;
- Monitoring the independence of the statutory auditors and getting a written statement from them ;
- The review of the audit approach proposed by the statutory auditors for discussion (fees, process, risks, hedging, etc.) ;
- The review of anti-abuse market procedures and codes of conduct ;
- The cash management monitoring;
- The consistency of the remuneration committee.

The Committee's role, ahead of the Board meetings held to approve the financial statements, is to review a report of all significant events during the period and particularly key issues relating to the financial statements, whether raised internally or by the statutory auditors during their audit work.

At the two meetings held in 2023, in particular, the following points were discussed:

- Overview of the Group's operating activities
  - Analysis of results in relation to the market environment
  - Current strategy
  - Analysis of important events concerning the Group's companies
  - Overview and analysis of business risks
  - Changes in the operating structure and relationships with the main counterparties
- Accounting, regulatory and tax changes
- Changes in headcount, compensation policy and monitoring of corporate actions
- Ongoing pending litigation
- ABC arbitrage share price
- Distributable income

☐ *Strategy Committee*

The Strategy Committee makes recommendations to the Board of Directors on the overall strategic direction of the Company and the Group, the business development strategy and any other important strategic issues examined by the Board. It also examines in detail any major investment, acquisition, divestment or disposal projects submitted for its review and makes recommendations to the Board as to whether the projects should be approved or rejected.

The Strategy Committee is made up of all directors, who may consult external advisors with specialised knowledge of the matter at hand. The Strategy Committee meets as frequently as necessary to fulfil its remit.

During 2023, the Committee met twice, on February 7 and November 16, in particular to follow the application of the "Springboard 2025" business plan.

☐ *CSR Committee*

Since 2022, the Board of Directors has been interested in the issue of the creation of the CSR Committee, in line with the recommendation n°8 of Middlenext's Corporate Governance Code, which recommends companies to establish a specialised Committee in corporate social responsibility (CSR). The creation of the CSR Committee was decided by the members of the Board of Directors in 2023, and the first meeting was held on October 13, 2023. Depending on the subject, this committee works in liaison with the other specialised committees, and is chaired by Sophie GUIEYSSE, an independent director. This first meeting provided an opportunity to define the Committee's orientations, such as the sharing of value and, in particular, the balance between the level of remuneration for all employees, remuneration for the shareholder's risk-taking and the investments required to ensure the company's long-term viability. These guidelines have been approved by all members of the Board of Directors.

Board meetings:

The Board of Directors, on the basis of the work of the Strategy Committee, defines the overall strategy of the company and the Group and oversees its implementation by executive management. More specifically, the Board plays an active role in the strategic development of subsidiaries of the Parent company. Except for those powers expressly vested in the shareholders in general meeting, the Board of Directors considers and decides on all matters related to the company's affairs, subject to compliance with the corporate purpose.

Board meetings are scheduled several months ahead to enable as many directors as possible to attend. Proposed changes to the timetable are first discussed with the directors in order to take into account directors' prior commitments whenever possible. In 2023, the attendance rate at Board meetings was 100%.

The Board reached a quorum for all of its meetings. After discussions, all decisions were made unanimously.

Board meetings are held at the head office. They may be called by any method, but in practice are usually called by email, fax or verbally. Prior to a meeting, directors receive an agenda and any available preparatory information, according to recommendation N°4 of the MiddleNext code in order for the Directors to collect all the information they need to duly perform their work. All directors are encouraged to take part in the discussions, based on full, synthetic and relevant information, with a focus on the core, mainly strategic, issues.

Minutes of each meeting are drawn up and held in a special register kept at the head office.

As required by article L. 823-17 of the French Commercial Code, the statutory auditors are invited to the meetings held to review the financial statements. They attended the Board of Directors' meeting of September 12, 2023 for the presentation of the audit plan for the approval of the interim half-year accounts, and the Board of Directors' meeting of March 21, 2024 for the approval of 2023 accounts.

The Board of Directors met 6 times in 2023, thereby complying with recommendation 5 of the MiddleNext Code, on: March 16, April 13, June 9, September 14, October 16, and December 7.

Under the share buyback program authorised by the shareholders at their annual general meeting of June 9, 2023, the Chief Executive Officer may not commit the company to amounts in excess of €500,000 without the prior authorization of the Board of Directors. There are no other restrictions on the Chief Executive Officer's powers.

As required by the recommendations 22 of the MiddleNext Code, at its various meetings the Board of Directors discusses the key points for attention and focuses on any developments in this area. The Board also discusses the company's equal opportunity and equal pay policies annually.

Key decisions in 2023:

The Board of Directors reviewed and monitored progress in the company and the Group's various projects. It also discussed the key points for attention set out in the MiddleNext corporate governance code that are relevant to the ABC arbitrage Group.

The Board's main work in 2023 involved:

- Review of the annual and interim financial statements;
- Discussion and approval of financial information for earnings announcements;
- Approval of management reports;
- Taking into account reports from the Audit, Compensation and Strategy Committees;
- Discussion of the Chairman's report on corporate governance and internal control procedures implemented by the company in 2023;
- Review of related-party agreements;
- Preparations for the Annual General Meeting on June 9, 2023;
- Approval of the special report on the share and share-equivalent buyback programme;
- Approval of the report on the resolutions to be submitted to the Annual General Meeting ;
- Approval of the report on stock options and performance share awards;
- Approval of the delegations of authority and powers granted by the Annual General Meeting to the Board of Directors for share issues;
- Implementation of the share buyback programme, block purchases and monitoring of the buyback account;
- Distribution of the final 2022 dividend;
- Vesting of performance shares and definition of new performance share plans;
- Review of the action plan to promote gender equality in the workplace;
- Approval of the 2023 interim financial statements of the Group;
- Creation and orientation of the CSR Committee;
- Amendment to the Board of Directors' internal rules;
- Distribution of issue premiums in October 2023;
- Distribution of issue premiums in December 2023;
- Decision to introduce or not an additional employee profit-share for 2023;
- Setting directors' fees and variable compensation of executive officers;
- Evaluation of the work of the board of directors;
- Review of the 'vigilance points' of the Middlenext Code;
- Examination of applications for the position of Board member;
- Examination of applications for the mandate of statutory auditors.

Related-parties agreement:

In application of Article L. 22-10-12 of the French Commercial Code, the Board of March 19, 2020, adopted a charter that gives from the one hand to remind the regulatory and legal framework applicable to related-parties agreement, and on the other hand, to formalise the internal procedure of identification of related-parties agreement and evaluation of agreements concluded on normal terms.

This procedure shall apply prior to every conclusion of an agreement which could be qualified as a related-parties agreement and on the occasion of any modification, renewal or resiliation of an agreement, and which allow the identification of any agreement concluded on normal terms.

Board assessment:

In line with Recommendation 13 of the MiddleNext Code, a survey to assess the work of the Board of Directors was sent to the directors. The results of this survey were used as a basis for the discussion held by the directors at the Board meeting of 7 December 2023 on the work of the Board, its committees and the preparation of its work. The Board of Directors thus identified areas for improvement for 2024.

2.4. Directors' fees and executive compensation

This report by the Board of Directors on the ex-post compensation policy for all corporate officers, including directors, for fiscal year 2023 will be submitted to shareholders for approval in accordance with Article L.22-10-8 of the French Commercial Code.

The compensation of the Group's corporate officers is determined in accordance with the principles set out in the Middlenext Corporate Governance code updated in September 2021.

The elements of the compensation policy presented below are the subject of project resolutions submitted for the approval of the Shareholders' Meeting deliberating under the quorum and majority conditions required for Ordinary General Meetings. If the General Meeting does not approve these resolutions, the previous compensation policy, which was previously approved at the General Meeting of 10 June 2022 (Ex ante vote), will continue to apply. The Board of Directors will have to submit for the approval of the next General Meeting a draft resolution presenting a revised compensation policy and indicating the manner in which the shareholders' vote was taken into account and, where applicable, the opinions expressed at the General Meeting.

Regarding the elements of the compensation policy for 2024 (Ex ante vote), an ad hoc report from the Board of Directors will be made available to shareholders alongside the notice of meeting.

Like the Group' employees, executives are subject to the internal policy on the management of conflicts of interest, which includes instructions which employees must follow in order to identify, prevent and manage conflicts of interest.

At the beginning of each meeting, the Board reviews the situation of each of its members to ensure their independence and to identify potential areas of conflict of interest. At this occasion, each Director declares on his or her honour that he or she is not in a situation of conflict of interest that has not already been declared to the Board of Directors.

Compliance with codes of ethics and regulations is at the heart of the concerns of the members of the Board of Directors, in accordance with recommendations No. 1 and No. 2 of the MiddleNext Code, relating respectively to the ethics of Board members and the absence of conflicts of interest.

The compensation policy for executive managers is reviewed each year by the Board of Directors. In this context, the Compensation Committee presents its recommendations to the Board of Directors.

Compensation policy for corporate officers submitted to the ex ante vote of the shareholders pursuant to Article L.22-10-8 of the French Commercial Code at the General Meeting of 9 June 2023 :

The compensation policy respects the social interest and contributes to the company's business strategy and sustainability.

Compensation takes into account the conditions of employment and salary of employees within the company. The compensation policy principles are applied in the same way for both executives and employees : fairly low fixed salary, a performance-related bonus, and performance stock options. The Board applies the seven principles listed by recommendation 16 of MiddleNext corporate governance code for the determination of executive compensation: completeness, balance, benchmark, consistency, readability, measurement and transparency.

Compensation is largely dependent on the Group's performance as measured by net income, thereby taking account of all expenses borne by the shareholders, including executive compensation. In addition, compensation is also determined as a function of each person's operational responsibilities.

<u>Directors' fees:</u>

- **Fixed compensation of the Directors and the Chairman of the Board allocated by the General Meeting of Shareholders**

In accordance with the law, the total amount of directors' compensation is set by the General Meeting. The individual amount of directors' remuneration is set by the Board of Directors usually during the Board meeting of March (for the ex post) and April (for the ex ante) and as much as necessary for.

As a reminder, the Annual General Meeting of June 10, 2022, had decided to set at €120,000 the maximum overall amount of compensation to be allocated to the members of the Board of Directors for the 2022 financial year and subsequent financial years, until further decision, with the Board of Directors being required to vote annually on the individual allocation of these fees.

The Board of Directors has decided to allocate a fixed amount to each kind of meeting. The payment of Directors' fees is based on the actual presence of the representative and takes into account his actual contribution to the work of the board, in accordance with recommendation N°12 of the MiddleNext code.

It should be noted that this compensation policy applies to newly appointed or reappointed corporate officers.

The Board decided to allocate a fixed sum for each type of meeting, based on the grid and pay attendance as follows (excluding separate fees for and specific technical or preparatory work):

Nature of participation	Mesure (U x € 700)	Amount € (€ 700 x U)
Board meeting attended	1	700
Other committee meetings or work sessions attended	1	700
Shareholders' meeting attended	1	700
Audit committee meeting attended	1	700
Chairing an risk committee meeting	1	700
Audit committee meeting attended / accounts approval meeting attended	2	1,400
Board of Directors meeting attended approving the financial statements	2	1,400
Chairing an audit committee meeting / accounts approval meeting	6	4,200
Other	**Amount €**	
Responsibility package	5,000	
Additional responsibility package for chairing audit committee meeting	3,000	
Censor receive compensation regardless the type of committee meetings attended	700	

The final fees are set after discussion at a Board meeting as some directors may decide to waive all or part of their fees. For example, the Chairman of the Board of Directors, Dominique CEOLIN, has decided to limit the payment of his compensation to €2,000 per year.

- **<u>Exceptional compensation</u>**

No director received any exceptional compensation for the financial year ended December 31, 2023.

- **<u>Absence of benefits</u>**

No director receives any benefits in kind.

General guidelines of ABC arbitrage Compensation

It is reminded that the principles of the remuneration policy are applied in the same way for both executives and employees ((see paragraph "Compensation policy for corporate officers submitted to the ex ante vote of the shareholders pursuant to Article L.22-10-8 of the French Commercial Code at the General Meeting of 9 June 2023" above).

The principles governing executive compensation were first established in the early 2000s and remain unchanged today. Compensation is largely dependent on the Group's performance as measured by net income, thereby taking account of all expenses borne by the shareholders, including executive compensation. In addition, compensation is also determined as a function of each person's operational responsibilities.

Following recommendation 21 of MiddleNext corporate governance's code, the Board takes due care that the executive managers are not allocated an unreasonable proportion of performance shares and performance stock options. Thus, no beneficiary may be granted more than 15% of shares or options under a plan. The final allocation of shares is subject to performance conditions that reflect the Group's medium and long-term interests.

Fixed compensation

Dominique CEOLIN, Chief executive officer and David HOEY deputy CEO (term of office ended June 9, 2023), have resigned from their salaried positions on February 28, 2018. As of this date, there is no longer a combination of an employee and an executive function.
Therefore, all benefits as a salaried employee are not applicable. Corporate officer's fixed compensation for 2023 reaches €210,000 per year for Dominique CEOLIN and €150,000 per year for David HOEY.

Variable compensation

The compensation of Dominique CEOLIN, the Chairman and Chief Executive Officer is based on the concept of a variable bonus rewarding performance.

The determination of variable compensation for 2023 (including that resulting from company collective agreements) has been proposed by the Board of Directors and approved on the on General Meeting of 9 June 2023, on the following basis:

1. **Quantitative Calculation**

The variable compensation is indexed to the Group's Consolidated Net Income ("GCNI") calculated as follows:

- If the GCNI is less than €16 million, no variable compensation, other than that resulting from the company's collective agreements, is determined;
- If the GCNI is between €16 million and €23 million: a variable compensation is calculated on a linear basis so that

  the sum of the total compensation up to a GCNI of €23 million is at most €360,000;
- If the GCNI exceeds €23 million: 2.2% of the GNI exceeding €23 million is added to the above amount.

In line with the Group's commitment to sharing added value between employees and shareholders, the variable compensation proposed for 2023 is down sharply in particular on the part of the GCNI above €23 million. The Board of Directors also underscored the increase in the thresholds for triggering variable compensation from €15 million for the lower bound and €22 million for the upper bound at respectively €16 million and €23 million.

2. **Qualitative criteria**

Once the mechanical calculation has been completed, the Board of Directors proposes to complete its reflection on four qualitative criteria. These four criteria are part of the Group's long-standing objectives, which have been renewed with the launch of the new business plan Springboard 2025.

<u>The valuation method</u>

The Board of Directors wishes to rely on key performance indicators monitored by the Group. These indicators are quantified and are also the subject of regular evaluation reports, so that the achievement of these qualitative objectives can be assessed as objectively as possible. The Board of Directors wishes to be able to debate and take decisions without applying a mechanical calculation to the level of the key performance indicators. Each criterion will have a 25% weighting in the overall rating on a 100 basis. The Board of Directors would like to emphasise that these qualitative criteria are not calculated mechanically, but that a general assessment is made for each criterion.

Selected criteria

A. Social and Societal Dimensions of Social, Societal and Environmental Responsibility ("SER"). Qualitative assessment in 2023 based on the following indicators:
    a. Non-chosen turnover of the Group's workforce ;
    b. Involvement in community life outside ABC arbitrage (Mid Small Ecosystem, Governance, etc.);
    c. Gender equality - current situation and measures implemented.
B. Environmental dimension of CSR - Environmental dimension with the implementation of CO2 measures on the activities of the ABC arbitrage group and the follow-up of the implemented measures.
C. Risk Management - Assessment of the ratio of operational incidents and related explanations.
D. Scalability - Monitoring of the gross profit/employee ratio to guarantee the Group's efficiency.

In addition to the fact that all variable bonuses are subject to a discretionary decision by the Board of Directors, the Board's decision based on the evaluation of these qualitative criteria will only impact part 1.c of the above-mentioned quantitative calculation of variable bonuses. This part will be impacted by a multiplying coefficient made up of the sum of the four criteria assessed. In essence, this coefficient cannot be greater than 1, which means that these qualitative criteria can only leave intact or reduce the initial calculation based on the GCNI alone.

Mandate bonus

The aim of the contracts signed with the executive officers is to enable a complete or partial change of management to take place without threatening the company's stability. The Board of Directors is careful to ensure that any divergence of perspective with an executive officer will not prevent it from reorganising the company's management on a basis determined beforehand when both parties shared the same view of the company's interests and their relationship was harmonious.

Effective fiscal 2022, the termination benefit offsets the responsibility and precarity of the executive officer role, via two payment channels:

- An annual amount for termination benefits of €10,000 (ten thousand euros), will be paid annualy to Dominique CEOLIN Chief Executive, after the Board of Directors meeting approving the financial statements.
- In case of non-renewal of the term of office of the Chairman and Chief Executive Officer, or removal from office at the Company's initiative, the director will receive an additional director's bonus calculated in such a way that the sum of the director's bonuses received in respect of his term of office reaches €140,000 (one hundred and forty euros).

In return, the Board Members expressly waive their right to claim any termination benefits, to any means, except the term of office in vexatious conditions.

Executive officers are not entitled to termination benefits (recommendation 19 of MiddleNext corporate governance's code).

Executive Director's compensation approval

The General Meeting, Article L.22-10-34 of the French Commercial Code, reviewed and approved the fixed, variable and exceptional compensation granted for the financial year just ended and every benefit of any nature to Dominique CEOLIN, Chief Executive Officer.

In application of "Sapin II" regulation, of "PACTE" law and the decree of 27 November 2019, variable and exceptional compensations of the directors are submitted to earlier audit and ex post verification.

Managing Director's compensation approval

The General Meeting, Article L.22-10-34 of the French Commercial Code, reviewed and approved the fixed, variable and exceptional compensation granted for the financial year just ended and every benefit of any nature to David HOEY, Chief Operating Officer, managing director until the Annual General Meeting, i.e. June 9, 2023. In application of "Sapin II" regulation, of "PACTE" law and the decree of 27 November 2019, variable and exceptional compensations of the directors are submitted to earlier audit and ex post verification.

Non-compete clause and compensatory indemnity

Given the nature of their duties as Chairman and Chief Executive Officer and Chief Operating Officer of several ABC arbitrage Group companies, which give them access to expertise, confidential and strategic information and business partners in the arbitrage and alternative investment business. Should they leave the Group for any reason, they may not become involved either personally or through an intermediary in developing or conducting any arbitrage or alternative investment activity or service for their own account or on behalf of third parties that might compete with those activities and services already conducted by an ABC arbitrage Group company on the date of their departure.

The executive manager and the deputy CEO have also undertaken not to use the processes, methods and confidential information obtained during the performance of their duties to the detriment of any ABC arbitrage Group company.

This non-compete clause will apply for a period of ten months after the departure from the ABC arbitrage Group and covers all financial markets in which the Group exploits arbitrage strategies on the date of their departure, including but not limited to Europe and North America. It also covers all portfolios and clients that the executive managers may manage now or in the future.

In exchange, upon the departure from the Group the executive manager or deputy CEO will be irrevocably entitled to receive compensation in an amount equal to 33% of their average annual gross performance-related bonuses for the last 24 months in office, capped at a gross total of €120,000. This compensation will be in addition to the special bonus received during their term of office as referred to above.

It will be payable monthly in arrears over a period of ten months, provided that the company receives some form of evidence that the executive office has complied with their non-compete undertaking each quarter (French Pole Emploi certificate, payslip, employer's certificate, affidavit).

Pension commitments towards the executive managers

Following recommendation 20 of MiddleNext corporate governance's code, the executive manager is not covered by any company-funded defined contribution or defined benefit pension plans and the Board of Directors has clearly stated that it is opposed to any such benefits being provided.

Attendance fees

The annual general meeting sets the annual amount of attendance fees allowed to members of the Board of Directors.

The Board has decided to set a fixed amount to every type of meetings (see the table above) and to vote annually for individual attribution of individual attendance fees, based on the actual attendance and contribution of every director to the Board's activities, in accordance with recommendation 12 of MiddleNext corporate governance's code.

The CEO accepts each year to limit the payment of his attendance fees to 2,000 euros.

Absence of benefits in kind

The Executive manager and the deputy CEO do not receive benefits.

Options and performance shares grant

The Executive manager and the deputy CEO are eligible for free shares and stock option plans offered by the company to benefit the Group's employees and directors. The free shares or stock options or subscription from which they benefit , are subject to performance criteria set by the Board of Directors.
For information the law no longer authorises to grant executive managers performance shares and stock-option which exceed 10% of custody regardless of the amount of debt, nor of capital products that would lead to exceed these 10%.
The Chief executive Dominique CEOLIN cannot benefit from performance shares and/or stock option plans.

Statements of directors' transactions on ABC arbitrage shares

Blackout Periods:

To ensure transparency and prevent insider trading, restrictions apply to directors when trading ABC arbitrage shares. From the first day of the accounting year until the day after the annual financial report is published, and from July 1st to the day after interim results are published, directors are required not to do any transactions on ABC arbitrage shares.

Obligation to report transactions:

Directors' transactions involving the Company's securities must be reported to the Company and to the AMF for their websites. The reporting threshold is €20,000 by calendar year. It concerns equities, debt securities, derivative instruments, and financial instruments related to these securities. Reports have to be submitted to the AMF and ABC arbitrage in the 3 working days after the trade date.
This means that during these periods, the members of the Board, in their capacity as insiders, must refrain, in accordance with the legal provisions, from any transaction on ABC arbitrage securities.

In 2023, directors performed the following trades on the ABC arbitrage securities:

Name	Purchases (in €)	Sales (in €)	Subscriptions (in €)	Number of ABCA Shares held at Dec. 31
Dominique CEOLIN	- €	-€	€55,708	€2,631,411
Financière WDD*	- €	-€	-€	€7,120,473
David HOEY	- €	-€	€76,569	€3,483,163
Aubépar Industries et ses filiales	- €	-€	-€	€7,108,717
Sophie GUIEYSSE	- €	-€	-€	€1,000
Isabelle MAURY	- €	-€	-€	€1,000

** Holding 50.01%-owned by Dominique Ceolin*

Elements of compensation paid during the financial year 2023 or allocated for the same financial year submitted to the ex post vote of the shareholders at the General Meeting of 7 June 2024

Pursuant to Article L.22-10-8 of the French Commercial Code, the total compensation of executive officers, as described below, is in accordance with the compensation policy adopted at the General Meeting of 9 June 2023.

Directors' fees

Directors' fees paid in 2023 by Group companies amounted to €76,966 broken down as follows:

Name	Position	Directors' fees (€)				
Administrators	Administrators	2023	2022	2021	2020	2019
Dominique CEOLIN	Chairman of ABCA	2,000	2,000	2,000	2,000	2,000
Aubépar Industries SE represented by Xavier CHAUDERLOT	Director of ABCA	15,833	21,900	19,600	13,300	10,500
Sabine ROUX de BÉZIEUX	Director of ABCA	5,933	14,975	16,100	13,300	10,500
Sophie GUIEYSSE	Director of ABCA	15,833	15,675	8,400	N/A	N/A
Isabelle MAURY	Director of ABCA	26,434	19,400	2,800	N/A	N/A
David HOEY	Director of ABCA	10,700	N/A	N/A	N/A	N/A
Jean-François DROUETS	Censor	233	6,000	9,100	9,100	6,300

Executive compensation

- **Dominique CEOLIN**

In 2023, the compensation allocated and granted in euros to Dominique CEOLIN, Chairman and Chief Executive Officer of the Company, compared to the two previous ones, in respect of his duties as a director or employee of ABC arbitrage companies, excluding non-integrated directors' fees, breaks down as follows:

Dominique CEOLIN Chairman and Chief Executive Officer	Exercice N 2023		Exercice N-1 2022		Exercice N-2 2021	
	Amounts allocated	Amounts granted	Amounts allocated	Amounts granted	Amounts allocated	Amounts granted
Fixed compensation	210,000	210,000	210,000	210,000	235,200	235,200
Variable compensation	6,700	320,200	320,200	262,400	262,400	383,350
Termination benefit	10,000	10,000	10,000	11,750	20,000	87,500
Incentive schemes	32,994	30,852	30,852	30,852	30,852	30,852
Profit sharing	3,343	30,852	30,852	29,545	29,544	30,852
Compensation for mandates for «members of the administrative board»	6,000	4,000	4,000	4,000	4,000	4,000
Benefits in kind	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-
Share grants	-	-	-	-	-	-
Stock-options	-	-	-	-	-	-
Others	-	-	-	322,150	35,574	35,574
TOTAL	**269,037**	**605,904**	**605,904**	**870,697**	**617,570**	**807,328**

- **David HOEY**

In 2023, the compensation granted in euros to David HOEY, Deputy Chief Executive Officer of the Company (Chief Operating Officer until the Annual General Meeting of June 9, 2023), in respect of his duties as a director or employee of ABC arbitrage companies, excluding non-integrated directors' fees, breaks down as follows:

David HOEY Chief Officer	Exercice N 2023		Exercice N-1 2022		Exercice N-2 2021	
	Amounts allocated	Amounts granted	Amounts allocated	Amounts granted	Amounts allocated	Amounts granted
Fixed compensation	66,346	66,346	150,000	150,000	175,200	175,200
Non-compete clause and compensatory indemnity	72,000	72,000	-	-	-	-
Variable compensation	-	326,200	326,200	268,400	268,400	389,350
Termination benefit	-	10,000	10,000	8,750	20,000	87,500
Incentive schemes	14,572	30,852	30,852	30,852	30,852	30,852
Profit sharing	1,477	30,852	30,852	29,545	29,544	30,852
Compensation for mandates for «members of the administrative board»	14,100	2,000	2,000	2,000	2,000	2,000
Benefits in kind	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-
Share grants	-	-	-	-	-	-
Stock-options	-	-	-	-	-	-
Others	-	-	-	-	10,679	10,679
TOTAL	**168,495**	**538,250**	**549,904**	**489,547**	**536,675**	**726,433**

Compensation multiples and changes

In accordance with the provisions of Article L. 22-10-9, I 7° of the French Commercial Code, the table below shows the change over five years in the ratio between the level of compensation of the Chairman and the Deputy Chief Executive Officer and the average and median compensation on a full-time equivalent basis of the employees of the Economic and Social Unit comprising the employees of ABC arbitrage and ABC arbitrage Asset Management, as well as the change in such compensation and performance criteria.

