LEXIBOOK - LINGUISTIC ELECTRONIC SYSTEM
Société anonyme with capital of €3,881,659.50.
Head office: 6, avenue des Andes - Bâtiment 11, 91940 Les Ulis.
323 036 921 R.C.S. Evry - LEI : 969500MBA2IX17UII261

UNIVERSAL REGISTRATION DOCUMENT 2023

The universal registration document was filed on June 30, 2023 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The universal registration document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market, if it is supplemented by an offering circular and, where applicable, a summary and any amendments to the universal registration document. The package then formed is approved by the AMF in accordance with regulation (EU) 2017/1129.

Pursuant to Article 19 of European Regulation no. 2017/1129 on prospectuses, the following information is incorporated by reference in this universal registration document:

I. The consolidated and parent company financial statements for the year ended March 31, 2022 appear on pages 67 to 125 of the universal registration document filed with the AMF on June 29, 2022 under number D.22-0559, and the corresponding audit reports appear on pages 63 to 66 and 100 to 103 respectively of this universal registration document.

II. The consolidated and parent company financial statements for the year ended March 31, 2021 appear on pages 67 to 125 of the universal registration document filed with the AMF on June 29, 2021 under number D.21-0639, with the corresponding audit reports appearing on pages 64 to 66 and 100 to 103 respectively of this universal registration document.

Copies of the universal registration document are available free of charge at LEXIBOOK's head office, 6 Avenue des Andes - Bâtiment 11 - 91940 LES ULIS, on the company's website (www.LEXIBOOK.com), and on the AMF website (www.amf-france.org).

PREAMBLE

LEXIBOOK's universal registration document contains information on the objectives, prospects and lines of development of LEXIBOOK. This information should not be construed as a guarantee that the facts and data set forth will occur or that the objectives will be achieved.

The forward-looking statements contained in the Universal Registration Document also address known and unknown risks, uncertainties and other factors which could cause the future results, performance and achievements of LEXIBOOK to differ materially from those expressed or implied. These factors may include, in particular, changes in economic and business conditions, as well as the risk factors set out in Part IV of this registration document.

In the Universal Registration Document, LEXIBOOK is referred to as "LEXIBOOK", or "LEXIBOOK SA" or the "Company". The "Group" or the "LEXIBOOK Group" refers to LEXIBOOK and its direct and indirect subsidiaries, as described in Part VI of this Universal Registration Document.

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I. PERSONS RESPONSIBLE

I1. Name and position of the person responsible for the universal registration document

The Chairman of the Executive Board, Mr Aymeric LE COTTIER, is responsible for the information contained in this document, with the exception of the information contained in the report referred to in Article L. 225-68 of the French Commercial Code, for which the Chairman of the Supervisory Board, Mr Luc LE COTTIER, is responsible.

I2. Certification by the person responsible for the universal registration document

I hereby certify that, to the best of my knowledge, the information contained in this universal registration document is correct and that there are no omissions likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and all the companies included in the consolidation, and that the management report (the reconciliation table for which appears on page 151 of the universal registration document) presents a true and fair view of the development of the business, results and financial position of the company and all the companies included in the consolidation, and describes the main risks and uncertainties they face.

Les Ulis, June 30, 2023

Aymeric LE COTTIER,
Chairman of the Management
Board

II. STATUTORY AUDITORS

II1. Statutory Auditors

- <u>**GRANT THORNTON**</u>
  29 Rue du Pont
  92200 NEUILLY-SUR-SEINE
  Represented by Mr Samuel CLOCHARD
  Date of first term of office:
  Annual General Meeting of September 14, 2021
  End of term :
  Annual General Meeting to be held to approve the financial statements for the year ending March 31, 2027

III. RISK FACTORS

The Group has reviewed the risks that could have a material adverse effect on its business, financial position or results (or on its ability to achieve its objectives) and considers that there are no significant risks other than those presented below and the financial risks presented in Note 29 to the consolidated financial statements (Liquidity, interest rate and currency risks).

However, the Group cannot rule out the possibility that other risks may materialize in the future and have a material adverse effect on the company, its business, financial situation, results or development.