The employees concerned are those of the Economic and Social Unit, i.e. all employees in France who are continuously present over a financial year. Employee compensation includes fixed and variable compensation and bonuses, all paid during the financial year 2023. The same applies to the compensation of executive directors in order to standardise the criteria used to determine these ratios.

Year	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Equity Ratio / Average Compensation Dominique CEOLIN	**4.7**	5.9	5.1	3.7	5.9
Equity Ratio / Median Compensation Dominique CEOLIN	**5.7**	7.2	6.4	4.4	6.8
Equity Ratio / Guaranteed minimum wage Dominique CEOLIN	**26**	34.3	39.6	19.2	26.2
Equity Ratio / Average Compensation David HOEY	**Term of office as Chief Operating Officer ends June 9, 2023**	2.6	4.5	3	5.1
Equity Ratio / Median Compensation David HOEY		3.1	5.7	3.7	5.8
Equity Ratio / Guaranteed minimum wage David HOEY		14.8	35.3	15.9	22.4
Change in average salary(1)	**-0.1%**	-21.6%	51.8%	20.0%	9.9%
Change in median salary(1)	**0.6%**	-18.8%	44.5%	13.6%	8.5%
Change in minimum wage(1)	**5.5%**	5.2%	1.6%	1.2%	1.5%
Consolidated revenue organic growth (1)	**-35.8%**	-4.5%	-6.4%	85.2%	-7.7%

(1) Evolution observed in year N compared to year N-1.

2.5. Table of Delegation of authority and powers to the Board of Directors[2]

General Meeting Date	Nature of delegation	Modalities and limits	End of delegation	Date, terms and conditions of use by the Board of Directors
10/06/2022	Authorisation to cancel shares and any other securities giving access to the capital under Article L22-10-62 of the French commercial code; delegation of powers to the Board of Directors; maximum authorization granted (resolution no.16)	The Board of Directors is authorised to cancel, at its sole discretion, on one or more occasions, within the limit of 10% of the share capital calculated on the date of the cancellation decision by 24-month periods, the shares that the Company holds or may hold under Article L22-10-62 of the French commercial code, and to reduce the share capital accordingly in accordance with the legal and regulatory provisions in force.	**12/06/2024**	Unused

[2] According to the article L225-37-4 3° of the French Monetary and Financial code

10/06/2022	Delegation of authority to the Board of Directors to decide on the incorporation into the capital of profits, reserves or premiums (resolution no. 17)	The Shareholders' Meeting delegates to the Board of Directors, in accordance with the provisions of Articles L.225-129, L.225-129-2 and L.225-130 of the French Commercial Code, its authority to decide on one or more capital increases, by way of incorporation into the capital of all or part of the reserves, profits or premiums, the capitalization of which will be legally and statutorily possible, to be carried out by the creation and allotment of new bonus shares or by increasing the par value of the existing ordinary shares, or by a combination of these two procedures. The total amount of the capital increases that may be carried out may not exceed EUR 250,000 in nominal value (26 months)	**10/08/2024**	Unused
10/06/2022	Delegation of authority granted to the Board of Directors to issue shares or any securities giving access to the share capital, while maintaining the shareholders' preferential subscription rights. Terms of the issue and delegation of powers to the Board of Directors; Maximum amount of the issue(resolution no.18)	The total amount of the capital increases that may be carried out may not exceed EUR 250,000 in nominal value, without prejudice to any adjustment made. The shareholders shall have a preferential subscription right to the securities to be issued pursuant to the delegation (26 months).	**10/08/2024**	Unused
10/06/2022	Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or securities giving access to the share capital, with cancellation of the shareholders' preferential subscription right, by means of an offer referred to in II of Article L.411-2 of the Monetary and Financial Code (resolution no. 19)	The total amount of share capital increases that may be carried out may not exceed 20% of the share capital per year. The Board of Directors shall determine the issue price of the shares and securities issued, which shall be equal to the weighted average of the prices of the last three stock exchange sessions preceding its determination, less, where applicable, a maximum discount of 10%. (26 months)	**10/08/2024**	Unused

10/06/2022	Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or securities giving access to the capital reserved for the Group's employees and corporate officers (resolution no. 20).	The Board of Directors shall determine all the terms and conditions of the operation(s) to be carried out, in particular the subscription price of the new shares. The total amount of the share capital increases may not exceed a nominal amount of 40,000 euros, 2,500,000 common shares, without prejudice to any adjustment made in accordance with Articles L. 228-98 and L. 228-99 of the Commercial Code. (26 months)	**10/08/2024**	Unused
09/06/2023	Authorization granted to the Board of Directors to trade in the company's shares under the terms of article L22-10-62 of the French Commercial Code, duration of the authorization, purposes, terms and conditions, ceiling: share buyback program (resolution no. 18)	The maximum purchase price is set at 12 euros per share. The number of shares acquired by the company may not exceed 10% of its capital stock, adjusted for any transactions affecting the capital stock subsequent to this General Meeting, and without prejudice to the provisions of Article L22-10-62 of the French Commercial Code. The maximum amount that may be repurchased under this program is set at 20 million euros. Full powers are granted to the Board of Directors, with the option of sub-delegation to the Chief Executive Officer, to determine the appropriateness of launching a share buyback program and to determine the terms and conditions thereof, and, accordingly, to place all orders on the stock market or off-market, to enter into all agreements, to draw up all documents, to make all declarations and carry out all formalities, and, in general, to do all that is necessary. For 500,000 or more, outside the liquidity contract, the prior authorization of the Board of Directors is required (18 months).	**09/12/2024**	Regular use via authorization by the Board of Directors

09/06/2023	Authorisation given to the Board of Directors to grant options to subscribe for or purchase ordinary shares with waiver the preferential subscription rightsat no cost to salaried employees and executive directors (resolution no. 18)	The total number of such bonus shares shall not exceed €5 million excluding any legal adjustments made in accordance with Articles L. 228-98 et L. 228-99 of the French Employment Code, and the total nominal amount of the capital increases that may be completed as a result of this grant (with maximum amount of €80,000 set irrespective of the nominal amount of the share the day of the present General meeting) to deducted from the overall ceiling set in the twenty-one resolution of this Assembly.	**9/08/2026 (38 months)**	Unused
09/06/2023	Authorisation given to the Board of Directors to allocate free of charge existing or future ordinary shares of the Company known as performance shares in favor of employees and/or executive officers (resolution n°20)	The total number of free shares distributed may not exceed 2,000,000, including shares already allocated under previous authorisations, and may not represent more than 10% of the company's capital on the date of the Board of Directors' decision. This percentage may not represent more than 30% of the capital when the allocation of performance shares benefits all the company's employees.	**09/08/2023 (38 months)**	Used: - 119,171 shares conditionally allocated on 9/06/2023

The General Meeting of June 9, 2023 decided to set at €200,000 the overall nominal amount for share capital immediate and/or future increases, that may be carried out by virtue of the delegations and authorizations granted to the Board of Directors in the 17th, 18th,19th and 20th resolutions voted at the said General Meeting, as well as those adopted earlier by the General Meeting of June 10, 2022 in the 19th and 20th resolutions, it being specified that to this ceiling is added, possibly, the nominal amount of the shares to be issued to preserve, in accordance with legal and regulatory provisions and, where applicable, applicable contractual stipulations, the rights of holders of securities giving access to actions.

2.6. Other information

Attendance at general meetings of shareholders:

All shareholders are entitled to attend general meetings on the basis set out by law and the regulations, regardless of the number of shares held.

In accordance with Article L.225-106 of the French Commercial Code and Article L.22-10-39 of the French Commercial Code, shareholders who are unable to attend the general meeting in person may:

- Give proxy to any legal entity or natural person of their choice including the chairman of the general meeting; or
- Sign and return the proxy form to the company without naming the proxy; or
- Vote by post.

The proxy documents provided for in articles R.225-81 and R.225-83 of the French Commercial Code (including the annual financial statements and a presentation of the proposed resolutions) can be obtained by writing to the company's head office in accordance with the applicable laws and regulations.

The documents to be presented during the meeting (as referred to in article R.225-73-1 of the French Commercial Code) are posted on the company's website (abc-arbitrage.com), at the latest on the 21st day preceding the meeting.

Shareholders may submit written questions to the Board of Directors. To be taken into account, the questions should be sent no later than the fourth day preceding the meeting, in accordance with the applicable laws and regulations.

Shareholders who fulfil the relevant legal and regulatory requirements may ask for resolutions or items to be added to the agenda of the meeting. To be taken into account, any such requests should be sent no later than the twenty-fifth day preceding the meeting, in accordance with the applicable laws and regulations.

Dominique CEOLIN, the Company's Chairman and Chief Executive Officer, meets significant shareholders regularly during the year and not just at General Meetings, in order to create the basis for a productive dialog (recommendation 14 of the MiddleNext Code).

Succession plan

In accordance with the MiddleNext Code (recommendation 17), Dominique CEOLIN, Chairman and Chief Executive Officer, presents details of the Company's succession plan to the Board of Directors once a year.
This plan has been :

- modified during 2022, by the initiation of a new governance of subsidiary ABC arbitrage Asset Management, which entered into force on January 1, 2022;
- was modified during 2023, with the end of David Hoey's mandate as deputy general manager following the general meeting of June 9, 2023 and the appointment of the latter as director of the board of administration of the company from the same date;
- presented to the board of directors at the end of 2023.

Related-parties agreement

No related-parties agreements were signed nor any agreement between a shareholder holding more than 10% of ABC arbitrage share capital and voting rights or a Director and any of its subsidiaries.

Information likely to have an impact in the event of a public purchase or exchange offer

In accordance with article L.22-10-11 of the Commercial Code on “information likely to have an impact in the event of a takeover bid or OPE” this management report contains the following information:

The capital structure of the company	This information appears in section “4.2. Distribution of company capital”
Statutory restrictions on the exercise of voting rights and transfers of shares or the clauses of agreements brought to the attention of the company in application of article L. 233-11	Not applicable - Statuses available on the website abc-arbitrage.com/statuts
Direct or indirect participations in the capital of the company of which it is aware under articles L. 233-7 and L. 233-12	This information appears in section “4.2. Distribution of company capital”
The list of holders of any security containing special control rights and the description of these	Not applicable
The control mechanisms provided for in a possible employee shareholding system, when control rights are not exercised by the latter	Not applicable
Agreements between shareholders of which the company is aware and which may result in restrictions on the transfer of shares and the exercise of voting rights	Not significant
The rules applicable to the appointment and replacement of members of the board of directors as well as the modification of the company's statutes	This information appears in “2.2. Composition of the board of directors”: Choice of directors

The powers of the board of directors, in particular with regard to the issue or repurchase of shares	This information appears in “2.3. Conditions for preparing and organising council work”: Council meetings
Agreements entered into by the company which are modified or terminated in the event of a change of control of the company, unless such disclosure, excluding cases of legal disclosure obligation, would seriously harm its interests	Not applicable
Agreements providing compensation for members of the board of directors or employees if they resign or are dismissed without real and serious cause or if their employment ends due to a public purchase or exchange offer	Not applicable / cf. precisions “2.4 - Directors' fees and executive compensation”: Mandate bonus

3. Internal control

The purpose of the internal control system implemented by the various Group companies is to:

- Ensure that management decisions, business operations and staff behaviour comply with the guidelines set by the company's corporate governance structures, the applicable laws and regulations, and the company's own values, standards and rules;
- Prevent and control risks arising from the company's business operations and the risk of error or fraud;
- Ensure that the accounting, financial and management information provided to the company's corporate governance structures gives a true and fair view of the company's operations and financial position;
- To manage the identified risks.

More generally, the internal control system aims to provide shareholders and investors with reasonable assurance that the strategic objectives set by the Board in agreement with the shareholders will be met with an adequate level of security, control over risks and processes, and compliance with all applicable standards.
Like any control system, it cannot provide absolute assurance that these risks will be totally eliminated.

3.1. Regulations

The ABC arbitrage Group's internal control system is based on the following regulations and standards:

- The regulations and standards applicable to French companies whose shares are traded on a regulated market, in particular the general regulations and internal control guidelines published by the AMF;
- The regulations and standards applicable to French asset management companies, in particular the AMF's general regulations, the Code of Ethics issued by Association Française de Gestion (AFG) and the AIF Rulebook for alternative investment funds.

3.2. Internal control players

Control over the operating team is exercised by the Finance & Internal Control and Market Risks teams.
The boards have full power to request disclosure of the information they wish to obtain. Gaetan FOURNIER, Secretary General and the Chairman and Chief Executive Officer, Dominique CEOLIN can be contacted for risk management and internal control related matters.

Finance & Internal Control

Finance & Internal Control reports directly to executive management and to the Board of Directors of the asset management company for specific questions. Six team members are working on it.

It is responsible for drafting and updating documentation describing the resources required to ensure that internal controls are implemented on an efficient, effective and consistent basis. It also organises and takes part in recurring and periodical controls.

Through regular meetings with each team, Finance & Internal Control checks that procedures describing the team's tasks in the operating process have been issued and are implemented. Given the size of the company, the reports and recommendations for improvement issued by Finance & Internal Control are discussed during formal meetings with the heads of the relevant teams and the management of Group companies.

Finance & Internal Control is also responsible for financial control within the Group. At each reporting date, it reviews and approves the manual or automatic accounting entries made by the operating teams.

Checks are performed through:
- Examinations of accounting vouchers, on a comprehensive or test basis ;
- Analytical reviews.

Its conclusions are set out in formal interim and annual reports that are reviewed by the statutory auditors.

 Market Risks / Investment risks

The four-member Market Risks team reports directly to the general secretary, which in turn reports to the Chief Executive Officer and the Board of Directors.

The team's various missions revolve around the following major themes:
- monitoring risk limits (exposures, coverage gaps, etc.) set by the management committee or the group's clients;
- modelling, evaluation and monitoring of extreme risks (carrying out stress tests, scenario analysis);
- monitoring and optimising the use of capital;
- strategy analysis.

The members of the “Investment risks” team ensure that all management procedures and limits are correctly respected and immediately contact the management committee if not. They communicate daily with market operators who are responsible for first-level controls.
The essential controls - governing first-order risks - are carried out in real time and a daily report of the excesses encountered is sent to the management committee at the close of the American market.

The head of the “Investment risks” team meets with the management committee as often as necessary and at least once a week. A quarterly report is also sent by “Investment risks” to the management committee and the CEO of ABC arbitrage.

 Compliance Officer

The Compliance Officer is responsible for making sure that all industry codes of conduct and practice are strictly observed. These rules are designed to guarantee the quality and integrity of the service offering and to promote its development. In liaison with all people and teams involved, the Compliance Officer makes sure that the rules are implemented and performs controls.

3.3. Risk management

The internal control team establishes and monitors a risk map. This mapping details how all the Group's services and infrastructure classify and cover the identified risks.
The mapping is presented and validated annually by the Group's Board of Directors. This presentation includes the methodology and evaluation of every family risk assessment.
Two teams take part in the risk management system: the “Market Risks” team and the “Finance and Internal Control” team. All of the monitoring and controls put in place aim to control and find areas for improvement to reduce the risks inherent in the Group's activities. These areas are highlighted through the recommendations issued following the themes of permanent and periodic controls.
It is important to emphasise that the various business lines represent the first line of defence in risk management and control.

The nature and extent of risks to which the Group is exposed through its dealings in financial instruments are described below.

The Group's trading exposures (“Trading Exposures”) include equities or equity derivatives (such as warrants, “put warrants” and convertible bonds), derivative products such as futures, options and foreign exchange; and collective investment undertakings, the vast majority of which are traded on active markets, which may or may be not regulated, and are referred to collectively as “Financial Instruments”. An ensemble of related Trading Exposures constitutes a quantitative model (“Quantitative Model”).

A Quantitative Model is designed to take advantage of an unjustified price differential between two financial instruments. The Group qualifies as "unjustified" only those differentials that can be objectively measured by a mathematical or statistical process, without a guarantee of long-term convergence.

Trading Exposures in Financial Instruments may be held in custody, as a creditor or a debtor to a counterparty or in synthetic format (contracts for differences, swaps).

The Group is exposed to a variety of risks: market risks, credit and counterparty risks, liquidity risks, operational risks and other risks.

ABC arbitrage provides subsidiaries with a general risk-management framework that the subsidiaries' boards of directors adhere to when setting their own policy.

The Group oversees the implementation and effectiveness of the controls carried out in its subsidiaries with the support of the executive managers and the control functions (market risk and internal control).

This is because the Group uses leverage as part of its financing agreements with counterparties, allowing it to take larger exposures than would be possible if it were acting alone.

Trading Exposures to Financial Instruments in isolation present a risk of loss of capital. The maximum loss of capital on long Trading Exposures to equities is limited to the fair value of those positions. The maximum loss of capital on long Trading Exposures to future contracts is limited to the notional contract value of those positions. The maximum loss on short Trading Exposures to futures contracts and equities is theoretically unlimited.

- **Market risks**

Market risk is the risk that the fair value or future cash flows of Trading Exposures will fluctuate because of changes in market prices of Financial Instruments and include notably market price risk, interest rate risk and foreign currency risk.

Equity risk

Equity risk, or price risk, arises mainly due to uncertainty about the future prices of Financial Instruments held. It represents the potential loss that could be incurred by the Group as a result of potential movements in price on its exposures to Financial Instruments.

The risk is never related to an unfavourable movement in market prices, for example a stock market crash, but can arise from an unfavourable event related to one of the above operations. By definition, the risks on quantitative models are not interdependent. The Group hedges risks by spreading them across the greatest possible number of transactions, financial instrument types and geographic areas.

The risk is followed and monitored daily by the "Market Risks" team through the monitoring of alerts on positions and the implementation of stress tests aimed at observing any potential deviation. All alerts are forwarded to the Management Committee, which decides to adjust the limits accordingly.

Interest rate risk

Interest rate fluctuations may have a positive or negative influence on the value of Financial Instruments.

In general, the Trading Positions are composed of approximately equal amounts of long Trading Positions and short Trading Positions and the risk is therefore not material. If a specific Trading Position carries a material interest rate risk, this risk is systematically hedged.

The “Market Risks” team performs a daily calculation of the exchange risk by portfolio of strategies. Alerts are sent, when required, to the Business Units concerned by currency exposure. Note that part of the coverage is automatic (coverage carried out live) and part is manual and carried out at the end of the day for adjustment.

Currency risk

The Group may hold Trading Positions denominated in currencies other than the Group’s functional currency. Exchange rate fluctuations against the functional currency may have a positive or negative influence on their value.

Currency risks are systematically hedged by buying or selling the currency (or an exposition to the currency). The only risk is of a secondary nature – that the profit (or loss) realized in a given currency may vary if it is not converted into the functional currency. The Group regularly converts profits (or losses) into the functional currency and its exposure to currency risk is therefore marginal.

The “Market Risks” team performs a daily calculation of the exchange risk by portfolio of strategies. Alerts are sent, when applicable, to the Business Units concerned by currency exposure.

- **Operational risks**

It is the risk of internal failure. These failures may be related to a hardware problem, or human. Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems.

This risk is managed upstream by ensuring that position taking is guided by written procedures and a rigorous internal control process. However, these procedures and controls cannot provide absolute assurance that operational losses will not occur and due care is taken at all times as this is a structural risk in the Group’s business.

The group has a risk-based approach, listed in its risk mapping to cover all the sensitive elements that could generate an operational failure. Different levels of control are implemented (one, two, three). These checks are regular and their conclusion is subject to a reassessment of these ratings. For example, without being exhaustive, we cite below some controls put in place by different teams to cover these risks.
The configuration of the production universe in which the strategies evolve is based on automated referencing of external official data and information. The “Analysis and Investigation” team monitors and compares internal and external data used by market operators. The "Information System and Development" team as well as the "Market Operators" team, carry out the strategy’s testing phases in the dev environment separated from the production universe, which considerably limits the problems of configuration or of data exploitation. The “Market Risks” team is involved in setting limits applicable to each type of strategy submitted to management committees.
The counterparties, with which the company deals, are subject to compliance tests carried out by the “Execution Support” team in order to regularly check their reliability and their ability to transmit our orders to the market.
Finally, in the occurrence of a business continuity problem, the “Information System and Development” team has set up a “Business continuity and disaster recovery plan” with, in particular, daily data replication.

An operational incident recording and monitoring system is in place. It concerns all types of incidents (human, tool, external). This system aims initially to resolve the incident as quickly as possible. In a second step, a remediation plan is drawn up to recover from a similar incident in the future. A half-yearly presentation is made to the Management Committee.

 Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due, or can only do so on terms that are materially disadvantageous.

The Group’s Trading Exposures consist almost exclusively of highly liquid Financial Instruments quoted on active markets and its obligations mainly comprise the necessity to provide Collateral to support the Group’s Trading Positions. The volume of Trading Positions which the Group may enter into is contractually based on the assets transferred as Collateral.

The Group's actual Trading Positions, taking into account existing agreements with Counterparties, is constantly monitored to ensure that the Group benefits from considerable flexibility in conducting its business as well as substantial liquid reserves. In addition, given the highly liquid nature of the Trading Positions the Group can alleviate the need for Collateral by reducing the volume of Trading Positions.

The group recommends intervention only on very liquid products, otherwise it will be the subject of a decision to be decided during a Management Committee. The “Market Risks” team sets intervention limits designed according to liquidity risk.

 Credit and counterparty risk

This is the risk of a counterparty being unable to honor its contractual obligation to settle a transaction with the Group, due to deterioration in its financial position.

The ABC arbitrage Group deals solely with brokers/dealers (“Brokers”) and credit institutions and investment companies (“Counterparties”).
All of these parties are subject to specific controls by the regulatory authorities in the countries in which they operate to ensure their solvency.

The Group’s trading activity mainly comprises financial instruments which are traded on active (if not regulated) markets which predominantly settle via a Central Clearing Party (CCP). The risk of default by Brokers for each and every market trade is therefore considered to be minimal, as the CCP serves to guarantee settlement, and the securities are not delivered until the Broker has made or received payment.

By unwinding transactions in financial instruments, a counterparty acts as depositary, creditor or debtor, or as counterparty to a synthetic product (CFDs, swaps) for the Group. In general the Group’s business requirements permit that very little (if any) of its assets are held in Custody. A significant proportion of the assets of the Group transferred to Counterparties are either pledged as a first security interest or transferred as margin (collectively “Collateral”) to support the Trading Positions. The Counterparty may re-use this Collateral for its own account but is required by contract to return the assets or equivalent assets upon first demand.

The risks related to the use of a Counterparty are:
- interruption or discontinuation of services as the Counterparty has the right to amend or discontinue the services;
- increased costs of maintenance of Trading Positions with the Counterparty;
- failure by the Counterparty to return Collateral used due to market events;

- failure by the Counterparty to return sums due as a result of bankruptcy;
- incorrect valuation of Trading Positions held and Collateral transferred to the Counterparty.