Risks related to brand licensing contracts

	2021/2022	2022/2023
Licensed sales	26 637 702	31 036 013
%	58,9%	60,6%
Sales excluding licenses	18 592 468	20 200 974
%	41,1%	39,4%
Total	**45 230 170**	**51 236 987**

1/ Minimum guarantee risk (MG)

Over the past three years, LEXIBOOK has signed brand licensing agreements with partners such as Nintendo, Mattel, Walt Disney, Universal and Marvel. These contracts are renewable for a period of 2 to 5 years, and provide for guaranteed minimum royalties to be paid to the licensors. The risk associated with these MGs is that royalties may have to be paid without the corresponding contractually-agreed sales being achieved.
These minimum levels have been reached for the 2022-2023 financial year. Royalty rates traditionally range from 5% to 19.4%.

2/ Non-renewal risk

However, given the regular renewal of licenses in recent years, this risk does not appear to be significant. Licenses are granted for variable periods, traditionally two to five years, with different terms, for several product families (on average 5 to 10). The Group considers that these factors, in particular, have a dilutive effect on the risk of dependence, since the probability of losing a license for all products seems low.

The risk of non-renewal of licenses would be to have merchandise in stock that would no longer be marketable. In recent years, the stakes have not been significant, especially as license contracts all include a "sell-off" clause allowing products to be sold for a period of 3 to 12 months after the contract expires.

3/ Dependency risk

The company has not identified any risk of dependence other than those identified above. However, the loss of a well-known license, resulting in the loss of exclusivity for certain products, could lead to a significant loss of sales, delisting from certain customers, inventory liquidation and, in the worst-case scenario, jeopardize the renewal of other licenses.

Regulatory risks

LEXIBOOK complies with EC regulation 1103/97 modified by EC regulation 2595/2000 and with the standards in force for its products.

All products manufactured and marketed by LEXIBOOK comply with the electromagnetic compatibility standards applicable in the European Union. In addition, in accordance with current legislation, the specific toy segment meets all mechanical, chemical, electrical and flammability standards, guaranteeing the compliance of LEXIBOOK products with the standards in force in the various countries in which the Group markets its products.

Epidemic or pandemic risks

The Group is exposed to crises linked to epidemics and pandemics, such as the one linked to Covid-19, and to their possible recurrence. Such crises can paralyze production and deliveries in China, depriving the Group of some or all of its sources of supply. If such a crisis were to occur rapidly, the Group, deprived of supplies, would be faced with a loss of business that could be partial or total if the epidemic spreads rapidly and lasts several weeks, and may be subject to increased logistics costs, penalties for delays from its customers and order cancellations. In addition to the production risk, the Group may be faced with a commercial risk that would have a direct impact on business, particularly in the event of containment measures or store closures due to the epidemic. Direct effects may include order cancellations, payment delays, reduced or lost sales with certain customers, and the stocking of products that could be rendered obsolete if the crisis lasts several months. Epidemics of this kind can rapidly degrade a company's business, weighing heavily on cash flow, earnings and shareholders' equity.

Risks related to international conflicts

The Group is exposed to the risk of international conflicts in the territories in which it operates, both in terms of product design and manufacture, and sales. A conflict involving China and/or Taiwan, for example, could cause a break in the product manufacturing chain. Nevertheless, in the context of the war in Ukraine, the Lexibook Group specifies that it is not exposed to the Russian or Ukrainian markets, either in terms of supplies or sales.

Tax risks

The company is not exposed to any significant tax risk.

Industrial and environmental risks Risk of supplier

dependence

LEXIBOOK is not dependent on any particular supplier. The company can always call on different manufacturers if necessary, enabling it to reorganize its production in a matter of weeks. This risk is therefore taken into account by the company.

Around fifty factories are involved in product manufacture. They are subject to quality, price and lead-time imperatives, the failure of which is penalized by penalties.
These plants have been selected on the basis of their financial strength and production quality. Risk of

technology and quality leakage

Factories are bound to LEXIBOOK by confidentiality and non-disclosure of information agreements, and by a framework agreement negotiated on a case-by-case basis and also specifying the constraints of compliance with quality, technical standards, prices, deadlines and any penalties. These suppliers pay within 30 to 90 days by bank transfer or letter of credit.
The risk of defective components, inherent to the business and shared by all other manufacturers, is controlled by LEXIBOOK Hong-Kong directly, or indirectly, through specialized companies.