The Group manages this counterparty risk through the use of industry standard master agreements, close monitoring of Counterparty credit ratings and diversification of its relationships to spread risk while weighing up the pricing benefits of concentration on larger-scale relationships.

The group mainly operates through regulated markets (clearing house), which limits this risk. Due Diligence questionnaires are pushed before selecting a market intermediary. We carry out concentration tests of its prime brokers, and the counterparties with which the company deals are subject to compliance tests carried out by the Execution Support team in order to regularly check their reliability and their ability to transmit our orders to the market (§ operational risk management). The “Market Risks” team monitors counterparty risk and reviews maximum potential losses through stress tests.

Other risks

Compliance risk (including legal risk)
Compliance risk is the risk of failure to identify and/or comply properly with the provisions governing the Group's business activities. Such failure can lead to malfunctions, financial loss or sanctions (legal, disciplinary, administrative, etc).
An ongoing monitoring system is in place within the Group's legal and tax department.

This risk is monitored by the “Legal and Tax” team, which carries out legal and regulatory monitoring.

The “Legal and Tax” team is in charge of legal and regulatory monitoring. This work enables the “Compliance, Internal Control” team to carry out, with the support of the various business lines, the implementation of regulatory obligations and to monitor and send the various reports inherent to these obligations to the authorities concerned.
In addition, the “Compliance, Internal Control” team supports all of the Group’s teams through its advisory function for questions relating to the subject of compliance but also in their awareness of their obligations.

Conflict of interest risk
Conflict of interest risk is the risk of being confronted with situations where the interests of a client or company may conflict with those of another client or with those of a Group company or a Group employee.

To prevent conflict of interest situations, the Group has implemented:
- an internal conflicts of interest policy including guidance to be followed by employees in order to identify, prevent and manage conflicts of interest;
- strict procedures and rules governing the handling of orders and primacy of the client interest.

The Group's asset management companies comply strictly with financial market operating rules and are not permitted to do anything that might contravene the principle of fair and equal treatment of orders. More particularly, orders transmitted to the market are pre-allocated and time and date stamped.

This risk is limited by the presence of a team dedicated to internal control, as well as the establishment of management committees whose purpose is to validate/propose any method of managing strategies outside the usual framework, with the presence of different teams (“Market Risks”, “Analysis and Investigations”, “Legal and Tax”). More generally, the code of ethics is presented to each new entrant to the group and an annual reminder is issued. Regular controls are put in place to cover this risk.
The group also protects itself against risk by dealing only with professional clients and by providing them annually with its Due Diligence Questionnaire, in which these ethical principles are mentioned.
Note that any potential conflict of interest is referenced in a dedicated register. An analysis note is made by compliance in order to exclude or affirm the alleged conflict of interest.

Risks associated with climate change
In light of its business, ABC arbitrage has not identified any material financial risks associated with the effects of climate change.
The Group is nevertheless aware of its responsibilities and endeavors to adopt eco-friendly practices by taking environmental factors into consideration in routine decisions.
The Group's environmental policy is described in the third section of the CSR Report included in the Annual Financial Report.

As mentioned previously, given its activity, the ABC arbitrage group has not identified any significant financial risk related to the effects of climate change. Nevertheless, the group implements awareness-raising actions, and a CSR task force considers these subjects and anticipates any effects.

3.4. Internal control organisation

In order to face with the previously identified risks, the ABC arbitrage Group's internal control system is based on:

Clear, easily accessible staff and line organization charts
The charts provide an overall description of the Group's structure and ensure proper segregation of tasks.

Procedures describing the investment processes
Procedures are drafted by employees in different departments describing data flows, as well as the required documents, decisions, entries and controls. These procedures reflect the expertise of the asset management company in its core business.

Investment rules
Investment rules are defined by management in association with Market Risks for all new quantitative models. These rules ensure that everyone involved follows the same guidelines with regard to trading limits, maximum potential losses, leverage, etc.
Regular controls are performed to ensure that limits exist, are regularly reviewed and are strictly adhered to.

Bespoke information system
The information system is the cornerstone of the organisation structure. Adapted to the specific requirements of the business, it is used to perform a large number of programmed controls and to produce daily management reports. A number of blocks can also be set in the system to limit operational errors in the work processes. The information system was developed and is maintained in-house by the asset management company's IT team.

Permanent audit trail
The entire production and operations chain is recorded and archived in the company's system to provide a full audit trail of all transactions.

Accountability of operations staff
Operating staff are responsible for first-level risk management and control to ensure that they are aware of and observe control and compliance rules as regards risk limits and existing standards.

Segregation of execution and control tasks
Preventing the risk of collusion or accidental error depends on segregating the main line functions. Transaction authorization, processing, recording and accounting functions are therefore clearly divided between the various operating departments. Where a particular function cannot be fully segregated due to the Group's small size, controls are reported directly to the Board or executive management and decisions are taken on a consensus basis.

Restricted delegated authorities
Only the Chief Executive Officer has the power to represent ABC arbitrage. There is a general delegation of authority in his absence and a special delegation of authority from the Chief Executive Officer to a head of department on a needs only basis.

Codes of conduct
It is assumed that all employees may possess sensitive information or may be faced with a conflict of interest. The code of conduct is specifically designed to reduce the risk of such information being used or the conflict of interest arising.

The code of conduct includes specific rules concerning:
- Use of confidential, inside or sensitive information;
- Blackout periods for dealing in the company shares, imposed by ABC arbitrage's management throughout the life of the company to avoid any arguments or the exercise of personal judgement on share dealing during sensitive periods (e.g. before the results are published).

The Group always makes sure that it has sufficient available cash to cope with very difficult market conditions. It has never experienced any financing or credit difficulties.

The Group is based in premises that meet its trading room needs and encourage a seamless information flow.

3.5. Preparation of financial and accounting information

ABC arbitrage prepares separate and consolidated financial statements each year. They are drawn up by Finance & Internal Control, reviewed by the Audit Committee and approved by the Board of Directors.

The ABC arbitrage Group also publishes interim consolidated financial statements. The statutory auditors have always issued unqualified opinions on the financial statements of the company and the Group.

Led by Finance & Internal Control, the accounting control organisation is designed to ensure that ABC arbitrage's information system and associated databases comply with the regulations and, in particular, provide a continuous audit trail.

 Matching and freezing entries

A unique internally-developed "Transactions" module allows information about the type and specific features of each arbitrage transaction (direction, type and description of security traded, trade date, value date, quantity, price, fees and commissions, Broker's symbol, deposit account, etc.) to be stored at two levels.

The first level is used by market operators to input their transactions. The second level is used by post-market financial operators to validate the transactions based on the confirmation notes received from counterparties.

This module is a dynamic interface between front and back-office teams that also guarantees full segregation between the input and control tasks carried out by the two units.

For all information flows giving rise to an accounting entry, security mechanisms have been developed that prevent any possibility of editing or deleting an entry once it has been validated.

The security mechanisms apply to transaction data entered by the market operators, which cannot be edited once they have been validated by the financial operators (i.e. they match the confirmation notes received from the Brokers).

Similarly, settlement and delivery information and the associated accounting entries cannot be edited, once confirmed and matched against the counterparty's confirmation notes.

All provisional entries are fixed after accounting validation as of a "freeze date".

Lastly, central ledgers are entered monthly in an accounting application approved by the tax authorities and used for the annual closing procedure no later than the end of the following period. The closing procedure is applied to all movements booked in the accounts.

Entries related to non-operating activities are input directly in the accounting application.

 Creating and editing an account profile

Only two designated people are authorised to edit (or create) account profiles, one a user and the other an IT team member. They ensure that the account details (number, label, etc.) are accurate and reliable.

 Accounting input templates

For automatic accounting entries, debit and credit input templates are pre-completed. The financial operator's validation of the transaction type and designated counterparty generates an accounting flow. These flows cannot be edited downstream because this type of transaction cannot be input manually. Flows are therefore automatically subject to the various desk checks performed by the various operating departments.

For manual entries, which may only be recorded for certain specific transaction types, there are also pre-set debit and credit input templates to guide the operator and limit the available options.

In addition, Finance & Internal Control reviews the accounting treatment of any proposed new or complex transaction and, if necessary, has it validated by the statutory auditors ahead of their audit work.

 Limitation of menu lists

All application screens offer the operators pre-set menu lists. These lists are restrictive and help speed up data input, avoid many material errors and prevent data inconsistency. The menu lists are updated dynamically for all users once approved by two responsible persons.

The main data menu lists concerned currencies, securities, choice of accounts proposed depending on the counterparty (clients, brokers, Prime Brokers, etc.) and accounts having an impact on P&L depending on transaction type.

 Second level controls performed by Finance & Internal Control

Daily recurring controls are performed by the middle and back offices to check that transactions generated by the management systems have been properly uploaded to the accounting systems.

As mentioned earlier, Finance & Internal Control is responsible for performing second-level controls. This involves validating on a test basis entries booked manually or automatically in the information system by the operating department. Performed at each accounting close prior to the statutory auditors' audit procedures, the control procedures include reconciliations to external vouchers and consistency tests.

The unit reports formally on its control activity and makes sure that the financial statements accurately reflect the accounting entries.

The current internal control system is designed to support the Group's harmonious, profitable growth. It therefore focuses on preventing and controlling risks arising from business activities and, in particular, ensuring that accounting records and the financial statements are reliable and give the shareholders a true and fair view of the company and Group. Management will continue its efforts to improve and upgrade the internal control system whilst bearing in mind that the system cannot provide absolute assurance and that the utmost care must always be taken in this area.

4. ABC arbitrage Shares

4.1. Share performance and share buyback program

On December 31, 2023, issued capital amounted to €953,742 divided into 59,608,879 ordinary shares.
Average daily trading volume came to more than 28,968 shares, representing almost €167 thousand a day in value.

ABC arbitrage shares closed the year 2023 at €4.81. The par value of the shares is €0.016.

The General Meeting of June 9, 2023 had set the maximum purchase price at 12 euros per share, subject to adjustments to take account of the impact of transactions affecting the capital.
The number of shares acquired by the company may not exceed 10% of its share capital, adjusted for any capital transactions prior to the June 9, 2023 meeting. The total amount that the company may spend on the purchase of its own shares under the program authorised at the meeting may not exceed 20 million euros. In addition, the Board of Directors' authorisation is required for share buyback transactions representing over €500,000.

Reason for the buybacks	Number of shares purchased	Average price in EUR	Fraction of capital	Number of shares sold	Average price in EUR	Fraction of capital
For market making	189,525	5.96	0.32%	157,600	6.08	0.26%
For employee share offers carried out in 2023	36,794	5.91	0.06%	56,061	-	0.09%
For future employee share offers	68,603	5.58	0.12%	-	-	-
For cancellation	-	-	-	-	-	-
For allocation on exercise of rights to shares	-	-	-	395,485	5.57	0.66%
For external growth transactions	-	-	-	-	-	-
For the payment of stock dividends	-	-	-	-	-	-
Others	-	-	-	-	-	-

From the shares held at December 31, 2022 414,752 shares were fully allocated under stock option plans. During 2023, 56,061shares were allocated under performance share plans, 395,485 stock options were exercised.

At December 31, 2023, ABC arbitrage held 68,603 of its own shares.

4.2. Distribution of company capital

Under Article L. 233-13 of the French Commercial Code, the Board of Directors is required to disclose the names of shareholders whose holdings exceed the statutory disclosure thresholds at December 31, 2023. There was no significant change in the shareholding breakdown in 2023:

Name	Share Ownership	% of voting rights
Aubépar Industries	11.93%	11.95%
Financière WDD*	11.95%	11.97%
Dominique CEOLIN	4.41%	4.42%
Eximium	7.07%	7.09%
David HOEY	5.84%	5.86%
Other Management**	6.22%	6.23%
Flottant	51.28%	51.41%
Axxion	1.06%	1.06%
Free Float	0.24%	0.00%

** Holding company 50.01% owned by Dominique Ceolin*
*** Operational managers and department heads of the Group excluding Dominique CEOLIN and David HOEY*

As of December 31, 2023, ABC arbitrage held 141,541 treasury shares (0.24% of issued capital), at a gross value of €788 thousands euros, against 455,765 treasury shares held in 2022, at a gross value of €3,126 millions of euros.
The free float represented 52.34% of issued capital at the year-end.

In accordance with the provisions of Article L225-102 of the French Commercial Code, no corporate mutual fund has been set up to hold shares on behalf of members of an employee share ownership plan.

4.3. Dividend policy

The table below shows dividends paid in respect of the last three fiscal years:

In EUR per share	2022	2021	2020
Dividend paid	0.41	0.40	0.48

All of these dividends qualified for the 40% tax relief available to individual shareholders resident in France for tax purposes, except for the €0.20 per share in 2021, €0.01214 per share in 2020, €0.20 per share in 2019. as these amounts are reimbursements of share premiums.

The Annual Shareholders' Meeting of June 9, 2023 approved a 2022 dividend of €0.11 per share.
Taking into account the two payments of €0.10 per share each, made in October and December 2022, plus an interim dividend of €0.10 per share decided in March and paid in April, 2023.

The detachment of this balance of 0.11 euro per ordinary share took place on July 4, 2023, for payment on July 6, 2023. The balance of the dividend, had to be paid in cash, and was deducted from distributable profit.

ABC arbitrage distributed twice €0.10 per share, solely in cash. The ex-dividend dates were October 10, 2023 and December 5, 2023, and the dividends were paid on October 12, 2023 and December 7, 2023.
In view of the number of ABC arbitrage shares qualifying for the payment, the total amount came to €11.9 million.

5. Other elements

5.1. Sponsorship

In today's constantly evolving world, with ambitious and captivating projects, ABC arbitrage wishes to stay aware of others' jobs, passions, adventures. Also to meet other men and women who pilot and live important human adventures: they have in common a kind of personal competition, either through sport or studies. Thinking out of our daily life to discover and share the work, innovations, and the challenge to push oneself to the limits, to view things in a new way, to enrich our own career. These are ABC arbitrage ambitions through these featured projects. It is also an excellent opportunity to promote ABC arbitrage's business.

As part of its internal and external communications policy, ABC arbitrage has been running a sponsorship program for many years as the "Title Partner" of skipper Jean-Pierre Dick (Absolute Dreamer stable). From 2018 to 2022, ABC arbitrage supported the realisation of Jean-Pierre Dick's project, the Easy To Fly, an 8-metre catamaran of which he is the designer. The year 2022 marked Jean-Pierre Dick's return to the traditional circuit, still accompanied by ABC arbitrage, and saw him win the Route du Rhum in the Rhum Mono category. In 2023, Jean-Pierre Dick won the Caribbean 600 in his category and set a new record for crossing the Atlantic in the opposite direction, from Bermuda to Lorient.

The Group also supports Charly Quivront during competitions or any other events. In return ABC arbitrage's visual identity can be used over Charly Quivront surfboard and any other means of communication.

The Group achieved in 2022 its wish to develop a club of young talents in the sports and artistic fields by bringing together on the basis of common values, other champions in their respective fields, who are:
- Charlotte Liautier, golfer from the Ladies European Tour;
- Adrien Pendaries, golfer from Alps Tour;
- Mathieu Latour, wildlife photographer and filmmaker whose "Regards d'extinction" project - 300 face-to-face portraits of animals threatened with extinction - was unveiled in 2023. Mathieu Latour also took part in Yann Arthus-Bertrand's documentary "Vivant".

Since the 2014/2015 school year, the ABC arbitrage group has been providing financial support to Maisons des Jeunes Talents, an equal opportunities association with an innovative program run by the Groupe Primonial Foundation. The aim of this association is to support young scholarship students in their success in preparatory classes and entrance exams for Parisian grandes écoles.
Every year, two young girls are sponsored by ABC Arbitrage, with Group employees providing psychological support (moral support), academic support (methodology and general knowledge) and an introduction to professional life (discovery of the company and its codes), as required. They can also facilitate the search for internships and jobs, by giving their godchildren the benefit of their network and knowledge of the professional world.
Through this partnership, the Group hopes to facilitate access to scientific studies for the next generation, particularly girls, and to contribute in its own way to the development and recognition of France's excellence in these fields.

The Group also participated in the Basis.point initiative, a scheme created by the Irish investment fund industry to improve training and educational opportunities for disadvantaged young people in Ireland.

The total amount of partnership in 2023 amounts to €123 thousand.

5.2. Payment periods

All trade payables outstanding at December 31, 2023 were payable no later than thirty days from the end of the month.

	Article D.441 I. 1°: Invoices received not paid by 31/12/2023 whose term has expired					Article D.441 I. 1° : Invoices issued not paid by 31/12/2023 whose term has expired				
	from 1 to 30 days	from 31 to 60 days	from 61 to 90 days	91 days and more	Total (1 day or more)	from 1 to 30 days	from 31 to 60 days	from 61 to 90 days	91 days and more	Total (1 day or more)
(A) Late payment instalment										
Number of invoices involved					8					2
Total amount of invoices involved (excluding VAT)					95,734	0	0		0	377,471
Percentage of total purchases for the year										
Percentage of revenue for the year						0%	0%	0%	0%	0%
(B) Invoices excluded from (A) relating to disputed or unrecognized debts and receivables										
Number of invoices involved					0					0
Total amount of invoices excluded (excluding VAT)					0					0€
(C) Reference payment periods used (contractual or legal period - art L441-6 or L443-1 of the French Commercial code)										
Payment periods used to calculate late payments	Legal deadlines: 30 days					Contractual period: 30 days end of month				

5.3. Sumptuary expenditures: Article 223 quater of the French General Tax Code

On December 31, 2023, we acknowledged the absence of non-deductible expenses mentioned in article 39-4, 4° of the French General Tax Code.

5.4. Post-balance sheet events

There are no post-balance sheet events to report.

6. Outlook

During the first half of 2024, financial markets are broadly similar to 2023, with volatility significantly below its historical average, and activity over mergers and acquisitions sector and corporate actions struggling to pick up. The rhythm of Group activity is still in line with FY 2023 and remains coherent with this situation. Group AUM remains close to 2023 levels, but the latest advances give ABC arbitrage reason to expect a rebound in this area, despite the delay in 2022 and 2023. In this context, ABC arbitrage continues to manage its investments and risks in order to significantly increase its profitability in such a sluggish environment. The role of central banks, which are still very much present, particularly with the FED's intervention in February 2023 and the significant size of their balance sheets in 2024, combined with the prospect of lower interest rates in 2024, seem to be driving the markets towards all-time highs, far from the geopolitical and economic risks that are nonetheless present. The Group is therefore maintaining the ambitions of its Springboard 2025 plan, ambitions correlated with the financial markets' parameters, but is undertaking additional work to focus its investments to improve profitability if these unfavourable situations persist.

The Board of Directors
March 21, 2024

Related financial years	2019	2020	2021	2022	2023
● Equity at year-end					
Share capital	936	936	949	954	954
Number of ordinary shares issued	58,512,053	58,512,053	59,328,039	59,608,879	59,608,879
● Business and results for the year					
Turnover before tax	1,937	2,249	2,241	1,885	3,193
Income before tax, profit-sharing, depreciation and provisions	26,809	19,849	16,736	25,294	30,305
Tax on profits	-	290	3,912	-	-
Employee Share Ownership	54	203	180	316	32
Income after tax, profit-sharing, depreciation and provisions	23,217	11,682	43,409	5,614	22,665
Distributed income (2) (3)	19,271	17,485	17,781	17,797	17,864
● Earnings per ordinary share					
Income after tax, profit-sharing, but before depreciation and provisions	0.29	0.46	0.21	0.42	0.51
Income after tax, profit-sharing, depreciation and provisions	0.40	0.20	0.73	0.09	0.38
Dividend per share	0.33	0.48	0.40	0.41	0.30
● Personnel					
Average number of employees	8	8	10	19	19
Amount of payroll	1,018	1,959	1,634	3,506	1,835
Amounts paid in respect of employee benefits	333	832	498	1,377	663

(1) Data in thousands of euros, except for per share data which are in euros.

(2) The amount reported as distributed income 2022 consists of a payment of EUR 0.10 per share distributed in October and December 2022, and an interim dividends' payment of EUR 0.10 per share in April 2023 and an amount deducted from the results of €0.11, the total distributions for the 2022 financial year therefore amount to €0.41 per share.

(3) The amount reported as distributed income 2023 consists of a payment of two interim dividends of 0.10 per share distributed in October and December 2022, i.e. 11,898 thousand euros, taking into account the treasury shares held at the dates of detachment, plus a third interim dividend of 0.10 euro per share in April 2024.

ANNUAL FINANCIAL REPORT 2023

Consolidated financial statements

ABC arbitrage Group

Disclaimer

This annual report and its constituent parts have been translated from the original French versions. For the purposes of interpretation, the French originals will take precedence over the English translation.

Balance sheet - assets

In EUR thousand	Note	Dec. 31, 2023 IFRS	Dec. 31, 2022 IFRS
Intangible assets	3.1	204	118
Right-of-use assets	3.1	4,079	4,771
Property and equipment	3.1	1,349	1,236
Non-current financial assets	3.2	376	669
Deferred tax assets		109	79
Total non-current assets		**6,118**	**6,873**
Financial assets at fair value through profit or loss	3.3/3.4	147,733	154,175
Other accounts receivable	3.5	9,043	12,051
Current tax assets		-	-
Cash and cash equivalents		9,217	14,226
Total current assets		**165,993**	**180,453**
Total Assets		**172,110**	**187,326**

Balance sheet - liabilities

In EUR thousand	Note	Dec. 31, 2023 IFRS	Dec. 31, 2022 IFRS
Paid-up share capital		954	954
Additional paid-in capital		41,441	41,441
Retained earnings		108,431	101,941
Interim dividend		(11,898)	(11,831)
Net income		16,481	29,150
Total equity attributable to equity holders	3.6	**155,409**	**161,655**
Provisions	3.7	-	-
Lease liability > 1 Y	3.8	3,555	4,400
Non-current liabilities		**3,555**	**4,400**
Financial liabilities at fair value through profit or loss	3.3/3.4	1	1
Other liabilities Lease liability < 1 Y	3.8	1,286	1,301
Other liabilities	3.5	6,427	14,574
Taxes payable		5,433	5,394
Non-current liabilities		**13,146**	**21,271**
Total Equity and Liabilities		**172,110**	**187,326**

Statement of income

In EUR thousand	Note	31/12/2023 IFRS	31/12/2022 IFRS
Net gain/loss on financial instruments at fair value through P&L	**4.1**	20,603	33,711
Investments service fees	**4.2**	18,313	27,438
Other revenues	**4.3**	898	288
Administrative expenses	**4.4**	(7,466)	(7,501)
Taxes and duties		(635)	(1,571)
Payroll costs	**4.5**	(13,324)	(21,518)
Depreciation and amortisation expense		(1,918)	(1,691)
Operating Income		**16,471**	**29,156**
Provision expense	**4.6**	-	-
Interest expense		(66)	(65)
Income Before Tax		**16,404**	**29,091**
Current taxes	**4.7**	-	(0)
Deferred taxes		77	60
Net Income		**16,481**	**29,150**
Attributable to equity holders		16,481	29,150
Attributable to minority interests		-	-
Number of ordinary shares		*59,608,879*	*59,608,879*
Average number of ordinary shares on the market (weighted average)		*59,385,361*	*59,137,038*
Diluted earnings per ordinary share in EUR		*59,498,554*	*59,774,563*
Earnings per ordinary share in EUR		*0.28*	*0.49*
Diluted earnings per ordinary share in EUR		*0.28*	*0.49*

Statement of comprehensive income

In EUR thousand	Note	31/12/2023 IFRS	31/12/2022 IFRS
Net income		**16,481**	**29,150**
Change in foreign exchange		-	-
Income tax		-	-
Total other comprehensive income		**-**	**-**
Net Income and Other Comprehensive Income		**16,481**	**29,150**
Attributable to equity holders		*16,481*	*29,150*
Attributable to minority interests		-	-

In EUR thousand	Paid-up share capital	Equity instruments and related reserves	Elimination of treasury shares	Retained earnings and net income	Total equity attributable to equity holders	Total equity
At December 31, 2021	**949**	**39,752**	**(563)**	**119,887**	**160,024**	**160,024**
Issue of shares	4	1,689	-	-	1,694	1,694
Elimination of treasury shares	-	-	(2,563)	-	(2,563)	(2,563)
Appropriation of 2021 net income	-	-	-	(11,851)	(11,851)	(11,851)
2021 interim dividend	-	-	-	(11,831)	(11,831)	(11,831)
Share-based payments	-	-	-	(2,968)	(2,968)	(2,968)
Net income for the year 2022	-	-	-	29,150	29,150	29,150
At December 31, 2022	**954**	**41,441**	**(3,126)**	**122,387**	**161,655**	**161,655**
Issue of shares	-	-	-	-	-	-
Elimination of treasury shares	-	-	2,338	-	2,338	2,338
Appropriation of 2022 net income	-	-	-	(12,470)	(12,470)	(12,470)
2023 interim dividend	-	-	-	(11,898)	(11,898)	(11,898)
Share-based payments	-	-	-	(697)	(697)	(697)
Net income for 1st semester 2023	-	-	-	16,481	16,481	16,481
At December 31, 2023	**954**	**41,441**	**(788)**	**113,803**	**155,409**	**155,409**

In EUR thousand	Dec. 31, 2023 IFRS	Dec. 31, 2022 IFRS
Net income	16,481	29,150
Net allocations to provisions	-	-
Net allocations to depreciation and amortisation	797	673
Depreciation and amortisation expense - IFRS 16	1,188	1,083
Change in deferred taxes	(76)	(60)
Share-based payments - IFRS 2	250	204
Net cash provided by operations before changes in working capital	**18,639**	**31,051**
Changes in working capital	**1,342**	**(6,648)**
Net cash provided by operating activities	**19,981**	**24,403**
Net cash used by investing activities	**(2,060)**	**(956)**
Net cash provided by capital transactions	-	1,694
Dividends paid	(24,368)	(23,682)
Incoming share-based payments	3,157	5,710
Share-based payments expenses	(1,719)	(11,196)
Net cash used by financing activities	**(22,930)**	**(27,473)**
Net change in cash and cash equivalents	**(5,010)**	**(4,026)**
Cash and cash equivalents, beginning of period	*14,226*	*18,252*
Cash and cash equivalents, end of period	*9,217*	*14,226*

1. Accounting principles and policies

The Group's fiscal year runs from January 1 to December 31, 2023. The consolidated financial statements are presented in euros.