Risk of component shortages and manufacturing price inflation

The risk of component shortages, usually insignificant, is currently heightened in certain product categories. In a context of worldwide shortages, the Group tries to anticipate its customers' needs as far as possible, and orders critical components - which represent only a small proportion of product costs - in order to ensure production. This inventory risk is compounded by the risk of price rises, which could have a direct impact on margins if shortages persist for several years.

months. This risk is also linked to exchange rate risk, as components are purchased in US$. The shortage of components also puts pressure on delivery lead-times: production lead-times are getting longer, particularly for the most high-tech products such as tablets, forcing the Group to order products earlier than usual, increasing the risk of stock-outs, and limiting the possibility of restocking.

Technological hazards

LEXIBOOK controls its own research and development, as well as part of its own production. In fact, its Hong Kong-based design office is close to the manufacturing sites, ensuring close monitoring of technological risk.

Intellectual property risk

Given the nature of its business, the company protects its trademarks and does not register patents. In the field of industrial property, the LEXIBOOK logos and trademarks, and over 40 trademarks belonging to the company, are registered in France and in part in Europe and/or worldwide. Protection extends to 2031.
For several years now, LEXIBOOK has extended the protection of its brands to the Internet, by registering the main domain names corresponding to its strongest international brands.

Product obsolescence risk

As the Group is positioned in technological or licensed segments, there is a risk of obsolescence for products that may be technologically outdated or for which licenses may be out of fashion. The Group tries to minimize these risks by adjusting its inventories as closely as possible to customer needs, and by relying on long-lasting traditional licenses. Nevertheless, the company is obliged to make regular provisions for impairment in order to value its inventories at fair resale value.

Other special risks

Intensified price pressure and risk of competition :
In the consumer electronics market, price erosion is generally accompanied by margin erosion.
The answer is :

- Launch new products,
- Create added value through new functionalities, improve product marketing,
- Increase sales and therefore supplies to obtain attractive purchasing conditions,
- Keep overheads lower than competitors who, because of their size, have higher incompressible fixed costs.

Against a backdrop of global component shortages and rising raw material prices, the market is currently experiencing widespread inflation. The Group is therefore raising prices when necessary to protect its margins. This generates a risk for product consumption, as higher public selling prices can impact consumption in a context of limited purchasing power.

In accordance with the provisions of Article L.225-102-1 of the French Commercial Code, you will find below information on the environmental consequences of the Company's activities:

As the Company's main activity is the sale of electronic products (toys, calculators, tablets, audio CD players, alarm clocks, consoles, etc.) directly, through department stores, wholesalers or retailers, by mail order, and via e-commerce, it has no significant impact on the environment. In fact, the Company is not subject to any environmental risk linked to the discharge or storage of hazardous materials.

The company's accounting and logistics departments are responsible for complying with environmental regulations, and work on a daily basis to limit the company's impact on the environment.

The main environment-related tasks are as follows:
Organize waste processing management (containers, internal and external flows) Organize selective sorting and recycle as much waste as possible
Implement actions to reduce the impact of activities on the environment Monitor regulations and anticipate new environmental directives
Liaise with the French and foreign eco-organizations in charge of recycling channels, of which the company is a member, as part of the extended responsibility of waste producers.

LEXIBOOK is involved in the following recycling schemes:
Packaging waste,
Waste batteries and accumulators,
Waste electrical and electronic equipment. Packaging

waste:

Decree no. 92-377 of April 1, 1992 entrusted packaging manufacturers with the responsibility of contributing to or providing for the elimination of packaging waste resulting from household consumption of their products.

Packaging for which a contribution has been made is generally marked with the appropriate logos. To meet its obligations, the Group is a member of the eco-organization ECO-EMBALLAGES in France, and of equivalent eco-organizations in other countries.

Waste batteries and accumulators :

Decree no. 92-374 of May 12 1999 stipulates that producers and importers of batteries, accumulators and appliances containing them must organize the collection, recycling and disposal of marketed products after use.

Batteries and accumulators are generally marked with the crossed-out wheeled-bin symbol.
To meet its obligations, the Group is a member of the SCRELEC eco-organization for France.

Waste electrical and electronic equipment:
Under Decree no. 2005-289 of July 20, 2005, producers of electrical and electronic equipment are required to organize and finance the recovery and recycling of waste electrical and electronic equipment, officially in France since November 15, 2006.

In order to meet this obligation, the Company has chosen to contribute to Ecologic France, an approved eco-organization.

Customer risk

The average payment term is 60 days. The company takes out credit insurance on virtually all its customers, covering between 70% and 90% of the receivable excluding VAT, depending on whether the customer is a named customer (i.e. one for whom an authorization has been requested) or not.

Our main customers are the major supermarket chains and specialized retailers. These chains do not present a solvency risk.
35.72% of sales are generated with the 1st customer and 5.24% with the second customer. The table below shows the breakdown between the other players and highlights the limited risk of customer dependence. Nevertheless, in a relatively concentrated market, the loss of one of the Company's main customers could lead to a drop in sales, if the Company were unable to attract new customers. What's more, even if the Company succeeds in attracting new customers, they may not require the same level of products as those lost, or may demand different payment terms.

The following table shows customer concentration over the past two years:

	AT 03/31/23			
	SALES EXCL.	% SALES	CA CUMULE	SALES % CUMULATIVE
Customer 1	18 301 977	35,72%	18 301 977	35,72%
Customer 2	2 684 698	5,24%	20 986 676	40,96%
Customer 3	1 788 357	3,49%	22 775 033	44,45%
Customer 4	1 704 299	3,33%	24 479 332	47,78%
Customer 5	1 394 605	2,72%	25 873 937	50,50%
Customer 6	1 223 852	2,39%	27 097 789	52,89%
Customer 7	1 195 885	2,33%	28 293 674	55,22%
Customer 8	1 148 678	2,24%	29 442 352	57,46%
Customer 9	1 057 601	2,06%	30 499 953	59,53%
Customer 10	1 040 702	2,03%	31 540 654	61,56%
Customers Other	19 696 333	38,44%	51 236 987	100,00%
TOTAL	**51 236 987**	**100,00%**	**51 236 987**	**100,00%**

	AT 03/31/22			
	SALES EXCL.	% SALES	CA CUMULE	SALES % CUMULATIVE
Customer 1	14 485 560	32,03%	14 485 560	32,03%
Customer 2	2 261 699	5,00%	16 747 260	37,03%
Customer 3	1 919 331	4,24%	18 666 591	41,27%
Customer 4	1 554 344	3,44%	20 220 935	44,71%
Customer 5	1 407 398	3,11%	21 628 333	47,82%
Customer 6	1 109 592	2,45%	22 737 924	50,27%
Customer 7	1 070 634	2,37%	23 808 558	52,64%
Customer 8	1 043 198	2,31%	24 851 757	54,95%
Customer 9	870 454	1,92%	25 722 211	56,87%
Customer 10	784 390	1,73%	26 506 600	58,60%
Customers Other	18 723 570	41,40%	45 230 170	100,00%
TOTAL	**45 230 170**	**100,00%**	**45 230 170**	**100,00%**

Inventory risks

The Group's net inventory at March 31, 2023 represented €15.48 million, compared with €12.06 million at March 31, 2022. Most of the inventory is centralized and managed in Gent by an external service provider.

The US subsidiary's inventory is located in the USA and managed by an external service provider. This inventory represents a net value of 951.43 K€ at 31/03/2023.

The Hong Kong subsidiary's inventory is located in Hong Kong, close to the manufacturing sites. This inventory represents a net value of 246.60 K€ at 31/03/2023.

The company is exposed to the risk of stock-outs and overstocking, in the event of actual demand not meeting forecasts. Should the company's products become unavailable due to stock-outs, its reputation could be damaged, which could have a negative impact on its sales efforts and revenues. Should the company's products fail to sell satisfactorily, it may have to concede significant price cuts.

To reduce this risk, :

- Uses an information system to place orders and manage inventory.
- Places orders with suppliers, either when firm orders are available, or at least on the basis of each customer's history and purchasing intentions expressed during the year.

Finally, the company has taken out multi-risk insurance covering inventory losses and related operating losses.

In the event that actual orders exceed forecasts and supplies, LEXIBOOK may have to ship back-ordered goods by air and express truck, which could result in significant purchasing costs, directly impacting margins. In the event of LEXIBOOK being unable to deliver these goods even by air freight, the Group would be faced with a loss of earnings and possibly penalties for late delivery or non-delivery on the part of its customers. As LEXIBOOK is aware of its customers' orders or order forecasts several months in advance, this risk is nevertheless low.