The financial statements were adopted on March 21, 2024 by the Board of Directors and audited by the Group's two Statutory Auditors, BM&A Partners and Deloitte & Associés.

The ABC arbitrage group's (hereafter the "Group") consolidated financial statements have been prepared in accordance with the International
Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union as of December 31, 2023.

The standards and interpretations mandatorily applicable from 1 January 2023 have no material impact on the consolidated financial statements of the Group at 31 December 2023.

New IFRS accounting standards amended and in force for the current financial year :

For the current financial year, the Group has applied a number of amendments to IFRS accounting standards published by the International Accounting Standards Board (IASB).
The adoption of new standards and interpretations adopted by the International Accounting Standards Board (IASB), which will be mandatory from 1 January 2023, did not have a material impact on disclosures or on the amounts presented in these financial statements.

The following is a list of the IFRS accounting standards amended and in force for the period concerned:

- Amendments to *IAS 1-Concerning the definition of materiality of information*: from now on, the communication of information required by the accounting standards in force must comply with the definition of "material" and no longer "significant". The definition of materiality is described as being capable of influencing the decisions of readers of these Financial Statements;
- Amendments to *IAS 8-Changes in accounting estimates*: definition of accounting estimates has been added, described as "amounts in the Financial Statements subject to uncertainty", among with precisions helping to distinguish between changes in accounting methods and changes in accounting estimates;
- Amendments to *IAS 12-Deferred tax relating to assets and liabilities arising from the same transaction*: an entity does not apply the initial recognition of the exemption for transactions that do not qualify for the exemption;
- Amendments to IAS 12-International Tax Reform - Model Pillar 2 rules.

New IFRS accounting standards amended and issued but not yet effective :

At the date of authorisation of these financial statements, the Group has not applied the following new amended IFRS accounting standards, which have been published but are not yet effective:

- Amendments to *IAS 1-Classification of liabilities as current or non-current*;
- Amendments to *IAS 7 and IFRS 7-Financing Arrangements with Suppliers*;
- Amendments to *IFRS 16-Lease Liabilities under Sale and Leaseback Transactions*.
- The Group and its activities do not appear to be affected by these amendments and therefore no significant impact is expected when they come into force.

The Group and its activities do not appear to be affected by these amendments and therefore no significant impact is expected when they come into force.

The financial statements are presented in euros, which is the functional currency of the Group's companies.

The preparation of the financial statements may require the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and other factors considered reasonable in the circumstances. They serve as a basis for exercising judgment in determining the carrying amounts of assets and liabilities that cannot be obtained directly from other sources.
In preparing the consolidated financial statements, ABC arbitrage has considered the impact of climate change, particularly in the context of the information required in the "Non-financial information provided voluntarily" section of the Annual Financial Report. This consideration has had no material impact on the judgements and estimates made by the Group.

The definitive amounts that will be stated in the Group's future financial statements may be different from the amounts currently estimated. These estimates and assumptions are reviewed on a continuous basis.

As the group's activities are not seasonal or cyclical, the results for the year are therefore not influenced by it. The parameters encountered on the markets, which are exogenous, are by their very nature random. They are presented in the management report to put the results for each financial year into context.

The Group takes an industrial approach to its business, focusing on the exclusive design of arbitrage strategies that take advantage of market imbalances in order to help eliminate them and thereby make the market both liquid and efficient. Its main aim is to deliver annual returns within a well-defined risk framework and to invest in the resources needed for sustainable growth.

<u>Highlight reminder :</u>

For the record, 2022 was marked by the outbreak of war in Ukraine. The group had quickly cleared any residual exposures with any Russian counterparty. As these situations were managed in a timely manner, the risks associated with them did not materialise in 2023.
Market parameters in 2023 were significantly lower than their historical averages.
Therefore, the group had to face a number of unusual obstacles, such as the simultaneous low volatility and mergers and acquisitions sector in relatively low levels. This explains the reduced performance recorded during the year.

1.1. Assets

1.1.1. Intangible assets and property and equipment

Intangible assets and property and equipment are carried on the balance sheet at cost. They are calculated on a straight-line basis over their expected useful lives.

The amortisation and depreciation periods generally applied by the Group are as follows:
- Intangible assets: 1 to 5 years
- Information systems equipment: 3 to 5 years
- Fixtures and fittings: 5 to 10 years

Amortisation and depreciation charges are recognised in the income statement under "*Depreciation and amortisation expense*".

1.1.2. Right of use - IFRS 16

IFRS 16, relating to leases, requires the lessee to recognize in its balance sheet :
- an asset representing the right to use the leased property and
- a liability representing the lease payment obligation.

Therefore, an asset depreciation expense must be presented separately from the interest expense on the debt in the income statement.

Leases with a term of less than one year and service contracts are not restated.

1.2. Fair value of financial instruments

The Group's trading exposures ("Trading Exposures") include equities or equity derivatives (such as warrants and convertible bonds), dematerialized digital assets, derivative products such as futures, options and foreign exchange; and collective investment undertakings, the vast majority of which are traded on active markets, which may or may not be regulated. An ensemble of related Trading Exposures constitutes a quantitative model ("Quantitative Model").

A Quantitative Model is designed to take advantage of an unjustified price differential between two financial instruments. The Group qualifies as "unjustified" only those differentials that can be objectively measured by a mathematical or statistical process, without a guarantee of long-term convergence.

Trading Exposures in Financial Instruments may be held in custody, as a creditor or a debtor to a counterparty or in synthetic format (contracts for differences, swaps).

Trading Exposures in Financial Instruments are held solely for trading purposes. They are classified as held-for-trading and are recognised in the accounts at "*fair value through profit or loss*".

The fair value hierarchy is comprised of the following levels:
- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial assets and liabilities at fair value through profit or loss are initially recognised and measured at their fair value and are remeasured at fair value in subsequent periods. To measure its financial instrument portfolio, an entity must use the same assumptions that market participants would use to price an asset or liability, assuming they are acting in their own economic best interest. Fair value is defined as the price at which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction on the main market (or if there is no main market, on the most advantageous market) on the valuation date (i.e. an exit price), whether that price is directly observable or estimated using valuation techniques. Furthermore, IFRS 13 states that fair value must include all the risk assumptions that market participants would use.

As part of the application of IFRS 13 and in light of real business conditions for trading financial instruments, the exit price used to measure the financial instrument portfolio is the mid-price between bid and ask, quoted at the time when the financial instruments in the arbitrage transaction were last quoted simultaneously or with the smallest possible interval. If there is no active market for the instrument, fair value is determined using valuation techniques.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

In accordance with IAS 32, cash and securities receivable and deliverable are netted off when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The netting off of such balance sheet items results in a fairer presentation of the Company's financial position. It has no impact on the statement of comprehensive income.

The financial assets and liabilities held for trading purposes are recognised on the balance sheet at fair value under "*Financial assets or liabilities at fair value through profit or loss*". Changes in fair value are recorded in the statement of income for the period as "*Net gains or losses on financial instruments at fair value through profit or loss*".

The Group derecognises a financial asset or liability when the contractual rights to the cash flows from the financial asset or liability expire, or it transfers the rights to the contractual cash flows of the financial asset or liability in a transaction in which substantially all the risks and rewards of ownership of the financial asset or liability are transferred.

1.3. Portfolio revenue

Equity revenue is accounted for when realised. Tax credits linked to equity revenue are included in "*Portfolio revenue*".

1.4. Dividend income

Dividend income is recognised on the ex-dividend date.

1.5. Share-based payment

ABC arbitrage has granted stock options and performance shares to employees. On exercise of stock options, ABC arbitrage issues new shares or sells to employees shares previously acquired by the Group.

IFRS 2 "Share-Based Payment" requires that an expense be recognised equal to the fair value of the services rendered by the employees in return for the equity instruments granted to them.

1.6. Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, provided that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the risk occurs or the expense is incurred, the provision release does not qualify as income as it does not result in a net increase in equity. It is therefore recognised as a reduction of the expense concerned. If the actual expense is lower than the provision and the balance of the provision is no longer required, the surplus then qualifies as income and is booked under the same line item as the original provision charge.

1.7. Corporate income tax

Corporate income tax includes current taxes and adjustments to deferred taxes. Deferred taxes are calculated on all timing differences between the recognition of income and expenses for financial reporting and tax purposes and on consolidation adjustments. Deferred tax assets and liabilities are calculated using the liability method, at the tax rates that are expected to apply when the timing differences reverse. They are not discounted.

The probability of deferred tax assets being recovered is reviewed regularly and may, where necessary, give rise to the derecognition of previously recognised deferred tax assets.

1.8. Income from management and performance fees

In accordance with IFRS 15, which sets out the terms and conditions for recognising revenue from a contractual relationship, we have :

- Intra-group invoicing of management fees due by *Quartys Limited* in respect of portfolio managers for the right to use and implement strategies.

Then, management fee income from investment fund management and others mandates for which fees are invoiced and can be broken down as follows:

- Management fees monthly calculated based on assets under management, then invoiced and recognised quarterly;
- Performance fees monthly calculated on the performance surplus recorded above the historical maximum, then invoiced and recognised annually, or in the event of exits.

1.9. Financial statement presentation

1.9.1. Consolidation principles

The amendment to IFRS 10 “Consolidated financial statements”, approved by Regulation (EU) no. 1174/2013 of November 20, 2013 and published in the EU Official Journal on November 21, 2013, gives a definition of what constitutes an “investment entity” and introduces an exception to the consolidation requirements for subsidiaries of entities meeting that definition. Such investments are required to be measured at fair value through profit or loss.

A parent company shall determine whether it is an investment entity. An investment entity is an entity that: (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; (b) ABC arbitrage 2022 Annual Financial Report - Page 48 of 82 commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Amendments to IFRS 10 and IAS 28, approved by Regulation (EU) no. 2016/1703 of September 22, 2016, stipulate that only subsidiaries that conduct business related to that of an investment entity parent and that are not investment entities themselves have to be fully consolidated. Accordingly, investment entity subsidiaries must be measured at fair value.

Under the standards, ABC arbitrage is considered as an investment entity, meaning that its investments:

1. in Quartys and ABCA Funds Ireland are presented as financial assets at fair value through profit or loss, since both entities are considered as *investment entities* due to the nature of their business;
2. in ABC arbitrage Asset Management and ABC arbitrage Asset Management Asia, the Group's asset management companies, remain fully consolidated because both companies provide services related to the Group's asset management business without actually qualifying as an “*investment entity*”.

1.9.2. Earnings per share

Diluted earnings per share is equal to net income for the year divided by the number of shares outstanding at December 31, 2023 plus the impact of all potentially estimated dilutive instruments.

1.10. Alternative performance indicators

The group follows the alternative performance indicators, defined below, which are not directly defined by the IFRS standards. These indicators provide additional information that is relevant for shareholders in their analysis of the contribution of the group's two main areas of expertise (“investment entities” and asset management companies) to the Group's results, performance and financial position of the Group, as well as prospective revenue potential.
These indicators are used for internal performance analysis as well. Not being defined by IFRS standards, they are therefore not directly comparable with similarly named indicators from other companies. Furthermore, they are not intended to replace or be presented with greater prominence than the IFRS indicators as presented in the financial statements.

Return on Equity **(ROE)** ou **Rendement Net** : It is used to calculate the financial return on equity. The net return is obtained according to the following calculation: (net income / closing equity) x 100.

Gross Return : : It calculates the level of profitability of invested sums and capital. The gross return is obtained according to the following calculation: (income from current activity / closing equity) x 100.

Gross return and ROE are key indicators representative of the profitability of the investment activity monitored by the Group.

The group's **clients outstandings**: also called assets under management correspond to the value of all the financial assets managed by the Group's management companies. It corresponds to the maximum amount of capital that can be mobilised to finance positions held by clients. This indicator, not directly linked to the financial statements, is a forward-looking indicator of the management fees to be received by the Group.

2. Consolidation principles

ABC arbitrage, ABC arbitrage Asset Management and ABC arbitrage Asset Management Asia are fully consolidated.

Company	Country	% interest at 31.12.2023	% interest at 31.12.2022	Consolidation method
ABC arbitrage	France	Parent company	Parent company	Fully consolidated
ABC arbitrage Asset Management	France	100.0%	100.0%	
ABC arbitrage Asset Management Asia	Singapore	100.0%	100.0%	

ABC arbitrage Asset Management and ABC arbitrage Asset Management Asia are the Group's asset management companies.

In light of the exception to consolidation introduced by IFRS 10 "Consolidated financial statements" (see note 1.8.1), ABC arbitrage's interest in ABCA Funds Ireland and Quartys Limited is presented under financial assets at fair value through profit or loss.

The percentage interests are as follows:

Company	Country	% interest at 31.12.2023	% interest at 31.12.2022	Consolidation method
Quartys Limited	Irlande	100.0%	100.0%	Fair value based on net asset value
ABCA Opportunities Fund	Irlande	68.9%	64.9%	
ABCA Reversion Fund	Irlande	26.3%	19.1%	

Quartys Limited trades in financial instruments.

ABCA Funds Ireland plc was incorporated in Ireland in 2011 and established as an umbrella fund with segregated liability between sub-funds:

- At 31 December 2023, ABCA Opportunities Fund had 61 million of funds under management.
- At 31 December 2023, ABCA Reversion Fund had 116 million of funds under management.

ABCA Funds Ireland had total assets of €177 million at 31 décembre 2023.

3. Notes to the balance sheet

3.1. Intangible assets and property and equipment

Gross value

In EUR thousand	Gross value Dec. 31,2022	Acquisitions	Retirements/ disposals	Gross value Dec. 31,2023
Concessions and similar rights	573	295	(330)	538
Equipment, fixtures and fittings	1,422	46	-	1,467
Office and computer equipment, furniture	5,865	657	(798)	5,724
Total gross value	**7,860**	**997**	**(1,129)**	**7,728**

Amortisation and depreciation

In EUR thousand	Gross value Dec. 31,2022	Increase	Decreases	Gross value Dec. 31,2023
Concessions and similar rights	(455)	(209)	330	(334)
Equipment, fixtures and fittings	(1,377)	(16)	-	(1,393)
Office and computer equipment, furniture	(4,673)	(575)	798	(4,448)
Total amortisation and depreciation	**(6,505)**	**(799)**	**1,129**	**(6,175)**

Net Value

In EUR thousand	Gross value Dec. 31,2022	Acquisitions	Retirements/ disposals	Gross value Dec. 31,2023
Concessions and similar rights	118	86	-	204
Equipment, fixtures and fittings	44	30	-	74
Office and computer equipment, furniture	1,192	82	-	1,274
Total net value	**1,354**	**198**	**-**	**1,553**

Intangible assets are amortised and property and equipment are depreciated over their estimated useful lives. Amortisation and depreciation expense for the year are reported in the income statement under "Depreciation and amortisation expense".
For your information, €43 thousands of assets under construction related to the refurbishment of one of our meeting rooms at our Paris premises is included under general fixtures and fittings (nil in previous years).

Right of use - IFRS 16

In EUR thousand	Dec. 31,2022	Increase	Decreases	Dec. 31,2023
Right-of-use assets - IFRS 16 - Gross value	5,798	385		**6,183**
Right-of-use assets - IFRS 16 - amortisation and depreciation	(1,027)	(1,077)	-	**(2,104)**
Right-of-use assets - IFRS 16 - Net value	**4,771**	**(692)**	**-**	**4,079**

Fixed assets are depreciated on a straight-line basis over the expected useful life of the asset. Depreciation is charged to the income statement under "*Depreciation, amortisation and provisions*".

Application of IFRS 16 results in the recognition in the balance sheet of rights of use attached to leases entered into by the Group. At 31 December 2023, these consist of the premises occupied. The consideration for these rights of use is recorded under long-term and short-term financial debt (depending on their maturity).

For the record, ABC arbitrage has concluded a new commercial lease as an initial tenant in the early 2022, regarding the office at 18 rue du 4 septembre, 75002 Paris, for a fixed term of 6 years (with effect from 1 January 2022).
In this respect, an asset corresponding to the IFRS 16 right of use was recognised at the end of 2021 (for €5.2 million in exchange for a rental liability, the discount rate used to value the rental liability is 1.03%). Following the increase in rent, an additional asset for €310 million has been recognised. Amortisation of the right of use amounts to €934 million for 2023.

3.2. Other non-current financial assets

As of 31 December 2023, this item included €376 thousand in guaranteed deposits and securities.

3.3. Financial assets/liabilities at fair value through profit or loss

As of December 31, 2023, the breakdown of financial assets and liabilities measured at fair value through profit or loss using the fair value hierarchy as described in note 1.2 is as follows:

In EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	3	147,730	0	**147,733**
Financial liabilities at fair value through profit or loss	(1)	0	0	**(1)**

Financial assets at fair value through profit or loss classified in Level 2 correspond to the investments in Quartys Limited and the ABCA Funds Ireland Plc sub-funds. These investments are not consolidated, but are measured at fair value through profit or loss, in accordance with IFRS 10 (note 1). These items are classified in Level 2 as the value of the units is not directly observable in an active market, but their net assets comprise exposures to Level 1 financial instruments quoted on active markets, whose prices are directly observable.

There were no transfers between the various levels of the hierarchy during 2023.

Details of Financial instruments to be received and delivered are provided in note 5 “Risks factors”.

As a reminder, at December 31, 2022, these instruments were classified as follows:

In EUR thousand	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	52	154,124	0	**154,175**
Financial liabilities at fair value through profit or loss	(1)	0	0	**(1)**

3.4. Guarantees given

Most financial instruments recorded under "Financial assets at fair value through profit or loss" have been given as collateral to the institutions that provide the financing, as specified in note 5.2.

3.5. Other receivables and payables

Terms of receivables and payables are provided in note 5.3 Liquidity risk below.

	Other receivables		Other payables	
In EUR thousand	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Trade receivables / payables	8 316	11 326	(841)	(487)
Accrued income / expenses	2	9	(314)	(453)
Accrued taxes and payroll costs	726	716	(5 271)	(13 634)
Total at December, 31, 2023	**9 043**	**12 051**	**(6 427)**	**(14 574)**

Receivables are mainly invoices to be established for management fees related to this financial year.

Accrued taxes mainly comprise tax credits (including VAT credits) awaiting return.

Accrued taxes correspond mainly to bonuses payable to employees and amounts (which represent by itselves €1.8 million) due to social security organisations.

Trade payables are generally payable within thirty days from the end of the month.

3.6. Consolidated equity

3.6.1. Share-based payment Step-up 2019 and ABC 2022

Performance Share incentive program:

Name of the plan	Plan	Acquisition date	Acquisition period	Number of shares	Effective acquisition date for granted shares	Number of shares to be granted	Number of shares definitively granted
APE-3.3/2019	Step-up 2019	14/06/2019	4	30,000	2023	-	24 396
APE-3.1/2021	ABC 2022	11/06/2021	2	25,000	2023	-	23,048
APE-3.2/2021*	ABC 2022	11/06/2021	3	25,000	2024	-	17,356
APE-3.3/2021	ABC 2022	11/06/2021	4	25,000	2025	25,000	Pending
APE-3.1/2022	ABC 2022	10/06/2022	3	110,000	2025	95,000	Pending
APV-4.1/2022	ABC 2022	10/06/2022	2	10,260	2023	-	8,617
APE 3.1/2023	Spring. 2025	09/06/2023	3	102,000	2026	87,000	Pending
APV 4.1/2023*	Spring. 2025	09/06/2023	2	17,171	2024	-	11,902
Total	**N/A**	**N/A**	**N/A**	**344 431**	**N/A**	**207 000**	**85 320**

*Based on actual net income for that period and given the continuing presence requirement, number of stock options which should be definitively granted by the end of the first semester of 2023 and thus become exercisable.

Stock options subscription program:

Name of the plan	Plan :	Acquisition date	Name of the plan	Number of granted options	Exercise period start date	Options expired Date	Exercise adjusted price	Number of options to be granted	Number of unexercise options
SO-1.1/2018	Step-up 2019	15/06/2018	2	155 000	2020	30-Jun-2024	5.9122	0	15 263
SO-1.2/2018	Step-up 2019	15/06/2018	3	155 000	2021	30-Jun-2024	5.9122	0	49 524
SO-1.3/2018	Step-up 2019	15/06/2018	4	155 000	2022	30-Jun-2024	5.9122	0	67 847
Total	**N/A**	**N/A**	**N/A**	**465 000**	**N/A**	**N/A**	**N/A**	**0**	**132 634**

For all the programs :

No shares will vest if net income is less than €15 million a year and they will vest progressively thereafter on a linear basis. For example, for the APE-3.1/2023 program, if net income is €20 million a year over the entire period, 33% shares will vest and if net income is €25 million a year over the entire period, 67% shares will vest.

The expense related to these plans is deferred over the vesting period. The corresponding amount recognised in equity is calculated on the basis of the overall plan value determined on the date of grant by the Board of Directors.

In accordance with IFRS 2, an expense of €306 thousands euros including €56 thousand euros in employer contributions, calculated on the basis of the estimated probable number of shares under various plans, was recognised in respect of fiscal year 2023 (compared to €240 thousands in 2022, €980 thousands in 2021). This IFRS 2 expense is related only to the programme's progression and the realised income.

The loss on share buybacks used amounted to €878 thousands and was deducted from consolidated equity at 31 December 2023 (vs €2,809 thousands in 2022, €1,272 thousands in 2021) which reduces the consolidated shareholders' equity.

3.6.2. Distribution dividend in 2022

The Annual Shareholders' Meeting of June 9, 2023 approved a 2022 dividend of €0.11 per share. Taking into account the two payments of €0.10 per share each, made in October and December 2022, plus an interim dividend of €0.10 per share paid in April 2023, the total distributions for fiscal 2022 therefore amount to €0.41 per share.

The detachment of this balance of 0.11 euro per ordinary share, for a payment in cash, took place on July 4, 2023, for payment on July 6, 2023. The balance of the dividend was paid only in cash and was fully deducted from the net profit for the year.

3.6.3. Distribution of share premium

The board of directors of September 15, 2023 resolved to make two deposits of dividends in the amount of €0.10 per share on each payment, solely in cash. The ex-dividend dates were October 10 and December 5, 2023 respectively, and the dividends were paid on October 12 and December 7, 2023. The total amount of these two operations, taking into account the number of ABC arbitrage shares qualifying for the payment, amounted to €11.9 million.

On March 21, 2024, the Board of Directors decided to pay an additional deposit of €0.10 per share, which will take effect
on April 23, 2024 for payment on April 25, 2024.

At December 31, 2023, ABC arbitrage's share capital amounted to €953,742 and was represented by 59,608,879 fully paid ordinary shares with a par value of €0.016 each (as a reminder, ABC arbitrage's share capital at December 31, 2022 was identical).

3.6.4. Treasury stock

During 2023, ABC arbitrage sold 157,600 shares under the market-making agreement with Kepler Cheuvreux at the average price of 6.08€. At the same time 189,525 have been brought back.

From the shares held at December 31, 2022, 414,752 shares were fully used to serve the payments in shares. During 2023, 105,397 shares have also been purchased to serve 56,061 performance shares were granted, and 395,485 stock options were exercised.

At December 31, 2023, ABC arbitrage held 141,541 of its own shares, acquired at a total cost of €788 thousand (at December 31, 2022, the company held 455,765 of its own shares, acquired at a total cost of €3,126 thousand).

In accordance with IFRS, treasury stock is deducted from equity.

3.7. Provisions

There is zero provision at December 31,2023 as at December 31,2022.The activities carried out by ABC Arbitrage Group companies have a very broad international scope, either directly or indirectly on behalf of third parties. As a result, each subsidiary is constantly exposed to the uncertainties and changes in the tax and regulatory environment of the countries in which it is domiciled. The Group monitors these risks (in particular those relating to transfer prices, withholding taxes, taxes and duties on transactions) and regularly assesses them at fair value in accordance with applicable accounting principles.

3.8. Liabilities representing the lease payment obligation - IFRS16

In EUR thousand	Dec. 31,2023	Dec. 31,2022
Liabilities representing the lease payment obligation > 1 year - IFRS16	(3,555)	(4,400)
Liabilities representing the lease payment obligation < 1 year - IFRS16	(1,286)	(1,301)
Total	**(4,841)**	**(5,701)**

This item is mainly for the Paris group offices (see §3.1 right of use - IFRS 16). At the beginning of 2023, a new 6-year lease was also entered into. The discount rate used to measure the rent liability is 1.03%.

4. Notes to the statement of income

4.1. Net gains on financial instruments at fair value through profit or loss

Net gains on financial instruments at fair value through profit or loss amounted to €20,603 thousand in 2023 versus €33,711 thousand in 2022.

Net gains on financial instruments at fair value through profit or loss include all incomes, expenses and costs directly related to the trading business, namely:

➔ the net gains at fair value through profit or loss of Quartys Limited and the ABCA Funds Ireland Plc sub-funds recognised in accordance with IFRS 10. These net fair value gains themselves include :
  - dividends and manufactured dividends;
  - gains and losses on disposal of Financial Instruments at fair value through profit or loss;
  - changes in fair value of Financial Instruments held or due;
  - interest income and expenses;
  - Financial Instrument securities carrying or lending costs;
  - foreign exchange gains and losses;
  - any other transaction related to revenues or expenses.

The company Quartys Limited is the subject of an audit request for early application for tax refund addressed by itself to the Swiss contribution federal government for the years 2016 to 2019 and by extension 2023. The exchanges with the Swiss federal government are followed by answers to the various questions asked and comments made, as a beneficial owner for Quartys Limited. To date, discussions are still ongoing and the outcome is uncertain.
As specified in paragraph §3.7, the group monitors the various risks mentioned and, over and above its own assessment, the Company has relied on the advice of its legal and tax advisors. The company maintains its finding of absence for provision for tax charges, the risk being considered less probable than probable.
Nevertheless, in the light of the time that has already elapsed, the difficulty of recovering these amounts in the near future and the recent rise in interest rates which has a non-zero impact, according to IFRS 13 the group has actualized the amount of the unrecovered debt of €8.1 million over 5 years to reflect its fair value at 31 December 2023. This has had a negative impact of €1.35 million to the income statement (directly included in the line "*Net gains on financial instruments measured at fair value through profit or loss*").

4.2. Investment services fees

In EUR thousands	Dec. 31,2023	Dec. 31,2022
Rights of use and implementation of strategies	13,936	22,478
Income from Group entities	**13,936**	**22,478**
Asset management fees	3,430	4,818
Performance fees	947	141
Income from investment fund activities	**4,377**	**4,960**
Income from management fees and similar income	**18,313**	**27,438**

Investment services fees amounted to €18,313 thousand at December 31, 2023. As of December 31, 2022, they amounted to €27,438 thousand.
Investment services fees relate to the services that the Group's management companies charge to *Quartys Limited and ABCA Funds Ireland Plc* and the management mandate (Cf. § 1.8).

4.3. Other revenue

Other revenue (mainly income from property subleases and standard administrative services, as well as the impact of positive interest rates on cash held in the administrative accounts) amounted to €898 thousand versus €288 thousand during 2022.

4.4. Administrative expenses

This item totalled €7,466 thousand in 2023 versus €7,501 thousand in 2022.

Administrative expenses principally comprise data mining and processing costs, together with administrative costs (€6,337 thousands in 2022 versus €6,440 thousands in 2022), property and equipment costs related to leases of less than one year in the subsidiaries, and indirect costs: cleaning, maintenance, repairs (€420 thousands in 2023 versus €339 thousands in 2022) and other costs linked to payroll or representation costs (€709 thousands in 2023 versus €721 thousands in 2022).

4.5. Payroll costs

The average number of employees was 102 in 2023 versus 95 in 2022.

Payroll costs include €10.2 million in fixed and performance-related compensation together with statutory and discretionary profit-sharing (€16.3 million in 2022), payroll taxes of €3.1 million (€5.3 million in 2022).

Payroll-based taxes amounted to €0.6 million (€0.7 million in 2022).

For information purposes, in view of the performance achieved in 2023, the bonus amounts provisioned for the year amount to €1 million (including social security charges) compared with €8 million (including social security charges) in 2022, to which should be added the amount of profit-sharing : nil in 2023 compared with €2 million in 2022.

The Group does not provide any post-employment benefits (supplementary pensions or health insurance). Other long-term benefits are provided under defined contribution plans, which do not give rise to a future liability as the Group's only obligation is to make regular contribution payments.

During 2023, the following amounts were granted by Group companies to the directors of the parent company:

In EUR thousand	2023	2022
Director's fees	276	360
Salary and other benefits	72	0
Director's benefits	7	646
Profit-sharing plan	10	20
Incentives	48	62
Share-based compensation	5	62
Others	20	6
Total	**438**	**1 156**

4.6. Provision expense

Provision income was zero in 2023 (equal to 2022).

4.7. Corporate income tax

The difference between the theoretical corporate income tax charge determined by applying the standard French tax rate to pre-tax income and the actual tax charge – corresponding to an effective tax rate of -0.47% - can be explained as
follows:

	2023	2022
Standard French tax rate	**25.00%**	**25.00%**
Impact of permanent differences	0.31%	0.08%
Impact of tax credit	0.00%	0.00%
Impact of IFRS10 presentation	-31.40%	-28.50%
Impact of temporary differences	5.63%	3.21%
Effective tax rate	**-0.47%**	**-0.21%**

ABC arbitrage elected for Group tax relief with ABC arbitrage Asset Management on January 1, 2004.

The tax Group has signed an agreement whereby each member of the Group (subsidiary and parent) recognises in its accounts the income tax that would be payable if it was taxed on a stand-alone basis. The charge is therefore calculated
on their own taxable profit after deduction of any prior year losses.

Any tax savings made by the tax Group through the use of tax losses are retained by the parent company and treated as an immediate gain in the year.

As a precaution, given uncertain visibility, deferred tax assets on recorded tax losses are not recognised.

5. Risk factors

The Group is exposed to a variety of risks: market risks, credit and counterparty risks, liquidity risks, operational risks and other risks.

ABC arbitrage provides subsidiaries with a general risk-management framework that the subsidiaries' boards of directors adhere to when setting their own policy.
The Group oversees the implementation and effectiveness of the controls carried out in its subsidiaries with the support of the executive managers and the control functions (market risk and internal control).

This is because the Group uses leverage as part of its financing agreements with counterparties, allowing it to take larger exposures than would be possible if it were acting alone.

Trading Exposures to Financial Instruments in isolation present a risk of loss of capital. The maximum loss of capital on long Trading Exposures to equities is limited to the fair value of those positions. The maximum loss of capital on long

Trading Exposures to future contracts is limited to the notional contract value of those positions. The maximum loss on short Trading Exposures to futures contracts and equities is theoretically unlimited.

Exposures recorded as *financial assets and liabilities at fair value through profit or loss* break down as follows:

In EUR thousands	a. Gross carrying amount (before netting)	b. Gross amounts netted in the balance sheet	c. Net carrying amount [a-b] at June 30, 2022	Financial assets at June 30, 2023	Financial assets at Dec. 31, 2022
Non-derivative financial instruments	707,949	(357,905)	350,045		
Derivatives	95,320	(13,685)	81,635		
Unlisted Derivatives	387,693	(804,420)	(416,727)		
Financial assets at fair value through profit or loss	72,715	-	72,715		
Total long positions	**1,263,677**	**(1,176,010)**	**87,667**	**147,733**	**154,175**
Cash and margin accounts	29,784	(330,852)	(301,067)		
Currencies derivatives - Listed	1,489	(60,319)	(58,831)		
Currencies derivatives - Non listed	425,658	(5,694)	419,964		

In EUR thousands	a. Gross carrying amount (before netting)	b. Gross amounts netted in the balance sheet	c. Net carrying amount [a-b] at June 30, 2022	Financial liabilities at June 30, 2023	Financial liabilities at Dec. 31, 2022
Non-derivative financial instruments	-	-	-		
Derivatives	-	-	-		
Unlisted Derivatives	-	-	-		
Total short positions	**-**	**-**	**-**	**-1**	**-1**
Cash and margin accounts	-	(1)	(1)		
Currencies derivatives - Listed	-	-	-		
Currencies derivatives - Non listed	-	-	-		

In EUR thousands	a. Gross carrying amount (before netting)	b. Gross amounts netted in the balance sheet	c. Net carrying amount [a-b] at June 30, 2022	Financial assets & liabilities at June 30, 2023	Financial assets & liabilities at Dec. 31, 2022
Non-derivative financial instruments	707,949	(357,905)	350,045		
Derivatives	95,320	(13,685)	81,635		
Unlisted Derivatives	387,693	(804,420)	(416,727)		
Financial assets at fair value through profit or loss	72,715	-	72,715		
Total	**1,263,677**	**(1,176,010)**	**87,667**	**147,732**	**154,174**
Cash and margin accounts	29,784	(330,853)	(301,069)		
Currencies derivatives - Listed	1,489	(60,319)	(58,831)		
Currencies derivatives - Non listed	425,658	(5,694)	419,964		

The breakdown of the geographical exposures as of December 31, 2023 is detailed as follows:

Geographical area	31/12/2023	31/12/2022
Asia	8%	5%
Europe	41%	42%
USA	44%	48%
Other markets	7%	5%
Total	**100%**	**100%**

This geographic analysis is determined using the absolute value of the exposures at year-end, broken down by financial market, with the latter Grouped by geographic area.

5.1. Market risks

Market risk is the risk that the fair value or future cash flows of Trading Exposures will fluctuate because of changes in market prices of Financial Instruments and include notably market price risk, interest rate risk and foreign currency risk.

✓ Market risks

Equity risk, or price risk, arises mainly due to uncertainty about the future prices of Financial Instruments held. It represents the potential loss that could be incurred by the Group as a result of potential movements in price on its exposures to Financial Instruments.

The risk is never related to an unfavourable movement in market prices, for example a stock market crash, but can arise from an unfavourable event related to one of the above operations. By definition, the risks on quantitative models are not interdependent. The Group hedges risks by spreading them across the greatest possible number of transactions, financial instrument types and geographic areas.

As at 31 December 2023 the aggregate VaR of the Trading Exposures of the Group was €2.3 million (vs €2.9 million at 31 December 2022). The parameters of calculation are a level of confidence of 99%, a "one year historical" methodology and a holding duration of 1 day.

✓ Interest rate risk

Interest rate fluctuations may have a positive or negative influence on the value of Financial Instruments.
In general, the Trading Positions are composed of approximately equal amounts of long Trading Positions and short Trading Positions and the risk is therefore not material. If a specific Trading Position carries a material interest rate risk, this risk is systematically hedged. Consequently, no sensitivity analysis has been disclosed.

✓ Currency risk

The Group may hold Trading Positions denominated in currencies other than the Group's functional currency. Exchange rate fluctuations against the functional currency may have a positive or negative influence on their value. Currency risks are systematically hedged by buying or selling the currency (or an exposition to the currency). The only risk is of a secondary nature – that the profit (or loss) realised in a given currency may vary if it is not converted into the functional currency. The Group regularly converts profits (or losses) into the functional currency and its exposure to currency risk is therefore marginal.
On December 31, 2023, a 2% rise (fall) in the euro against all currencies would, all other things being equal, have increased (decreased) net assets by €83 thousand. A 2% fall in the euro against all currencies would have had the opposite effect, all other things being equal.

5.2. Credit and counterparty risk

This is the risk of a counterparty being unable to honour its contractual obligation to settle a transaction with the Group, due to deterioration in its financial position.

The ABC arbitrage Group deals solely with brokers/dealers ("Brokers") and credit institutions and investment companies ("Counterparties").
All of these parties are subject to specific controls by the regulatory authorities in the countries in which they operate to ensure their solvency.

The Group's trading activity mainly comprises Financial Instruments which are traded on active (if not regulated) markets which predominantly settle via a Central Clearing Party (CCP).

The risk of default by Brokers for each and every market trade is therefore considered to be minimal, as the CCP serves to guarantee settlement, and the securities are not delivered until the Broker has made or received payment.

By unwinding transactions in financial instruments, a counterparty acts as depositary, creditor or debtor, or as counterparty to a synthetic product (CFDs, swaps) for the Group. In general the Group's business requirements permits that very little (if any) of its assets are held in Custody. A significant proportion of the assets of the Group transferred to Counterparties are either pledged as a first security interest or transferred as margin (collectively "Collateral") to support the Trading Positions. The Counterparty may re-use this Collateral for its own account but is required by contract to return the assets or equivalent assets upon first demand if it is no longer needed to support the Trading positions.

The risks related to the use of a Counterparty are:
- interruption or discontinuation of services as the Counterparty has the right to amend or discontinue the services;
- increased costs of maintenance of Trading Positions with the Counterparty;
- failure by the Counterparty to return Collateral used due to market events;
- failure by the Counterparty to return sums due as a result of bankruptcy;
- incorrect valuation of Trading Positions held and Collateral transferred to the Counterparty.

The Group manages this counterparty risk through the use of industry standard master agreements, close monitoring of Counterparty credit ratings and diversification of its relationships to spread risk while weighing up the pricing benefits of concentration on larger-scale relationships.

At year end, the maximum exposure to credit risk is included in the net amounts for financial instruments (note 5).

5.3. Liquidity risks

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due, or can only do so on terms that are materially disadvantageous.

The Group's Trading Exposures consist almost exclusively of highly liquid Financial Instruments quoted on active markets and its obligations mainly comprise the necessity to provide Collateral to support the Group's Trading Positions. The volume of Trading Positions which the Group may enter into is contractually based on the assets transferred as Collateral.

The Group's actual Trading Positions, taking into account existing agreements with Counterparties, is constantly monitored to ensure that the Group benefits from considerable flexibility in conducting its business as well as substantial liquid reserves. In addition, given the highly liquid nature of the Trading Positions the Group can alleviate the need for Collateral by reducing the volume of Trading Positions.

At December 31, 2023, the liquidity position was as follows:

In EUR thousand	Less than one month	One to three months	Three to twelve months	More than twelve months	Total
Financial assets at fair value through profit or loss*	3	139,065	-	8,665	147,733
Other receivables	322	8,625	96	-	9,043
Deferred tax assets	-	-	-	-	-
Cash and cash equivalents	9,217	-	-	-	9,217
Total current assets	**9,541**	**147,691**	**96**	**8,665**	**165,993**
Financial liabilities at fair value through profit or loss	(1)	-	-	-	(1)
Other liabilities	(775)	(1,573)	(3,536)	(543)	(6,427)
Current tax liabilities	-	-	(5,433)	-	(5,433)
Short-term borrowings	-	-	-	-	-
Total liabilities	**(776)**	**(1,573)**	**(8,969)**	**(543)**	**(11,861)**
Net balance	**8,765**	**146,118**	**(8,873)**	**8,122**	**154,132**

**Financial assets at fair value through profit or loss classified as between one and three months correspond to the investments in Quartys Limited and the ABCA Funds Ireland Plc sub-funds, which are shown at fair value in accordance with IFRS 10 (note 1), since ABC arbitrage is unable to recover their value in less than one month. By contrast, the net assets of these companies are mainly composed of exposures to Level 1 financial instruments traded on active markets and convertible into cash in much less than one month.*

5.4. Operational risk

Operational risk is the risk of loss due to inadequate or failed internal processes, people and systems.

In 2023, losses due to operational incidents represented 0.25% of revenues (against 0.03% in 2022) .

This risk is managed upstream by ensuring that position taking is guided by written procedures and a rigorous internal control process. However, these procedures and controls cannot provide absolute assurance that operational losses will not occur and due care is taken at all times as this is a structural risk in the arbitrage business.

5.5. Other risks

✓ Compliance risk (Including legal risk)
Compliance risk is the risk of failure to identify and/or comply properly with the provisions governing the Group's business activities. Such failure can lead to malfunctions, financial loss or sanctions (legal, disciplinary, administrative, etc).
An ongoing monitoring system is in place within the Group's legal and tax department.

✓ Conflict of interest risk
Conflict of interest risk is the risk of being confronted with situations where the interests of a client or company may conflict with those of another client or with those of a Group company or a Group employee.

To prevent conflict of interest situations, the Group has implemented:
- an internal conflicts of interest policy including guidance to be followed by employees in order to identify, prevent and manage conflicts of interest;
- strict procedures and rules governing the handling of orders and primacy of the client interest. The Group's asset management companies comply strictly with financial market operating rules and are not permitted to do anything that might contravene the principle of fair and equal treatment of orders. More particularly, orders transmitted to the market are pre-allocated and time and date stamped.

Transactions between Group companies are carried out on an arm's length basis.

6. Other information

6.1. Related party transactions

As of 31 December 2023, items concerning the company Aubépar Industries are not material.
With regard to information about the company Quartys, you will find in these appendices:
- Investments in these companies are disclosed in section *§3.3. Financial assets and liabilities at market value through profit or loss* ;
- their net gains at fair value through profit or loss in *§4.1. Net gains on financial instruments measured at market value through profit or loss* ;
- the services invoiced to them by the Group's management companies in *§4.2. Investment services fees;* have been recognised.
- the breakdown in the liquidity schedule of investments in these companies in section *§5.3. Liquidity risks*.

6.2. Events after the closing date

There are no post balance sheet events to report.

6.3. Fees paid to the Statutory Auditors

At the General Meeting of 6 June 2023, after 24 years of certification of ABC arbitrage's accounts and in accordance with the rules imposed by the audit reform, the mandate of the joint statutory auditor Ernst & Young et Autres came to an end. The Board of Directors of ABC arbitrage, following a call for tenders, submitted for shareholder approval the appointment of BM&A Partners for a total term of six years to replace Ernst & Young et Autres. This appointment was ratified on 6 June 2023.
Similarly, in order to replace Ernst & Young et Autres for the ABC arbitrage Asset Management mandate, BM&A Partners was appointed for the remainder of its predecessor's term, i.e. four financial years, until the Annual General Meeting to be held in 2027 to approve the financial statements for the year ending 31 December 2026.

	BM&A Partners				Deloitte & Associés				Ernst & Young et Autres			
	Amount in EUR (excluding VAT)		*%*		*Amount in EUR (excluding VAT)*		*%*		*Amount in EUR (excluding VAT)*		*%*	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Certification and limited half-yearly examination of the individual and consolidated financial statements and any additional reports	39,850		42%		55,357	52,722	58%	50%		52,722		50%
Other services provided to fully consolidated subsidiaries *	29,000		43%		38,394	37,582	57%	50%		37,582		50%
Other audit-related work	0		N/A		0	0	N/A	N/A		0		N/A
Total	**68,850**		**42%**		**93,751**	**90,304**	**58%**	**50%**		**90,304**		**50%**

**Excluding ABC arbitrage Asset Management Asia, whose 2022 financial statements were audited by Crowe Horwath First Trust (€17 thousand of fees).*

ABC ARBITRAGE

Statutory auditors’ report

on the consolidated financial statements

Year ended December 31, 2023

his is a translation into English of the statutory auditors’ report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors’ report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BM&A

11, rue de Laborde

75008 Paris

S.A.S.au capital de 1 200 000 €

348 461 443 R.C.S. Paris

Société de Commissariat aux Comptes Membre
de la compagnie Régionale de Paris

Deloitte & Associés

6, place de la Pyramide

92908 Paris-La Défense Cedex

S.A.S. au capital de 2 188 160 €

572 028 041 RCS Nanterre

Société de Commissariat aux Comptes inscrite
à la Compagnie Régionale de Versailles et du Centre

ABC ARBITRAGE

Statutory auditors’ report on the consolidated financial statements

Year ended December 31, 2023

To the Annual General Meeting of ABC arbitrage,

Opinion

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

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

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

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and in the Code of Ethics for Statutory Auditors for the period from January 1, 2023 to the date of issue of our report, and in particular we did not provide any services prohibited by Article 5(1) of Regulation (EU) no. 537/2014.

Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Fair value measurement of financial instruments

Identified risk	Our response

Your group develops, implements and proposes stock market arbitrage strategies.
 	
As described in the note 1.2 “Fair value of financial instruments” of the consolidated financial statements, Financial instruments at fair value through profit or loss are managed under these strategies relate to equity or equity derivatives, derivatives such as futures, options, currencies and investment fund units.
 	
These financial instruments are held by Quartys Limited and sub-funds of ABCA Funds Ireland Plc.
 	
Within these entities, as part of the application of IFRS 13 "Fair Value Measurement", the group determines the fair value of a financial instrument as the price "Exit Price” (mid-price between Bid Price and Ask Price). It is determined at the last common trading time of the securities making up an arbitrage model or with the shortest possible time interval.
 	
Your group's holdings in Quartys Limited and ABCA Funds Ireland plc as at 31 December 2023 amount to €147 730 as detailed in note 3.3 "Financial assets and liabilities at market value by result" of the notes to the consolidated financial statements.
 	
As part of these investments, your group's exposures on financial instruments and derivatives amounts to € 1 263 677 in long positions and € 1 176 010 in short positions, as described in Note 5 "Risk factors" of the notes to the consolidated financial statements.
 	
Given the importance of the financial instrument portfolios in the group's consolidated financial statements, we consider that the fair value measurement of these instruments used in the context of arbitrage strategies is a key audit matter.
	Our work consisted, involving in our team members with special expertise in financial instruments and information systems, and supervising the auditors of Quartys Ltd and ABCA Funds Ireland Plc, to:
	
	► assess the consistency of the valuation principles of your group's instruments with IFRS 13 "Measurement of fair value";
	
	► analysis of the automated application process that retrieves the prices of the external repositories and calculates the "Exit price”;
	
	► assess the data and assumptions of the direction on which the pricing of instruments is based, using the following procedures performed on a sample of instruments in the portfolio:
	
	    ► comparing your group's prices with price data from external sources (Bloomberg for example);
	
	    ► in the event of a temporal difference in quotation between the securities composing the arbitrage model, carrying out specific tests consisting of an analysis of the quotation differences.

Tax risks and potential related liabilities

Identified risk	Our response
Your group carries out its stock market arbitrage business from several countries (mainly France and Ireland) and operates in various markets internationally. In the normal course of its activity, the group is therefore subject to numerous specific local regulations, in particular fiscal regulations, potentially carrying risks of interpretation in the terms of application (transfer pricing, withholding taxes, taxes and duties on transactions, etc.). At each closing, your group assesses the tax positions it has taken and their technical justification. We have also taken into account that the Quartys subsidiary, which is measured at fair value in the group's consolidated financial statements, also has tax receivables. We have considered the assessment of tax risks to be a key audit focus due to your group's exposure to such risks in the normal course of business, the complex technical analyses required for such assessment, which require the significant exercise of management's judgement. Your group's exposures to tax risks are disclosed in note 3.7 and 4.1 of the notes to the consolidated financial statements. For further details on accounting principles, refer to notes 1.6 and 1.7 of the notes to the consolidated financial statements.	With our French and international tax experts integrated into the audit team, we have: ► conducted interviews with your group management and local management to assess tax risks and, where applicable, discussions in progress; ► consult the recent decisions and correspondence of the companies in your group with the tax authorities; ► critically reviewed management's judgments, estimates and positions relating to tax risks and litigation; ► analysed the technical opinions and opinions obtained by your group from its tax advisors and independent tax lawyers; ► assessed the likelihood of receipt of these cash flows and assessed the correct application of IFRIC 23 "Uncertainty in Tax Treatments"; ► analysed the applicable discount rate and the valuation method used in accordance with IFRS 13 "Fair Value Measurement". Finally, we have reviewed the related information as provided in notes 1.6 "Provisions", 1.7 "Income tax" and 3.7 "Provisions for liabilities and expenses" of the notes to the consolidated financial statements.