In the event of very poor "out-of-store" sales, LEXIBOOK could be forced by certain distributors to grant trade discounts and/or take back some of the products in stock in stores on a commercial basis. However, this risk is limited, given the rebalancing of the product mix.

Transportation risks

LEXIBOOK, when selling NON FOB, is responsible for transport from the countries where it manufactures to its warehouse in Ghent, and then to its distribution markets. The company uses various carriers and means of transport (sea and air), and has taken out transport insurance. The Covid-19 pandemic has caused a shortage of containers and ships. Between 2021 and 2023, this has put pressure on freight prices and lead times, whether by sea, rail or air. This could have an impact on Group margins or sales volumes if it continues on a long-term basis, even if things seem to normalize in 2023 following the end of the global pandemic.

Seasonality risk

In the toy sector, almost 2/3 of sales are generally generated over a short period between August and November. This requires careful planning, leads to cash flow peaks and makes it harder to see results in the last three months of the financial year.

As this risk is a given in its market, LEXIBOOK is taking steps to secure this peak in activity, in particular by monitoring supply lead times and negotiating additional financing lines with its banking partners during this period.

Deferred tax risks

At March 31, 2023, deferred taxes amounting to €0.42m had been capitalized, compared with €0.27m at March 31, 2022. 69.9 K€ correspond to taxes capitalized on Lexibook Iberica's tax loss carryforwards. In the event of the subsidiary not generating future profits, the Group would have to write back this tax.

The remainder of deferred tax assets correspond to timing differences arising mainly from IFRS restatements, and do not present any particular risk.

Insurance - Coverage for any risks that may be incurred

The company has insurance cover for all the general risks inherent in its business. In particular, the company has multi-risk professional insurance - covering fire (up to €813,218 per claim), additional operating expenses (up to €250,570 per claim), theft (up to €60,991) - corporate liability insurance covering bodily injury, material and immaterial damage (up to €10,000,000 per claim), inventory insurance (up to €9 million per claim, including €2 million in the event of theft) and transported goods insurance (up to €2,500,000 per shipment), customer risk insurance (France and export), key man insurance (in the event of the death of Aymeric or

Emmanuel LE COTTIER, LEXIBOOK will receive 840,000 euros individually), fraud insurance (up to 500 K€ per claim in the event of cyber-theft, and 500 K€ per claim in the event of fraud) and fleet insurance. The risks likely to be incurred have been objectively assessed and are adequately covered. For the 2022-2023 financial year, premiums for all these insurance policies amounted to €349,960 for the LEXIBOOK Group as a whole.

Risks arising from the company's business activities

The LEXIBOOK Group pursues a resolute social policy within the framework of national legislation governing its subsidiaries. In particular, it refrains from resorting to concealed labor and, more generally, undertakes to comply with all its obligations as defined in the French Labor Code.
It undertakes to respect the United Nations Convention on the Rights of the Child and the Conventions of the International Labour Organization, and in particular to refrain from using child or forced labour, and is careful to ensure that its subcontractors in Asia also respect these obligations.
The Group is aware of the difficulties associated with the increase in household waste, and promotes the use of recyclable packaging materials wherever commercially possible. The company is a member of organizations that collect and recycle electronic waste in compliance with the WEEE directive.

Risks relating to the Company's business sector

The Company must expect its competitors to adapt rapidly in terms of supply and pricing, and to modify the conditions under which products are offered and made more attractive. The markets in which the Company operates are constantly changing.
The Company competes with a number of companies, both listed and unlisted, on the product lines it develops. It is possible that new or existing competitors may emerge on each of the product lines developed by the Company. Indeed, the once pioneering concept of media convergence is becoming a stronger economic and industrial reality by the day. This convergence is likely to have a significant impact on the Company's competitive environment. LEXIBOOK's main competitors are major players in the consumer electronics sector: V-tech, Big Ben Interactive, Ryght, Lowtronic, Sony, LG, Archos, Muse, IMC Toys, Buki, Kid Designs... The Company's competitors operate in both their local and international markets.
As a result, certain competitors have a longer operating life, significantly greater technical resources, greater brand recognition, product offering and consumer base than the Company, as well as long-established relationships with the Company's current or potential customers, which could have a material adverse effect on the Company's business, results and financial situation.
What's more, some manufacturers are much larger and more financially powerful than LEXIBOOK, and it cannot be ruled out that these players will take advantage of this superiority and their knowledge of the sector to try to establish strong competitive positions in the market segments they consider most promising.
In all these cases, it is likely that the offers developed by these players would create significant competition for the Company.
Given this context, the Company cannot guarantee that it will maintain or increase its current market share in the future.