Specific Verifications

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

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

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the President's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

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

Appointment of the Statutory Auditors

We were appointed as statutory auditors of ABC arbitrage by the annual general meeting held on May 27, 2009 for Deloitte & Associés and by the annual general meeting held on June 9, 2023 for BM&A.

As at December 31, 2023, Deloitte & Associés was in the 15th year of total uninterrupted engagement, and BMA in the 1st year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

- Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

- As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Regarding the financial information of persons or entities included in the scope of consolidation, obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

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

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

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.821-27 to L.821-34 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris - La Défense, le 18 avril 2024

The Statutory Auditors
French original signed by

Deloitte & Associés	BM&A
Pascal COLIN	Pascal RHOUMY

ANNUAL FINANCIAL REPORT 2023

Non-financial information provided voluntarily

ABC arbitrage Group

Given its size (average number of employees well below 500), the ABC arbitrage Group is below the thresholds for publication of an Extra-Financial Performance Declaration (*Déclaration de Performance Extra-Financière,* DPEF), in accordance with the provisions of Article L225-102-1 of the French Commercial Code, and is therefore not required to do so. Similarly, given its size, the Group is also currently below the thresholds for publication of a sustainability report in accordance with the CSRD directive. Nevertheless, mindful of everyone's responsibility with regard to social, societal and environmental issues, to ensure a clear understanding of the evolution of its results and its situation, and faithful to its mission to embody "*Positive Finance*", the Group has chosen to examine its impacts and publish key extra-financial performance elements and indicators.

To take this approach a step further, ABC arbitrage :

- relies on the work of an employee dedicated to CSR / ESG issues, who reports directly to the Group Corporate Secretary for these matters;
- in 2022, set up a working group dedicated to CSR issues, which meets at least once a quarter. Open to all, it is made up of employees who wish to make a contribution on these issues. Themes of particular interest are explored in greater depth by task forces, that can put forward proposals;
- created a CSR committee within its Board of Directors in 2023. This committee has met to discuss CSR issues and priorities for the Group.

ABC Arbitrage's corporate social responsibility focuses on three main areas:

- Dynamic management of recruitment and support for its employees, its greatest asset, in order to foster their professional development and fulfillment. An incentive-based compensation policy also associates each employee with ABC arbitrage's performance and results. While ABC Arbitrage's business is international by nature, it is also committed to maintaining a strong presence in France, out of conviction.
- A concern for diversity and inclusion in all its forms in this quest to develop talent. Particular attention is paid to gender equality issues, given the specific problems in the finance and digital sectors.
- The desire to take environmental aspects into account in all decisions. The Group is committed to raising awareness of environmental issues among its employees and stakeholders and to reducing its direct impact on the environment through various initiatives. Measuring the Group's carbon footprint, in order to identify the most relevant levers for action, is an integral part of this approach.

Nevertheless, the Group points out that, as far as its investment activities are concerned, it has historically maintained total neutrality in the selection of securities, which are traded using a quantitative and systematic intervention method. As a result, no environmental criteria are involved in the process of selecting the products traded, since only observed market inconsistencies have an impact on the selection. Notwithstanding, ABC arbitrage intends to contribute to a sustainable financial system, which takes into account extra-financial Environmental, Social and Governance (ESG) criteria, and is working towards this goal. ABC arbitrage Asset Management, the Group's French portfolio management company, has joined the United Nations' initiative for the promotion and implementation of UN-supported Principles for Responsible Investment (UNPRI)) in July 2022. To better integrate ESG criteria into its management and investment strategy, ABC arbitrage Asset Management has set up the structure needed for effective, coordinated action, with the creation of a high-level committee to implement and steer its responsible investment policy, the first version of which was published in July 2023.

The reporting scope for the Group's non-financial data is as follows:

- The details and information on environmental issues mainly refer to the actions of the French companies ABC arbitrage and ABC arbitrage Asset Management (UES France), which cover 91% of the workforce. Nevertheless, relevant and significant indicators relating to other Group companies have also been included, wherever the information was available.
- Most social indicators cover the entire Group workforce (including Ireland and Singapore).

For each indicator, the scope is clearly indicated in §5 ("Data table").

The Group would also like to point out that additional information on these subjects can be found on its website (www.abc-arbitrage.com).

Finally, the Group would like to point out that it is important to read the management report in addition to this non-financial information report, in order to find out about the highlights of the year, as well as the Group's business orientations and outlook.

Summary – Non-financial information provided voluntarily

1. Social information

ABC Arbitrage's employees are its greatest asset. The Group therefore pays particular attention to all aspects of their well-being and professional fulfilment.

The ABC Arbitrage Group's main social indicators are summarised in the "Data table" section (part 5).

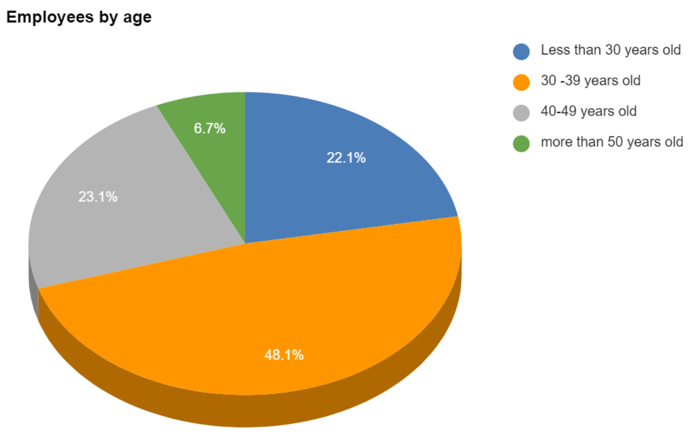
a. ABC arbitrage teams

Despite the international nature of its business, ABC arbitrage has always sought to maintain a strong presence in France. Its workforce is made up of many engineers and scientists, and the Group makes every effort to keep them in France. France accounts for 91% of the Group's workforce.

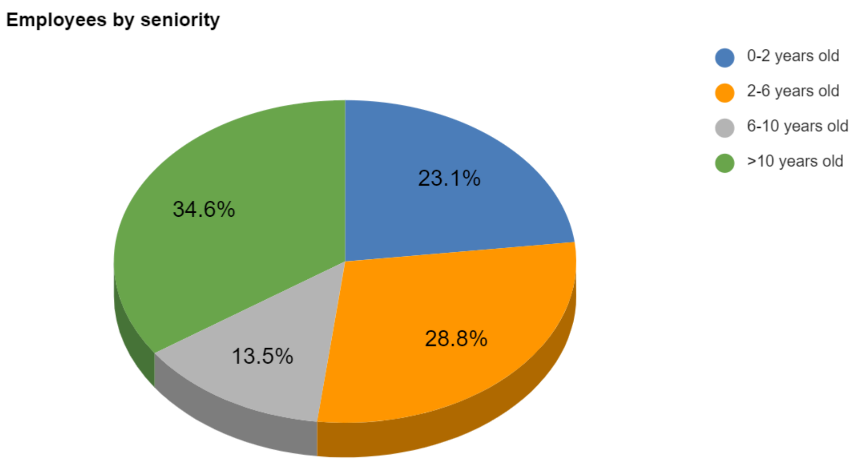
The Group's workforce has grown by 22% over the past 3 years.

In 2023, the Group recruited 15 new employees on permanent contracts, i.e. 14% of the total workforce at December 31, 2023, choosing to combine young employees with proven technical experience. This recruitment policy fosters dynamic thinking and innovation, while capitalising on the expertise of our most loyal employees.

This balance is reflected in the average age of our employees (36 years old on average), which reflects both the Group's dynamism and experience. The proportion of under-30s is roughly equal to that of over-40s, at around a quarter of the workforce.



The average length of service of Group employees is 8.5 years. The Group relies on an experienced management team (average length of service 19 years) that is loyal to the Group, and most employees stay with the Group for many years.



All team indicators are available in the data table (§5.).

b. Compensation policy

Full compliance with the obligations set out in Article L.225-102 of the French Commercial Code is mentioned in the ABC arbitrage Group's management report for the 2023 financial year.

In 2023, personnel costs have declined by 36% compared with 2022. This reduction is essentially due to the variable part of remuneration, which is lower in a context of declining performance. This correlation is structural in the Group's compensation system.

In order to recruit quality profiles, value skills and share the wealth created collectively on an equitable basis - without any form of discrimination - salary scales were introduced for each position, department and company of the Group in 2020, based on objective criteria (internal skill levels, diplomas obtained, number of years' experience and studies). These grids are updated annually, taking into account an annual market survey and the reality of the field (information gathered during all recruitment interviews conducted).
In 2023, the Group worked on a new system of skill levels, reflecting the area of responsibility and level of development of employees.

The desire to involve teams over the long term and create a convergence of interests with shareholders is at the heart of management's concerns. A range of long-term profit-sharing schemes is offered, designed to enable the company to grow while maintaining its expertise and containing fixed costs, as far as possible.
This active approach has been part of the Group's DNA for many years. Convinced of the positive effects of this type of program (convergence of interests with shareholders, loyalty-building, etc.), it will continue to use these profit-sharing products. In addition, all employees benefit from a customary annual appraisal, which opens up the possibility of a discretionary performance bonus.
An employee savings plan is also available to all employees in France (i.e. 91% of the workforce).

Full details of employee shareholding programs are provided in the Group management report. In addition, employees enjoy benefits such as vacation bonuses, luncheon vouchers, etc.

c. Organisation of working hours and work/life balance

The organisation of working hours varies according to the functions performed. Employees are subject to the company's collective working hours, which correspond to legal working hours, unless otherwise stipulated in their employment contract.

The terms and conditions (working hours, schedules, organisation, possibility of teleworking) are varied.
In fact, employees are granted considerable flexibility in their working hours, subject to operational constraints. For example, they can freely choose which days to work remotely or from the company's offices, or take advantage of part-time working. In 2023, 3 women worked part-time. Managers also show flexibility with unpaid leave. In 2023, 10 people took advantage of this.

A collective agreement drawn up with the Social and Economic Committee (CSE), employees, the Human Resources Manager (RRH) and managers has made it possible to telework on a regular basis in a "non-COVID" context. All experienced employees who wish so can benefit from 12 days' teleworking per month. This mode of working, which alternates between the office and home, improves work-life balance and, for example, makes work more compatible with parenthood. All employees have applied for teleworking, and all requests have been accepted. In 2023, the average number of teleworking days per person is 38%. This reflects a good take-up of this possibility as much as the pleasure employees have in coming to the office. ABC Arbitrage provides all the means necessary to enable employees to telework under the best possible conditions, and an ergonomist can travel or carry out awareness-raising activities at their request. A lump-sum allowance is also granted each month to all relevant employees to compensate for the costs associated with working from home.

In addition to flexible work organisation and the possibility of teleworking, the Group aims to maximise the reconciliation of professional and personal life, for example by not scheduling recurring meetings after 6pm. In the same vein, working conditions for pregnant women are adapted: greater use of teleworking and more flexible office hours are possible at the employee's request. Finally, crib reservation contracts enable employees who wish to benefit from childcare in *crèches*.

d. Absenteeism

Absenteeism and the reasons for it are monitored by ABC Arbitrage's Human Resources department. The absenteeism rate as determined in the monitoring of the main indicators corresponds to the ratio between the total number of unscheduled days of absence and the total number of theoretical working days (expressed as a percentage). The absenteeism rate (0.7%) is well below (more than 5 times) the average for the Banking and Insurance sector (4.12% in 2022 according to the absenteeism observatory).

Unplanned absences in 2023 are essentially short-term absences (< 3 days), made up of sick leave and family-related absences. Short-term absences account for 90% of absences for the year. In 2023, the average duration of an unplanned absence within the UES ABC arbitrage is 1.95 days (compared with 23.6 days for 2021 according to the absenteeism observatory).

The very low percentages reflect the positive working atmosphere within the ABC Arbitrage Group, as well as the actions taken by the Group to ensure the well-being of its employees. All absence-related indicators are available in the data table (§5).

e. Labour relations

The collective agreements in force within the Group are mainly based on profit-sharing and incentive schemes, and on the fixed daily rate for the French entities.

Employees can contact their manager at any time with any requests or comments they may have. Each employee also benefits from :

- an annual interview with his or her manager to discuss the various aspects of his or her life within the company. The format was revised in 2023 to make it more objective and to systematically address areas of satisfaction or dissatisfaction at all levels (job content, work atmosphere and organisation, feedback on the manager, salary, etc.), as well as the employee's career development and training aspirations.
- regular professional interviews, the format of which has been reviewed in conjunction with the Social and Economic Committee (CSE), with particular emphasis on work/life balance and workload. In 2023, 19 professional interviews were carried out with the RRH using this new interview format.

Social dialogue is also based on a process of consultation between the employer and its employee representative bodies. It is organised around the Social and Economic Committee (CSE). The CSE is responsible for economic matters (organisation and running of the company, working conditions, vocational training, apprenticeships, etc.) as well as social and cultural matters, and for protecting the health and safety of group employees, in order to help improve working conditions. The CSE is informed and consulted on important decisions to take account of employees' interests. It meets on average once every two months and at least 6 times a year.

In addition, a working group on CSR issues is open to all. It enables employees who wish so to be informed and to propose actions on issues linked to environmental or social concerns. It is organised around "task forces", which work more specifically on certain subjects of interest.

The existence and operation of the CSE, the working group and the CSR approach are communicated and explained to employees, particularly when they join the company. This information is also made available to all employees via an Intranet platform, which brings together all information relevant to life within the company.

Social dialogue is also maintained through half-yearly meetings at which the Group's results are presented. These obligatory meetings are an opportunity for employees to ask management questions, also anonymously, on subjects as diverse as the company's results, corporate life and future orientations.

f. Health and safety

Our occupational health policy goes beyond mere regulatory compliance. Protecting the health of our employees is a priority for the ABC Arbitrage Group.

For example, French employers, by unilateral decision, reimburse 100% of the basic health insurance package, and a voluntary seasonal flu vaccination campaign is organised every year. Voluntary employees are also regularly trained in "first aid" (10 people in 2022), fire-fighting (18 people in 2023) and evacuation (11 people in 2023).

Every year, the Group reviews the "*document unique d'évaluation des risques professionnels*" - a document used to identify the risks associated with the jobs carried out within the Group, in conjunction with the occupational health department - to ensure, in particular, that the psychosocial risks associated with the isolation caused by the widespread use of teleworking are properly dimensioned. All types of risk are considered in order to provide the best possible response. For example, the risks to working conditions in the event of a power cut have been assessed for 2023. A guide to good posture at work is also available on the intranet.

An internal whistle-blowing procedure enables an employee to reveal or report, confidentially and securely (specific mailbox), a crime or offence, a violation of the law or regulations (e.g. discrimination, harassment) of which he or she has personal knowledge.

The prevention of verbal, sexist and sexual violence within the company is included in the internal regulations, which are reviewed with each new employee. In addition, the company's internal code of conduct includes harassment (both sexual and moral), with a reminder of what it is and what the penalty would be. In addition, the articles of the French Labour Code on harassment are posted in the office, and a member of the CSE is the internal referent for all these issues.

The ABC Arbitrage Group's commitment to the good health of its employees is also reflected in preventive actions such as the provision of self-service dried fruit, by offering and paying for registrations for running races or partnerships with gyms.

No occupational illnesses were reported in 2023 nor were there any work-related accidents.

g. Training

Training is a major concern for ABC Arbitrage Group. It enables both the development of human capital and individual development, and is divided into three main aspects, throughout one's professional life:

- **Technological, regulatory and fiscal watch:**
  Numerous training courses are organized to enable employees to keep abreast of regulatory and tax developments, as well as technological advances. These training courses include cross-disciplinary knowledge.

- **Core business training:**
  ABC arbitrage's training policy for its core business is essentially focused on tutoring (knowledge transfer) and watch. In fact, there is little or no direct training in ABC arbitrage's core business (business training is mainly related to directional strategies, and not to quantitative and systematic trading). As a result, tutoring is one of ABC arbitrage's preferred options for training its employees. With regard to document monitoring, ABC arbitrage encourages its employees to be intellectually curious, and provides the necessary resources by subscribing to professional and technical content and acquiring technical documentation books.

- **Soft skills training:**
  A significant proportion of the training budget is dedicated to enhancing employees' "soft skills", so that they feel more at ease in their work. In 2023, 69% of expenditure for training/coaching organizations was devoted to this type of support (management, assertiveness, speaking, leadership).

Requests for training, including those leading to diplomas or certificates, are discussed at least once a year with all employees during the annual appraisal interview. All requests are examined, and each manager receives from the Human Resources department a reasoned feedback for each request, which he or she can pass on to the employee. Validated requests are grouped together in an annual training plan which is submitted to the Social and Economic Committee. In 3 years, training expenditure per employee has increased by 32%.

In 2023, ABC Arbitrage launched its "ABC University" program, which offers employees training courses by profession. As a result, all new employees are now welcomed via specific training pathways, and a catalog of training courses is offered to all Group staff in order to encourage transfer and career development.

As part of this commitment to training and knowledge transfer, ABC Arbitrage Group regularly offers trainees at the end of their studies so-called "pre-employment" assignments. Of the 3 pre-employment internships carried out in 2023, one was hired on a permanent basis at the end of the internship.

h. Equal opportunity

When recruiting and managing human resources, the ABC Arbitrage Group is committed to non-discrimination of any kind, particularly with regard to nationality, culture, gender or disability. On the contrary, the Group seeks diversity in all its forms, through the integration of different employees.
The Group strives to recruit motivated, competent employees who will fit in well with the existing team and create an understanding between people who are sometimes very different. Ambitions are encouraged, as long as they serve the community.

With regard to gender equality in the workplace, ABC Arbitrage has drawn up an action plan based on a diagnosis of 9 areas for action (recruitment and access to employment, qualifications, classification, remuneration, professional training, promotion and professional mobility, safety at work, working conditions, work-life balance). The actions defined, in conjunction with the CSE, are a priority for the company and form part of the day-to-day fight against all forms of discrimination. To take things further, a CSR group task force was set up in 2022 to take stock of the situation and make new proposals on the subject. In 2023, a number of initiatives have been launched:

- the question of the birth of a child and parenthood was the subject of a specific analysis, which led the Group to decide to maintain full salaries for both men and women during maternity and paternity leave. To give employees maximum visibility over their working lives during this special period, legal information and procedures, as well as useful links and information, have been communicated to all employees and are now accessible to all;

- an internal survey was carried out to gather employee feedback on diversity and inclusion issues;

- all other aspects of working life have been considered through the prism of diversity and inclusion, with the aim of producing - by 2024 - an even more ambitious update of ABC arbitrage's action plan on these issues, including the results of the internal survey.

The Group is also committed to gender equality on its Board of Directors. Taking into account the historical founding shareholder directors, women represent 40% of the Board of Directors (100% of independent directors).

i. Working environment

ABC arbitrage has chosen to locate its Paris offices in the heart of the city, where restaurants, boutiques, art galleries, etc. are within easy reach and among the capital's best-served districts. Similarly, the Singapore and Dublin offices are respectively in the city center or well served by public transport.

The company has also prioritised the creation of ergonomic workspaces, renovated by an interior designer, and pleasant living spaces (cafeteria, etc.). A rest area is available for employees.

For several years now, the Group has been working alongside French artists to promote art and culture within the company. The Group is convinced that this contributes to creativity and inspiration, and fosters social interaction and sharing, thus promoting the well-being of its employees:
- New paintings were installed on the premises in 2023;
- Art photographs are on display in the cafeteria and are regularly renewed. Since the end of 2022, the photographs of Mathieu Latour, a talent sponsored by ABC arbitrage, have been on display in the Paris premises.
- Each meeting room has a permanent display of an original work of art specially created for ABC arbitrage around the theme of chemical elements: Oxygen, Silicon, Zinc, Carbon, Gold, etc., complementing the fresco created (a live performance over ten days in 2018) by artists within the Paris premises: a mix of sketches of who we are at ABC arbitrage and freestyle.

j. Corporate life and integration

In order to offer its employees a rich and fulfilling professional life, the ABC Arbitrage Group regularly organises events and activities to foster team cohesion.

The Human Resources department organises integration mornings for new employees to help them familiarise themselves with the Group's history, culture and values. It's also a time for exchanging ideas with managers, who come to introduce themselves and their team's organisation. In 2023, two integration mornings were held.

During the trial period, new employees systematically have two meetings with a member of the Human Resources department to monitor their integration. At the end of their probationary period, new employees meet individually with all members of management for a privileged moment of exchange. A breakfast meeting is also planned with Dominique CEOLIN, Chairman and CEO of ABC arbitrage.

Several initiatives enable employees to get to know their colleagues from other teams better. For example, "mix" lunches are regularly organised with those who wish to do so. Employees can also propose similar initiatives.

Every year, employees and investors are invited to experience a unique sailing experience alongside Jean-Pierre Dick and his team (see section 2.g.).

Last but not least, the CSE organises numerous social events (quizzes, Candlemas, the "Galette des rois", ski weekends, etc.) and offers a number of benefits to employees (Christmas gift vouchers, Skilleos subscription, which includes over 1,400 online courses in a wide range of fields, sports and leisure packages, etc.).

k. Our results: testimonials and satisfaction surveys

The Group's employees are the best witnesses of the positive working atmosphere: all the reviews posted by ABC arbitrage employees on professional social networks (Glassdoor, Indeed) in 2023 gave it scores equal to or higher than 4/5.

The internal survey on diversity and inclusion showed that ABC arbitrage employees do not identify any major problems on these issues.

In 2023, the Group's efforts to promote employee well-being also resulted in the award of Great Place To Work® France certification. A global benchmark in terms of employee experience, this label measures employees' perception of their company. The survey revealed genuine satisfaction, with - for example - the following results:

- 100% of employees feel that new recruits are well received.
- 99% of employees think that, on the whole, this is a really good company to work for.
- 99% of employees say that we celebrate special events together.
- 93% of employees think that our premises and facilities contribute to a pleasant working environment.
- 96% consider that "in this company, employees are given a lot of responsibility".
- 100% consider that "safety conditions are met."
- 97% positive responses to the question "the working environment is psychologically and humanly healthy."

The survey will be repeated every three years, in line with the frequency of the Group's business plans.

2. Other stakeholders

The group aims to undertake its societal responsibility by taking into consideration the stakeholders' expectations with whom discussion is opened.

a. Local, economic and social impact of our business

In its own way, and since its creation, the Group has contributed to local development, not only as an employer, but also through its activity, since it brings liquidity to the markets and thus contributes to the smooth running of the financial industry.

Arbitrage is a combination of several operations whose aim is to make a profit by taking advantage of the only imperfections likely to appear between different financial markets. Arbitrage enables prices for the same asset to converge between different markets. It ensures fluidity between different markets and contributes to their liquidity. In carrying out its activities, ABC arbitrage Group contributes in its own way to maintaining the relevance and efficiency of the markets, and to ensuring compliance with the rules laid down. It also enables "small holders" to access the market and acquire securities at fair value.

The social utility of the ABC Arbitrage Group is not limited to the role it plays on the markets. The value created by the Group is, and always has been, redistributed to its employees, shareholders and the State through various taxes and contributions.

b. Shareholders and investors

Regularly, high-quality financial reporting keeps investors and shareholders informed of the Group's results and key trends. In addition to the annual shareholders' meeting, regular press releases are issued to keep shareholders informed. Our website (www.abc-arbitrage.com) and email contact address (actionnaires@abc-arbitrage.com) are also available for obtaining any information they may need.

Group companies are committed to live up to investors' expectations. They implement investment strategies with the highest standards and strict processes to preserve capital. All elements relating to environmental, social and governance (ESG) criteria are grouped together in a Due Diligence Questionnaire. These elements include the ABC Arbitrage Group's corporate social responsibility (CSR) axes, including aspects of diversity and inclusion, respect for privacy and work-life balance, codes of conduct, respect for the environment, etc. This document is available on the extranet for current ABC arbitrage Asset Management clients and for prospective clients (provided they are categorized as professional clients) who carry out a Due Diligence analysis after entering into a relationship. It is updated whenever significant changes are made. Finally, an email address and a contact form on the website (https://am.abc-arbitrage.com/) are also available for further information.

c. Financial intermediaries

ABC arbitrage Group selects the financial intermediaries it works with with the greatest care, to ensure that they meet its requirements in terms of good management practices. The Group carries out an in-depth analysis of their practices on the basis of an extensive Due Diligence Questionnaire. As part of this process, it now systematically gathers detailed information on their environmental, social and governance (ESG) policies.

d. Subcontracting and suppliers

The use of subcontractors is limited. Outsourced tasks are limited to the preparation of pay slips and social security declarations, as well as certain general services and administrative tasks.
The number of suppliers linked to the business (mainly financial data suppliers) is limited, as is the choice offered to the company. Other suppliers are solicited for purchases not directly related to the business.
Nevertheless, ABC Arbitrage maintains a long-term relationship of trust with its suppliers. Whenever possible, it gives preference to quality products with better environmental or social performance, although this is not formally stipulated. By way of example, we could cite the choice of Data Centers, for which energy efficiency, the source of electricity, the local presence of a maintenance team, as well as the consumption and electrical output of the equipment used have all been taken into account.

e. Data confidentiality and security

System security and integrity have always been a very serious concern. The latest policies for securing infrastructure, networks and handled data are applied throughout the Group. Cybersecurity is treated with the same importance as other levels of security.

- Employees are evaluated and trained in security principles (including phishing detection);
- Information and user workstations are protected on the basis of Zero Trust recommendations: strong, context-based authentication, device posture, network micro-segmentation and encryption of exchanges on the network with TLS and on our disks;
- Backups and important information are replicated to at least two locations, one of which is disconnected from the network;
- The group uses "Google Workspace" for e-mails and documents;
- Multi-factor authentication is used for each user;
- Intrusion tests are carried out by external contributors every 12 months and phishing tests are carried out several times a year, with a regular change of contributors for better control;
- Internal and external vulnerabilities are analysed daily;
- Audit events and system and network telemetry are centralised and alerts are issued when thresholds are crossed or damage occurs;
- Management of servers, cloud platforms and networks is automated, enabling rapid, large-scale application of configurations and better tracking of history;
- User workstation equipment is managed from a Cloud platform, where workstation security is enforced and telemetry is used to monitor compliance;
- Configuration is reinforced by banning obsolete or infection-vector communication parameters and protocols in favour of those recommended by the NIST, NSA and ANSSI agencies;
- The "principle of least privilege" is applied to users and services;
- In the event of damage, a crisis management unit is set up, comprising the management committee, to qualify and decide on the procedures to be applied.

Finally, employees are made aware of the General Data Protection Regulation (RGPD) and procedures to ensure that personal data is archived and deleted in compliance with this regulation have been deployed.

f. Collaborative engagements

ABC arbitrage Group and the companies that make it up actively participate in the development of the industry of which it is a part, through several collaborative engagements:

- ABC arbitrage is an active member of the MiddleNext association (an association of mid-cap companies listed on the Paris stock exchange), and shares its conviction that good governance practices must be adapted to the different needs of structures, depending on their shareholder base or size, for example, to ensure that governance is in line with business practice. Dominique CEOLIN, Chairman and CEO of ABC arbitrage, is a member of its Board of Directors. Other Group employees also provide assistance and insight into the areas of expertise on which they work on a daily basis. ABC arbitrage has also made its main meeting room available free of charge for Middlenext conferences. Finally, ABC arbitrage has joined Middlenext's CSR working group, which aims to collectively reflect on the tools to be put in place, organise regulatory monitoring and share experiences on these subjects.

- In 2023, ABC arbitrage Asset Management renewed its membership of the AFG - Association Française de la Gestion Financière. The AFG represents and defends the interests of third-party portfolio management professionals. It provides its members with ongoing support in the legal, tax, economic, accounting and technical fields, and leads the profession's reflection on the development of management techniques, research and the protection and orientation of savings. ABC arbitrage Asset Management also participates in AFG's Responsible Investment plenary meetings.

- In 2023, ABC arbitrage Asset Management also joined the Standards Board for Alternative Investments (SBAI), a global alliance of asset managers and institutional investors dedicated to improving the alternative investment industry, and participates in its working group on responsible investment issues.

- Finally, as part of the Group's strategic plan and in keeping with its mission to embody the Group's "Positive finance" slogan, ABC arbitrage Asset Management, as an asset management company, has joined the UN-supported Principles for Responsible Investment (UNPRI) in 2022. Through this initiative, ABC arbitrage Asset Management intends to pursue its commitment to contribute to a sustainable financial system, which takes into account extra-financial Environmental, Social and Governance (ESG) criteria. The company has voluntarily reported to UNPRI on its actions in 2023.

g. Relationships with other people or organisations

The role of ABC Arbitrage Group in society and the relationships it maintains with its stakeholders does not stop with its employees, shareholders, investors and suppliers. Indeed, the group is careful to develop and maintain quality relationships with all stakeholders interested in the company's activity:

- The Group's social action also include professional integration, links with educational establishments and professional working groups. Company employees regularly take part in engineering school forums (such as the Trium forum in October 2023 and CentraleSupelec in November 2023) and technology conferences (NewCrafts conference in May 2023), and speak at universities to promote the Group and its businesses, build relationships with students and spot future talent. Pre-employment and summer internships are regularly offered to students. These internships represent a real recruitment pool for the Group. In 2023, 33% of pre-employment interns were hired on permanent contracts at the end of their internship.

- In a world in perpetual motion, with ambitious and captivating projects, the ABC arbitrage group wishes to remain open to other professions or other passions. This includes meeting men and women who lead and live extraordinary human adventures through sport or studies. Getting away from it all, discovering and sharing work, innovation and surpassing oneself, looking at things differently, enriching one's own career path - these are the objectives of the ABC Arbitrage Group through its "*coup de cœurs*" partnerships:
    - Since the 2014/2015 school year, the ABC arbitrage group has been providing financial support to Maisons des Jeunes Talents, an equal opportunity association with an innovative program run by the Primonial Group Foundation[3].
      The aim of this association is to help young scholarship students to succeed in preparatory classes and entrance examinations for Parisian grandes écoles.

      Every year, two young girls are sponsored by ABC Arbitrage, with Group employees providing psychological support (moral support), academic support (methodology and general knowledge) and an introduction to professional life (discovery of the company and its codes), as required. They can also facilitate the search for internships and jobs, by giving their godchildren the benefit of their network and knowledge of the professional world.
      Through this partnership, the Group hopes to facilitate access to scientific studies for the next generation, particularly girls, and to contribute in its own way to the development and recognition of France's excellence in these fields.

    - As part of its internal and external communications policy, ABC arbitrage has been running a sponsorship program for many years as the "Title Partner" of skipper Jean-Pierre Dick (Absolute Dreamer stable). From 2018 to 2022, ABC arbitrage supported the realisation of Jean-Pierre Dick's project, the Easy To Fly, an 8-metre catamaran of which he is the designer. The year 2022 marked Jean-Pierre Dick's return to the traditional circuit, still accompanied by ABC arbitrage, and saw him win the Route du Rhum in the Rhum Mono category. In 2023, Jean-Pierre Dick won the Caribbean 600 in his category and set a new record for crossing the Atlantic in the opposite direction, from Bermuda to Lorient.

[3]Under the auspices of the Fondation de France, this corporate foundation brings together all the commitment and philanthropic initiatives undertaken to date by the various entities of the Primonial Group. The Primonial Group Foundation has also taken over and continues the actions of the Fondation Financière de l'Échiquier, including "*Maisons des jeunes talents*", a program designed to house and support scholarship students admitted to preparatory classes for the "*grandes écoles* in Paris

- In the past, the Group has also contributed to the work of Basis.point, an association created on the initiative of the Irish investment fund industry, which works to improve access to training and educational opportunities for young disadvantaged people in Ireland. The Group continues to support the association.

- In addition to its historic partnerships, the ABC Arbitrage Group also sponsors up-and-coming athletes and artists as part of a program called "Young Multi-talented of ABC Arbitrage" (YMTA):
  - surfer Charly Quivront, in high-level competitions and other sporting events in which he has participated since 2016. He was French Open Shortboard Champion in 2022;
  - Adrien Pendaries and Charlotte Liautier, both professional golfers, who joined ABC arbitrage at the end of 2021;
  - Mathieu Latour, wildlife photographer and filmmaker whose *"Regards d'extinction"* project - 300 face-to-face portraits of endangered animals - was unveiled in 2023. Mathieu Latour also took part in Yann Arthus-Bertrand's documentary "*Vivant*".

h. Fair business practices

ABC Arbitrage is listed on a regulated market. Consequently, from the moment they sign their employment contracts, all Group employees undertake to comply with all internal control procedures concerning the trading of ABC arbitrage shares and, more generally, with the rules governing the prevention, by law or regulation, of offences and breaches of stock market regulations.

Similarly, ABC arbitrage Asset Management is a regulated asset management company, subject to various approvals and under the supervision of the Autorité des Marchés Financiers (AMF). Employees are committed to complying with all mandatory professional rules in the asset management business, and in particular to respecting the primacy of the client and the fight against corruption, money laundering and the financing of terrorism. Charters and codes of conduct (whistle-blowing procedure, employee market intervention policy, internal regulations, rules of professional conduct, IT charter) are presented to all new recruits and are freely accessible to all employees. Their content may be the subject of reminders (twice-yearly intervention windows, etc.). A meeting with the compliance officer is also systematically organised within 6 months of employees taking up their duties, to ensure that they understand the procedures.
More generally, internal control and risk management procedures are detailed in the management report.

In 2023, it was decided to include evaluation criteria based on CSR performance in the variable compensation of ABC arbitrage's Chairman and Chief Executive Officer, Dominique CEOLIN. Two of the four qualitative criteria are thus conditional on CSR performance:
- Social and Societal Dimensions: assessment based on the following indicators:
  - Non-chosen staff turnover ;
  - Involvement in community life outside ABC arbitrage (Mid Small Ecosystem, Governance, etc.) and
  - Gender equality - current situation and measures implemented.
- Environmental dimension: measurement of CO_2 emissions by the ABC arbitrage group and monitoring of actions implemented.

ABC arbitrage has also taken note of the revised OECD Guidelines for Multinational Enterprises on Responsible Business Conduct[4], and strives to comply with them wherever possible, in order to identify, prevent or mitigate any potential negative impacts of its activities.

Finally, the Group is committed to respecting all human rights, including those covered by the main conventions of the International Labour Organization (ILO)[5]. The Group operates in countries where democracy and human rights are promoted and monitored. ABC Arbitrage Group's foreign operations have been based primarily on operational criteria, with particular attention paid to the human development index[6] for each country. The three countries in which the Group operates are ranked in the highest "very high human development" category. Ireland ranks eighth, Singapore twelfth and France twenty-eighth in this index.

[4] OECD Guidelines for Multinational Enterprises on Responsible Business Conduct : https://www.oecd.org/fr/daf/principes-directeurs-de-l-ocde-a-l-intention-des-entreprises-multinationales-sur-la-conduite-responsable-des-entreprises-0e8d35b5-fr.htm

[5] International Labour Organization : https://www.ilo.org/global/lang--fr/index.htm

[6] Human Development Index (HDI) by the United Nations as part of its development program, for more details: https://hdr.undp.org/en/content/human-development-index-hdi

3. Environmental information

Given the nature of its business, ABC Arbitrage Group's direct impact on the environment is limited. Nevertheless, the Group is aware of its responsibilities and strives to minimise its impact on the environment and to make rigorous use of essential natural and energy resources. It strives to ensure that its business activities respect the environment by taking environmental criteria into account in its operational decisions and by raising awareness.

a. Carbon footprint

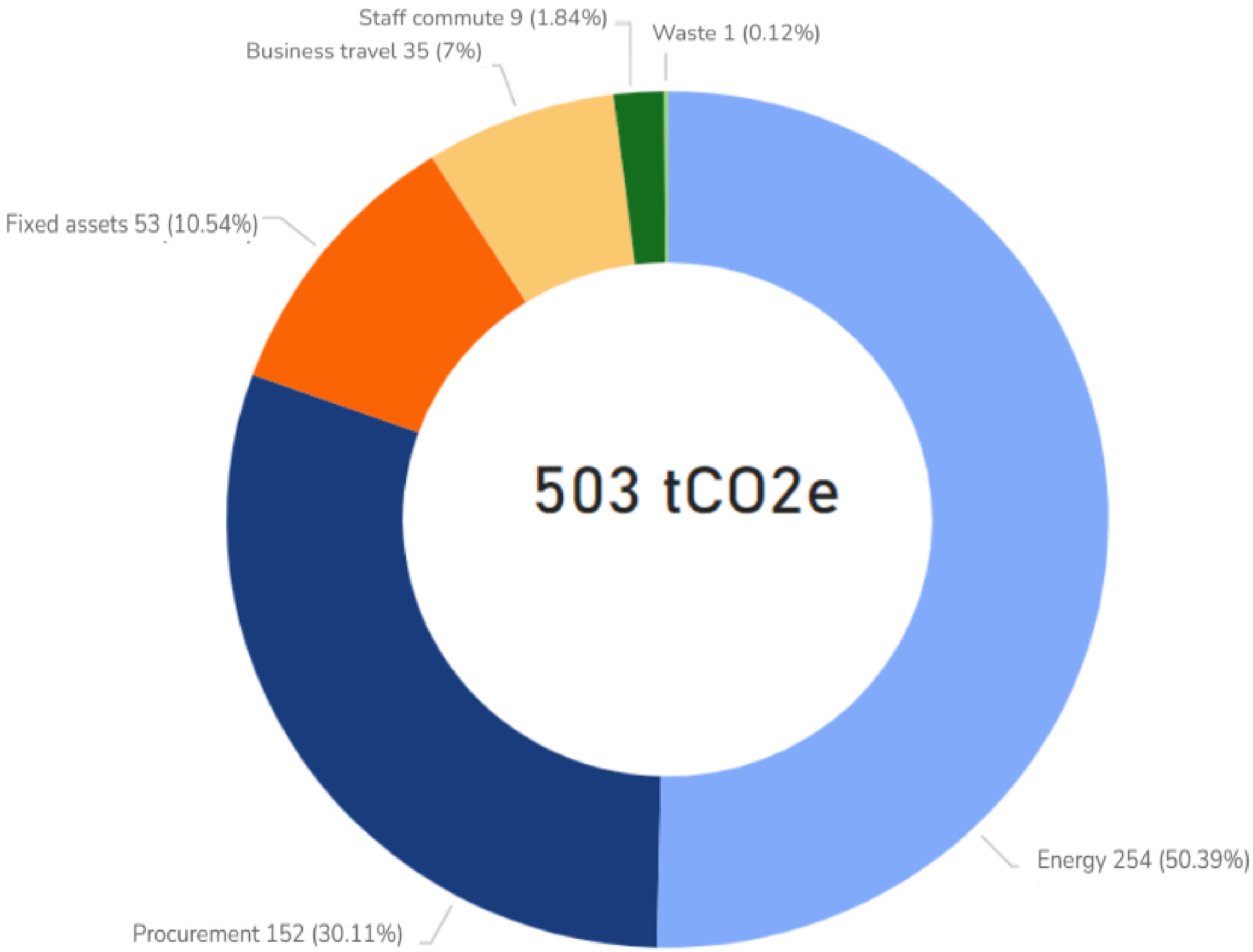
ABC arbitrage has been measuring its carbon footprint since 2021. Beyond the figures obtained, the aim is for the Group to identify and understand the priorities for reducing the emissions associated with its activity, and to participate in raising collective awareness of these issues. The actions to reduce pollution described in the following sections (responsible digital, transport policy, etc.) are therefore also based on measuring the carbon footprint.

The Group has repeated the exercise in 2023, applying strictly the same method as the previous year, so as to be able to establish a comparison. As in 2022, ABC Arbitrage's carbon footprint has been calculated to the highest methodological standards, in particular with regard to the following points:

- The carbon footprint measurement covers all scopes (1, 2 and 3, i.e. direct emissions generated by operations, emissions associated with the consumption of electricity and heat, and indirect emissions) and all relevant emissions items, to cover a scope that is intended to be exhaustive and take account of all significant categories, including scope 3. Only emissions associated with its investment portfolio (category 3-15 of the GHG Protocol) have been excluded from this calculation. Due to the technical nature of this subject, they will be estimated separately. The carbon footprint thus takes into account digital usage, purchasing and support services, energy consumption and waste management, emissions associated with various aspects of employees' working lives (commuting, etc.) and the depreciation of offices and IT equipment. The complete list of items included and excluded from the calculation is detailed in the data table (§5.).
- All sites where ABC arbitrage operates have been taken into account.
- The measurement is based on the most up-to-date emission factors and monetary ratios reflecting the state of the art. Physical data were systematically preferred to monetary data when available.
- Contributions to the financing of low-carbon projects have not been included in the calculation, which aims to account for all emissions associated with the Group's activities. This is because such projects may result in avoided emissions, but cannot "cancel out" operational emissions.
- Uncertainty levels have been assessed for the various emissions items.

ABC arbitrage thus estimates its carbon footprint for 2023 at :

- 0 tCO_2e for scope 1 (direct emissions generated by operations: no vehicles belonging to the Group and no emissions from sources owned or controlled by the organisation)
- almost 199 tCO_2e for scope 2 (emissions associated with electricity and heat consumption): these emissions are linked to the "combustion" part of the energy used for its various sites, and are calculated on the basis of location
- almost 305 tCO_2e for Scope 3 (all other indirect emissions)
- 503 tCO_2e for the 3 scopes, excluding emissions associated with its investment portfolio, which break down as follows:

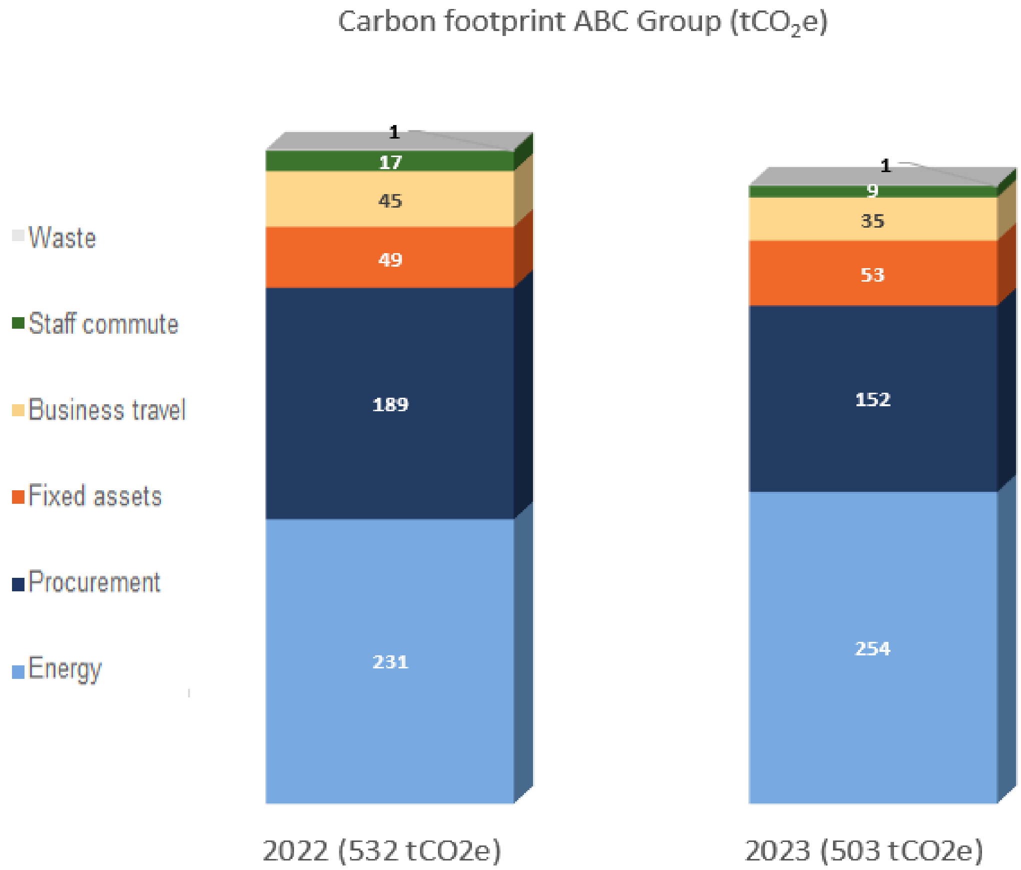


- Given the uncertainties, it is estimated that the emissions are within a range, the upper limit of which could reach 600 tCO_2e. These uncertainties relate, for example, to the emission factors and monetary ratios applied to purchases, for which the exact carbon footprint of the organisations supported or produced is not known.

Level of uncertainty	Sources of activity data	Part of data by level ofuncertainty
Very low	**Mesure directe** (EU ETS sites) **Electricity** (France)	6.5%
Low	**Electricity** (Excluding France) **Transports** (In km)	52.7%
Moderate	**Capital assets** (In square meters or tonnes)	0.2%
Strong	**Capital assets** (In unit)	10.3%
Very strong	**Monetary key figures**	30.3%

FE mainly used to estimate scope 1 — FE mainly used to estimate scope 2 — FE mainly used to estimate scope 3

Compared with 2022, the Group's carbon footprint is reduced by around 5% in 2023[7]. This is mainly due to a reduction in purchases (lower non-recurring legal and consulting fees) and business travel.



b. Digital sustainability

Aware of the importance of digital equipment in its environmental footprint, ABC arbitrage group seeks to characterise its impact and gradually reduce it. These impacts are mainly of two kinds:

- energy consumption: in order to control energy consumption, ABC arbitrage :
  - includes criteria relating to electricity consumption and supply when selecting the data centers it uses;
  - has developed its Disaster Recovery Plan to gain in flexibility and mutualization thanks to virtualized systems;
  - systematically selects hardware with a very high level of performance in relation to the electricity consumed.

- digital devices: in order to limit their impact, ABC arbitrage :
  - uses second-hand components whenever possible
  - extends the lifespan of its equipment beyond the standard lifespan and opts for longer-than-average manufacturer warranties
  - tries to find a second life for IT equipment (donations to employees or associations : Proxité and Simplon - donations made via HelloZack, schools etc.) and ensures that end-of-life components are entrusted to the appropriate recycling channels.

c. Pollution and waste management

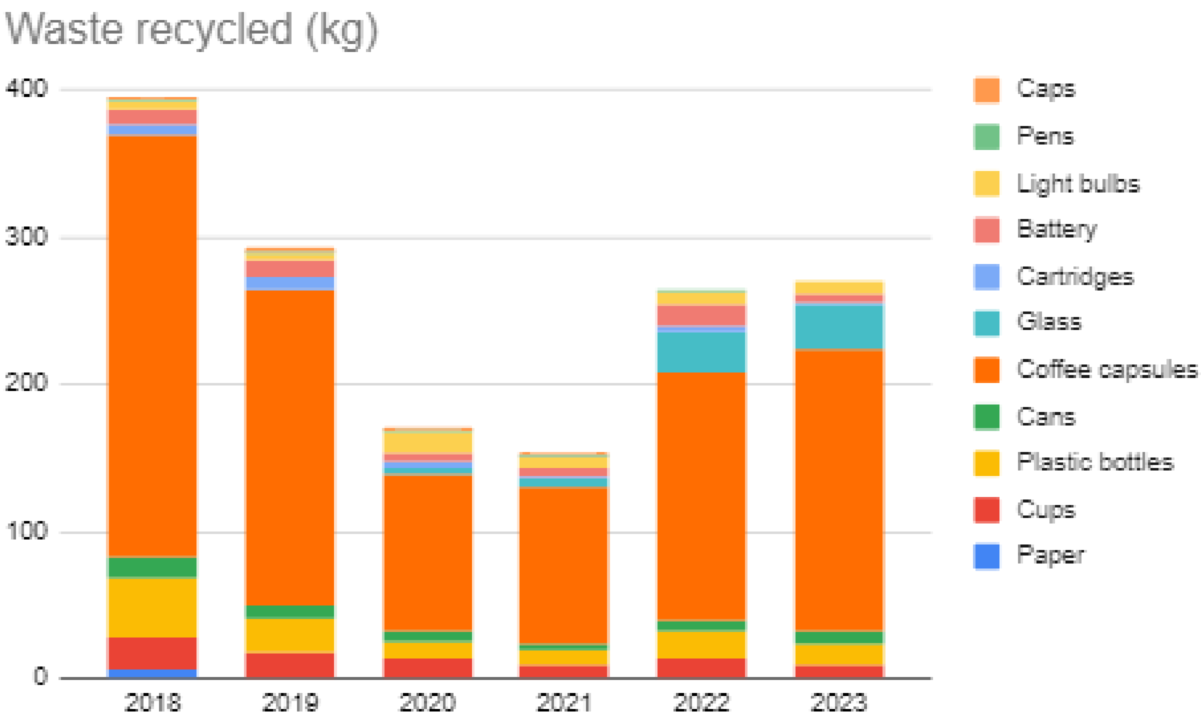
Particular attention is also paid to encouraging recycling and good waste management. In this respect, Group employees have a number of solutions at their disposal:

- selective sorting bins (batteries, light bulbs, coffee capsules, small electronic and electrical appliances, cups, cans, plastic bottles, glass, pens and corks) are located in the common areas (coffee and photocopying areas). The company *Les Joyeux Recycleurs* collects the waste and donates 5 cents to the Ares Atelier social integration association (Paris, 18th arrondissement) for each kilogram of waste. In 2023, 269 kg of waste were collected, including 12791 coffee capsules (192 kg), 1492 cups (9 kg), 736 plastic bottles (15 kg), 50 corks (<1 kg), 268 cans (8 kg), 77 glass bottles (31 kg), 1 cartridge (1 kg). *Les Joyeux Recycleurs* then recycles the waste, transforming coffee capsules into aluminium cans & scooters, coffee grounds into compost, and cups into hangers or garden benches, etc. In addition to waste management in the strict sense of the term, this detailed waste monitoring enables targeted action to be taken;

[75] The result for 2022 has been corrected (+2 tCO2e) compared with the figure published in the previous annual report, following an update on home-work journeys

- voluntary drop-off points are available to employees for hazardous waste such as batteries and light bulbs. In 2023, 258 batteries (5 kg) and 175 light bulbs (9 kg) were collected;
- cups and containers are made from biodegradable materials, and are only used for emergency purposes. Each employee is provided with a cup and water bottle (water fountains are available to limit the use of plastic bottles) made from sustainable materials;
- each desk is equipped with a paper/cardboard recycling garbage can;
- used toners are collected by the supplier for recycling.