Exceptional events and litigation

The Group may become involved in a number of legal proceedings in the normal course of its business. In particular, the Group cannot guarantee that some of its customers will not experience quality problems with its products. In the event of malfunction of products marketed by the Company, the Company could be held liable in tort or under contract. Damages may be claimed in such proceedings.

To date, there are no exceptional events or disputes that could have, or have had in the recent past, a material impact on the business, results, financial position or assets of the company or its subsidiaries.

IV. INFORMATION ABOUT THE ISSUER

IV1 Corporate name and trade name of issuer

The company name is LEXIBOOK Linguistic Electronic System. The trade name is LEXIBOOK.

IV2 Location, registration number and LEI of issuer

The company is registered with the Registre du Commerce et des Sociétés d'EVRY under number B 323 036 921. Its legal entity identifier (LEI) is 969500MBA2IX17UII261.

LEXIBOOK has been listed on NYSE Euronext's Euronext Growth market since July 6, 2015 under ISIN code: FR0000033599 ALLEX.

IV3 Date of incorporation and life of the issuer

The company was created on October [1,] 1981 for 99 years, i.e. until September 30, 2080, except in the event of extension or early dissolution, notably decided by the Annual General Meeting by the majority required for amendments to the bylaws.

IV4 Registered office and legal form of issuer

Its registered office is at 6 Avenue des Andes - Bâtiment 11 - 91 940 LES

ULIS. The Company can be contacted on 00 33 (1) 73 23 23 23.

Since December 19, 2006, LEXIBOOK has been a French limited company (Société Anonyme) with an Executive Board and Supervisory Board, governed by the law of July 24, 1966 and its implementing decree.

The company's website is www.lexibook.com. Please note that the information on the website does not form part of the prospectus.

V. OVERVIEW OF ACTIVITIES

V1. main activities

LEXIBOOK designs and markets a full range of intelligent entertainment electronics under its own brands and licenses, including educational robots and computers, electronic games, audio and video products, alarm clocks, walkie-talkies, karaoke, radio-controlled vehicles, karaoke and music products, and electronic translators and dictionaries.
The company operates a number of licenses, including The Snow Queen, Disney Cars, Disney Princesses, Avengers, Minions, Pat' Patrouille, Barbie, Spider-Man, Super Mario, etc...
These enable us to develop a range of products under license, with LEXIBOOK positioning itself not as a subcontractor, but as an independent player developing its own products after receiving approval from the Licensors.
Other "technical" licenses give it access to a number of technologies required for the development and use of its products, such as Bluetooth, HDMI...
These licenses give rise to regular royalty payments, notably but not exclusively to : Mattel, The Walt Disney Company, Universal, Nickedoleon Viacom, Larousse, Nintendo...
The company also has a portfolio of brands, and markets many products under its own brands such as Lexibook®, Decotech®, iParty®, Yeno®, Powerman®, Cyber Arcade®, Chessman®... The Group continues to enrich its portfolio with promising new brands such as iParty®, Acoustix® and Crosslander®,

As the European leader in multimedia electronic products for children, the Group boasts a number of solid assets:

- an innovative and comprehensive product range,
- major licenses: Disney, Marvel, Minions, Scrabble, Larousse, The Voice, Pat' Patrouille, Barbie, Super Mario...
- a solid international distribution network and a balanced customer mix
- recognized own brands
- a flexible fabless business model
- a balanced product mix

The key success factors are :

- innovation, design, playfulness, content and user-friendliness of tools
- the combination of electronics and the emotional side of children's favorite characters
- product safety
- the capacity à exit from products corresponding à a time to market optimum

Lexibook is positioned in the following 11 segments:

- Dictionaries and calculators (historical trade)
- Watchmaking
- Educational toys, consoles and robots
- Scientific toys and games
- Radio-controlled vehicles
- Audio products: mainly speakers and headphones
- Video products : Digital cameras and DVD players mainly
- Radio-telecommunication products: walkie-talkies and GSMs
- Musical products: karaoke and musical instruments for children
- Tablets and educational computers for children
- Innovative lighting and decoration products under the Decotech brand.