For several years now, the Group has had a detailed view of the waste entrusted to the appropriate recycling channels, particularly at its Paris premises (where 91% of its employees are based), thanks to its partnership with *Les Joyeux Recycleurs.* However, it is not currently possible to monitor paper and undifferentiated waste in the same way, as it is collected at building level.



In 2020 and 2021, waste production fell, but this was due to lower office use as a result of the Covid crisis and the widespread use of teleworking. Comparison with 2018 and 2019 shows a downward trend in waste production, even when adjusted for the use of teleworking and the increase in headcount. Coffee capsules account for the largest share of waste generated, and ABC Arbitrage is currently looking into ways of reducing them. In addition, waste electrical and electronic equipment is subject to specific treatment (see previous paragraph).

Measures have been taken to prevent and reduce air emissions. In particular, the location of the company's premises in the city center or with good public transport links in Paris, Singapore and Dublin is not insignificant and enables employees to travel by bicycle or public transport. As a result, the commute travels of ABC arbitrage employees are largely carbon-free, since public transport, bicycles (electric or otherwise) and walking are used for almost 96% of the trips made. On the other hand, cars or thermal two-wheelers account for 37% of greenhouse gas emissions for this type of trip, even though they account for only around 4% of kilometres travelled.

ABC arbitrage is keen to encourage environmentally-friendly transport and provides its employees with bicycle parking facilities. As part of this drive to promote "green" transport, in 2023 ABC arbitrage set up a "Sustainable Mobility" package and modernised its parking lot to accommodate more bicycles. Over 27% of journeys to the office are now made by eco-friendly transport (around 10% by bicycle alone).

Group employees are made aware of environmental risks and are encouraged to group their appointments together to limit business travel, to give preference to rail over air, and to use technological means (video or audio-conferencing) whenever possible.

d. Energy sobriety

In 2022, ABC arbitrage signed the Ecowatt charter, the electricity weather forecast developed by the French electricity transmission system operator (RTE) and the French Agency for the Environment and Energy Management (ADEME), to take concrete action in favor of security of supply in France and thus reduce the risk of power cuts during the winter.

By signing the Ecowatt Charter, the Group has committed itself to reducing its energy consumption, and has worked on scenarios adapted to different alert levels. In the event of an orange or red alert, the Group has prepared to react quickly to reduce consumption even further and to relay the alert.

The Group has limited electricity consumption in its offices since the French subsidiaries moved into the Centorial building (early 2010). Outside programming hours (corresponding to business needs), manual intervention is required to activate one hour's lighting, to be renewed each time, thus complying with legal obligations regarding the lighting of premises for professional use.

Nevertheless, in 2023, ABC arbitrage Group analysed its electricity consumption in light of the devices it uses, in order to identify possible sources of energy savings. It has implemented a number of measures to reduce consumption in its Paris offices (where 91% of its workforce is concentrated), including the elimination of small individual heaters, lowering the set temperature to 19 degrees in Paris offices, efforts on air conditioning, automatic switching off of lights at 8pm, etc. The electricity consumption of the premises has been reduced from around 108,000 kWh in 2022 to almost 91,000 kWh in 2023.

This analysis and search for energy savings will continue in 2024 and the concrete impact of these commitments on energy consumption will be measured and monitored over time.

e. Sustainable use of resources

Due to the nature of its business, ABC Arbitrage Group's consumption of resources is limited to :

- Electricity consumption (see previous point).

- Consumption of paper and printing equipment, on which the Group is making constant efforts: processes are largely digitalized, significantly reducing the need for paper printouts. The very limited printer fleet (two printers shared by all employees) uses recycled paper. The digitization of our financial reports is also part of this dynamic, as are the holding of our Board of Directors' meetings, the e-consent campaign and the use of the Votaccess portal to prepare the Annual General Meeting.

- Finally, water consumption is minimal and is included in the rent. As a result, no detailed information on our water consumption is produced.

f. Awareness rising

Several initiatives to raise awareness of environmental and social issues were carried out in 2023:

- an internal ESG newsletter is regularly sent to all employees. It covers key developments on CSR and ESG issues, both internally and externally;
- the calculation of ABC arbitrage's carbon footprint for the year 2022 was the subject of a workshop with Carbone 4 in order to identify the most impacting emission items and further refine the calculation method. Actions have been launched on this basis for 2023;
- awareness-raising operations around World Down's Day (March 21, wearing of mismatched socks by volunteers to raise awareness of differences in society), Earth Day (April 22, communication around the overview effect), Women's Rights Day (March 8, ABC arbitrage communication around the jobs held by women in the Group), etc.;
- relaying the initiatives of Centorial, where our Paris offices are located: toy collection, etc.
- redistribution of unsold products from Parisian stores, to avoid destroying products and raise awareness of food waste and the actions of *Entraides Citoyennes*, an association to which one of our employees belongs.
- after the Direction en 2022, participants in the CSR group took part in a Fresque du Climat workshop, led by two ABC arbitrage employees, bringing the ratio of employees who took part in the Fresque du Climat to almost a quarter of all Group employees;
- e-mails reminding employees of best practices (switching off computer screens and office lights in the evening, limiting paper printing, encouraging recycling, etc.) are regularly sent out.

4. A quick peek

Carbon footprint

- ✓ Extensive **Carbon footprint** of operations covering scopes 1, 2 and 3
- ✓ Updated **every year**
- ✓ Lever to **identify the most impactful actions** (ex: IT)

Internal communication

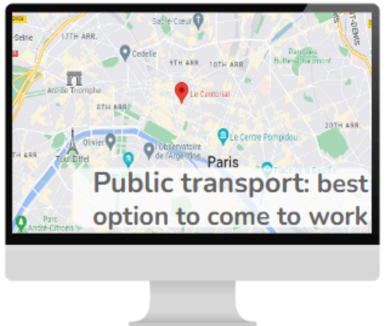
- ✓ **Reminders about good environmental practices** based on **indicators**
- ✓ **Maximum use** of new technologies, train, business meetings grouped, etc.
- ✓ **Serious game** (*Ma Petite Planète*)

Diversity and Inclusion Policy

- ✓ Action Plan for equity, incl. equal pay
- ✓ Gender equity within the Board of Directors
- ✓ Hiring Policy free from any form of discrimination
- ✓ Training : core business & soft skills
- ✓ Internal alert procedure

Social dialogue

- ✓ Economic and Social Committee + CSR working group and task forces
- ✓ Annual & regular professional interviews
- ✓ Corporate life & integration
- ✓ Satisfaction surveys



Work and personal life balance

- ✓ Part-time possible
- ✓ Flexibility in working hours
- ✓ Parental Leave Policy, childcare facilities
- ✓ Possibility of remote working on a regular basis

Sponsorship Actions

- ✓ *Maisons des Jeunes Talents* & basis.point: educational programmes to disadvantaged youths
- ✓ Sport / art: Jean-Pierre Dick, *Young Multi Talented of ABC arbitrage* (Charlotte Liautier, Adrien Pendaries, Charly Quivront, Mathieu Latour) & French artists

Sustainable use of resources

- ✓ **Energy saving plan,** in partnership with **Ecowatt** (French TSO)
- ✓ Environmental criteria for **data center choice**
- ✓ **Automatic setting of printers**
- ✓ Group's processes **digitized**

Other stakeholders

- ✓ Subcontracting and suppliers
- ✓ Shareholders & investors
- ✓ Local, economic and social impact of our business
- ✓ Privacy & Data Security

Health

- ✓ 1st aid training, fire-fighting, evacuation, etc.
- ✓ Awareness: incentives for healthy food, sport
- ✓ Prevention of violence & harassment
- ✓ Voluntary vaccination campaigns
- ✓ 100% of the basic cost of top-up health plan covered

ABC arbitrage asset management, as a management company, is a signatory of the United Nations initiative for the promotion and implementation of principles for responsible investment ((UNPRI, [UN-supported Principles for Responsible Investment](#)).

ABC arbitrage signed the Ecowatt Charter. The group has thus committed to reducing its energy consumption and has worked to develop responses adapted to the different levels of alert.

ABC arbitrage is certified Great Place to Work !

Find more information on our commitments on the dedicated page of our website: "[Our coups de coeur](#)"! The charters and codes of ethics, as well as the details of the professional equality index are also available [on our website](#)!

Waste management

- ✓ **Recycling points**
- ✓ **Monitoring: Les Joyeux recycleurs**
- ✓ **Cups, containers, etc.**
- ✓ **Outlet for used computer equipment**

5. Data table[8]

a. Social indicators

Indicator	Unit	Scope	2023	2022
Workforce				
Total headcount (31/12)[9]	persons	Entire Group	103	100
Average headcount	persons	Entire Group	102	95
Number of nationalities	number	Entire Group	14	14
Distribution of workforce by age groups				
Less than 30 years old	%	Entire Group	22 %	28 %
30 - 39 years old	%	Entire Group	48 %	48 %
40 - 49 years old	%	Entire Group	23 %	21 %
> 50 years old	%	Entire Group	7 %	3 %
Average age of permanent employees	years old	Entire Group	36	35
Distribution of workforce by location				
Paris	%	FRANCE	91 %	92 %
Dublin	%	IRELAND[10]	3%	3 %
Singapore	%	SINGAPORE[11]	6 %	5 %
Distribution of workforce by seniority				
0 - 2 years	%	Entire Group	29 %	29 %

[8] Indicators are calculated for the entire Group. When data is not available, they are most of the time calculated for the French companies only (91% of the workforce).
[9] Total headcount includes permanent employees, apprentice ('Other employees') and executive officers.
[10] Quartys Ltd based in Ireland.
[11] ABC arbitrage Asset Management Asia Pte Ltd based in Singapore.

Indicator	Unit	Scope	2023	2022
2 - 6 years	%	Entire Group	25 %	25 %
6 - 10 years	%	Entire Group	13 %	13 %
> 10 years	%	Entire Group	33 %	33 %
Average length of stay	years	Entire Group	8,5	8
Distribution of workforce by origin				
Impossibility of collecting data on racial or ethnic origin in France				
Information on contractual relationships				
Types of contracts				
Permanent contract (31/12)	total number of employees	Entire Group	97	93
Permanent contract (31/12)	% of workforce	Entire Group	94 %	93 %
Agents (31/12)	total number of agents	Entire Group	4	5
Agents (31/12)	% of workforce	Entire Group	4 %	5 %
Interns (31/12)	total number of interns	Entire Group	0	0
Interns (31/12)	% of workforce	Entire Group	0 %	0 %
Apprentices (31/12)	total number of apprentices	Entire Group	2	2
Apprentices (31/12)	% of workforce	Entire Group	2 %	2 %
Short-term internships	number during the year	Entire Group	1	1
Pre-employment internships	number during the year	Entire Group	3	1
Rate of conversion of pre-employment internships into permanent contracts	%	Entire Group	33,3 %	100 %
Turnover				
Permanent contracts recruitment	number	Entire Group	15	18

Indicator	Unit	Scope	2023	2022
Resignations received	number	Entire Group	5	3
Contractually agreed terminations	number	Entire Group	2	1
Dismissals	number	Entire Group	1	0
Other contract terminations[12]	number	Entire Group	5	4
Turnover (excluding internship and transfer)	%	Entire Group	13,8 %	15,9 %
Involuntary turnover	%	Entire Group	4,1 %	3,4 %
Voluntary turnover	%	Entire Group	5,1 %	2,3 %
Information on remote working and work organization				
Remote working agreement	/	Entire Group	yes	yes
Number of days of remote working	days / month	FRANCE	12	12
Number of average of days remote working	days / year / employee	FRANCE	83	67
Average % of teleworking / person	%	FRANCE	38 %	not available
Flexible working hours	/	Entire Group	yes	yes
Part-time	number of employees	Entire Group	3	3
Information on trainings				
Hours spent in training	hours	FRANCE	466	not available
Number of trainings offered	number	FRANCE	19	not available
Percentage of employees who have benefited from training	%	FRANCE	58 %	33 %
Training expenses (cost, excluding salary & conferences)	€ / Average headcount	FRANCE	496	422

[12] Other contract terminations correspond to trial period terminations

Indicator	Unit	Scope	2023	2022
Number of hours of annual training / employee	hours / year / employee	FRANCE	5	not available
Number of hours of annual training / man	hours / year / employee	FRANCE	4,3	not available
Number of hours of annual training / woman	hours / year / employee	FRANCE	7,4	not available
Number of employees who have followed a diploma or certification course	number of employees	FRANCE	2	not available
Health & safety team	number of employees	FRANCE	11	not available
Health & safety trainings	number of employees	FRANCE	29	not available
Information on absences				
Absenteeism[13]	%	FRANCE	0,7 %	0,8 %
Average duration of an absence	days	FRANCE	1,95	2,9
Employees entitled to family leave	% of workforce	FRANCE	100 %	100 %
Employees who have taken family leave	% of workforce	FRANCE	38,7 %	not available
Employees who have taken family leave	% of men	FRANCE	42 %	not available
Employees who have taken family leave	% of women	FRANCE	27 %	not available
Information on gender equality and fight against discrimination				
Women in workforce	% of workforce	Entire Group	24 %	25 %
Women among apprentices	%	Entire Group	50 %	not available
Women among executive	%	Entire Group	14 %	12,5 %

[13] Total number of days' absence (including maternity leave) divided by the total number of theoretical working days

Indicator	Unit	Scope	2023	2022
members				
Women among managers	%	Entire Group	50 %	40 %
Women among Board members	%	ABC arbitrage	40 %	60 %
Employees that benefited from full paid maternity or paternity leave	number of employees	Entire Group	6	not available
Total number of reported incidents of discrimination	number	Entire Group	0	0
Information on social rights and benefits				
Labor relations				
Collective agreements	% of workforce	FRANCE	100 %	100 %
Worker representations	% of workforce	FRANCE	100 %	100 %
Regular performance appraisals and feedback processes	% of workforce	Entire Group	100 %	100 %
Whistleblower Protection	% of workforce	Entire Group	100 %	100 %
Health & Safety				
Health and safety management system	% of workforce	Entire Group	100 %	100 %
Basic mutual insurance package	% paid by company	FRANCE	100 %	100 %
Voluntary flu vaccination	% of workforce	FRANCE	36 %	33 %
Accidents at work	number	Entire Group	0	0
Occupational diseases	number	Entire Group	0	0
Non-salary benefits and employee satisfaction				
Scope of employees eligible for on-salary benefits	% of workforce	Entire Group	100 %	100 %

Indicator	Unit	Scope	2023	2022
Childcare (“*crèches*”) possible	% of workforce	FRANCE	100 %	100 %
Great Place to Work (GPTW) certification	Yes / No	Entire Group	Yes	Yes
Employees who believe that new employees are well welcomed (source : GPTW)	% of respondents	FRANCE	100 %	not available
Employees who believe that it is a really good company to work for (source : GPTW)	% of respondents	FRANCE	99 %	not available
Employees who think that the premises and equipment contribute to creating a pleasant working environment (source : GPTW)	% of respondents	FRANCE	93 %	not available
Employees who think that a lot of responsibility is given to employees (source : GPTW)	% of respondents	FRANCE	96 %	not available
Employees who consider that the safety conditions are met (source : GPTW)	% of respondents	FRANCE	100 %	not available
Employees who believe that the work environment is healthy (source : GPTW)	% of respondents	FRANCE	97 %	not available
Overall Glassdoor rating	rating	FRANCE	4,9 / 5 (average sector 3,7 / 5)	not available
Overall Indeed rating	rating	FRANCE	4,2 / 5	not available

b. Environmental indicators

Indicator	Unit	Scope	2023	2022
Information on carbon footprint				
Carbon footprint scope 1	tCO_2e	Entire Group	0	0
Carbon footprint scope 2	tCO_2e	Entire Group	198	177
Carbon footprint scope 3	tCO_2e	Entire Group	304	355
Carbon footprint scope 1,2 et 3	tCO_2e	Entire Group	503	532
GHG Emissions Intensity	$kgCO_2e$ / k€[14]	Entire Group	12,8	8,7
GHG Emissions Intensity	$kgCO_2e$ / ETP moyen	Entire Group	4 931	5 600
GHG Emissions Intensity	tCO_2e / EVIC[15]	Entire Group	1,73	1,36
EVIC	m€	Entire Group	291	390
Scope 3 GHG emissions categories included in the carbon footprint	GHG Protocol categories	Entire Group	3-1 Purchased goods and services 3-2 Capital goods 3-3 Fuel and energy-related activities (not included in scope 1 or scope 2) 3-5 Waste generated in operations 3-6 Business travel 3-7 Employee commuting	3-1 Purchased goods and services 3-2 Capital goods 3-3 Fuel and energy-related activities (not included in scope 1 or scope 2) 3-5 Waste generated in operations 3-6 Business travel 3-7 Employee commuting

[14] Calculated as: $kgCO_2$/produit d'activité courante
[15] EVIC is the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalization of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.

Indicator	Unit	Scope	2023	2022
Scope 3 GHG emissions categories excluded from the carbon footprint	GHG Protocol categories	Entire Group	3-4 Upstream transportation and distribution (not applicable) 3-8 Upstream leased assets (not applicable) 3-9 Downstream transportation and distribution (not applicable) 3-10 Processing of sold products (not applicable) 3-11 Use of sold products (not applicable) 3-12 End-of-life treatment of sold products (not applicable) 3-13 Downstream leased assets (not applicable) 3-14 Franchises (not applicable) 3-15 Investments (on-going analysis)	3-4 Upstream transportation and distribution (not applicable) 3-8 Upstream leased assets (not applicable) 3-9 Downstream transportation and distribution (not applicable) 3-10 Processing of sold products (not applicable) 3-11 Use of sold products (not applicable) 3-12 End-of-life treatment of sold products (not applicable) 3-13 Downstream leased assets (not applicable) 3-14 Franchises (not applicable) 3-15 Investments (on-going analysis)
Split by types of emission				
Energy	tCO_2e	Entire Group	254	231
Procurement	tCO_2e	Entire Group	152	189
Fixed assets	tCO_2e	Entire Group	53	49
Business travel	tCO_2e	Entire Group	35	45
Staff commute	tCO_2e	Entire Group	9	17
Waste	tCO_2e	Entire Group	1	1
Information on waste management				
All waste recycled	kg	FRANCE	269	264
Recycled cups	kg	FRANCE	9	14
Recycled plastic bottles	kg	FRANCE	15	18

Indicator	Unit	Scope	2023	2022
Recycled cans	kg	FRANCE	8	8
Recycled coffee capsules	kg	FRANCE	192	168
Recycled glass	kg	FRANCE	31	28
Recycled cartridges	kg	FRANCE	1	4
Recycled battery	kg	FRANCE	5	14
Recycled light bulbs	kg	FRANCE	9	9
Recycled pens	kg	FRANCE	0	1
Recycled caps	kg	FRANCE	0	1
Information on transports				
Share of environmentally-friendly transport for staff commute	% of travelled km	Entire Group	27,3 %	not available
Share of public transport for staff commute	% of travelled km	Entire Group	68,6 %	not available
Share of individual thermal transport for staff commute	% of travelled km	Entire Group	4 %	not available
Information on energy consumption				
Electricity consumption [16]	kWh	Entire Group	1 026 483	1 059 213
Electricity consumption - office	kWh	FRANCE	91 539	108 020
Energy saving plan	Yes / No	FRANCE	Yes	Yes
Gas consumption	kWh	FRANCE	0	0
Total oil consumption	kWh	FRANCE	0	0

[16] including *Data centers* in *hosting*

c. Governance indicators

Indicator	Unit	Scope	2023	2022
Information on Group governance				
Executive members	number	Entire Group	7	8
Managers	number	Entire Group	6	5
Independent Board members	% of Board members	Entire Group	40 %	60 %
Ratio of the annual total compensation ratio of the highest paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	ratio	FRANCE	5,7	not available
Participation in a workshop "*Fresque du climat*"	% of Directors and managers having participated in a workshop within 3 years	FRANCE	100 %	92 %
Known violations of legislative or regulatory provisions	number	Entire Group	0	0
Information on CSR governance				
FTEs dedicated to CSR/ESG issues	Full Time Equivalents (FTEs)	Entire Group	3	2
Board members at the CSR committee	% of Board members	Entire Group	100 %	N/A
number de réunions du groupe de travail RSE (+ task forces)	number	Entire Group	2 (7)	4 (not available)
Salariés dans les groupes RSE	% of workforce	Entire Group	13 %	not available
Program to increase workforce diversity & inclusion	Yes / No	Entire Group	Oui, supervisé par le Secrétaire Général	Oui, supervisé par le Secrétaire Général
Participation in a workshop "*Fresque du climat*"	% of workforce, including Directors et managers	Entire Group	23 %	12 %

Indicator	Unit	Scope	2023	2022
Information on participation in collaborative engagement				
UNPRI signatory	Yes / No	ABC arbitrage Asset Management	Yes	Yes
SBAI member	Yes / No	ABC arbitrage Asset Management	Yes	No
AFG member	Yes / No	ABC arbitrage Asset Management	Yes	Yes
Middlenext member	Yes / No	ABC arbitrage	Yes	Yes
Ecowatt Charter signatory	Yes / No	ABC arbitrage	Yes	Yes
Information on fight against corruption[17]				
Number of complaints filed by employees to express their concerns	number	Entire Group	0	0
Number of convictions, proven cases or legal proceedings for corruption	number	Entire Group	0	0
Number of proven cases of corruption resulting in the dismissal or punishment of workers	number	Entire Group	0	0
Number of contracts terminated or not renewed with partners due to corruption or bribery	number	Entire Group	0	0
Awareness-raising among employees	% of workforce	Entire Group	100 %	100 %
Information on confidentiality and data security				

[17] ABC Arbitrage Group does not fall within the scope of the Sapin II law (less than 500 employees and sales of less than 100 million euros) and is not subject to the obligation to implement procedures designed to prevent acts of corruption or influence peddling in accordance with the requirements of the French Anti-Corruption Agency. Some indicators relating to this theme are therefore not relevant for the Group, which nevertheless pays close attention to these issues.

Indicator	Unit	Scope	2023	2022
Number of information Security Policies and Systems audits	number	Entire Group	365 external pen tests 52 internal pen tests 1 Pentest by an independent cybersecurity company	365 external pen tests 52 internal pen tests 1 Pentest by an independent cybersecurity company
Scope of employee training on data security and/or privacy-related risks & procedures	number	Entire Group	3 phishing tests with 100% of employees/contractors	2 phishing tests with 100% of employees/contractors
Scope of safety standards followed	% of SI scope	Entire Group	100% - Follow-up on NIST NSA and ANSSI recommendations 100% - Follow-up on "Zero Trust Architecture" recommendations for the user workstation and network perimeters 30% - Follow-up on Zero Trust architecture recommendations for internal services	100% - Follow-up of NIST NSA and ANSSI recommendations