The Group has focused on building a balanced product mix in segments with high margins. Lexibook has thus focused on new segments and successfully diversified into the edutainment market for teenagers and young adults with, for example, its iParty brand of connected music products. Lexibook has also successfully invested in 2 promising new segments: radio-controlled vehicles with its Crosslander® brand, and scientific games. The Group has also been focusing on innovative decorative products since 2017, including lamps and nightlights, grouped together under the Decotech brand. Finally, Lexibook has focused on educational toys and board games. This rebalancing was made possible by licenses, which acted as a natural shield during this period of upheaval in the mix. Indeed, in order to consolidate its leadership in licensed products for children, Lexibook forged partnerships with Licensors on the properties most popular with children and teenagers, across all age groups and for both girls and boys. In part, these partnerships are focused on properties with a current film release, in order to take full advantage of Licensors' marketing campaigns. After the years 2020 and 2021, marked by an unusual absence of cinema releases due to the worldwide Covid-19 pandemic, the year 2022 saw the cinema releases of several blockbusters such as Les Minions II, Buzz l'Eclair and Batman. Lexibook has also relied on classic properties complemented by cartoon licenses, such as Pat' Patrouille, Peppa Pig or PyjaMasques, as well as properties linked to hit TV programs like The Voice or successful video games like Super Mario. This positioning makes Lexibook a key player in the licensed leisure segments for children. The year 2022 was also marked by the renewed success of Powerman educational robots, 600,000 of which were sold over the last 4 fiscal years. Lexibook also launched its new Interpretor III® instant voice translator, which has breathed new life into the electronic dictionary segment. These factors logically explain a slight increase in licenses in the Group's sales breakdown: the range of licensed products thus represented 60.6% of 2022-2023 sales generated from licensed products, compared with 58.9% of 2021-2022 sales.

V2. Main markets

LEXIBOOK sells its products in fifty-seven countries, mainly through specialized and general supermarkets and e-commerce sites.
Lexibook is positioned at the crossroads of the consumer electronics and toy markets, which are evolving in different ways. Lexibook's size is insignificant in such markets.

In fact, in 2018, according to GFK figures, the global consumer electronics market 2018 represented total sales of around 138 billion euros, including 100 billion euros on TVs. GfK describes 2021 as an exceptional year for manufacturers and distributors of these products. In the year to the end of October 2021, the firm estimates that worldwide sales generated by consumer high-tech equipment came to $726 billion, up 17%. (Source: https://www.usinenouvelle.com/article/la-pandemie-dope-le-marche-des-equipements-high-tech-grand- public.N1173222). The pandemic gave a major boost to sales of equipment for telecommuting, home cleaning, meal preparation and health and wellness monitoring. Sales growth reached 22% for dishwashers, 27% for headphones, 23% for coffee and espresso machines, 16% for laptops, 15% for blood pressure monitors, 19% for dental care devices and 44% for wearables (smartwatches, fitness trackers, etc.).

Nevertheless, after two years in which the French equipped themselves extensively, the French market for high-tech household goods is set to decline by 5% in 2022, according to a report by GfK. However, around twenty products will escape the slump. Televisions are one of the home technical equipment items to record a decline in 2022.
The French market for high-tech household goods is tipping into gloom. According to a report by GfK, presented on January 31, the market is set to shrink by 5% in 2022, to a total of 29.7 billion euros compared to 2021. This represents a 7% drop in sales volume. This deterioration is more marked than the 3.5% decline in the market in the five largest European countries (Germany, United Kingdom, France, Italy and Spain) to 104.5 billion euros.

The Covid pandemic has boosted home equipment for teleworking, distance learning, entertainment, cooking, hygiene and wellness. This has translated into market growth of 4.4% in 2020, then 3.9% in 2021. The boom seems to be giving way to an era of inflation and declining purchasing power, prompting consumers to curb their purchases.

In 2022, three segments will suffer from this downturn: IT and office equipment, down 11% to 5.3 billion euros, consumer electronics, down 7% to 4.7 billion euros, and small household appliances (-4%). Telecom equipment, 80% of which is dominated by smartphones, fared well, up 2% to 8.9 billion euros, while volume sales of smartphones declined by 8% to 15.2 million units. Sales of refurbished smartphones stagnated at around 3 million units, much to the surprise of GfK, which was expecting an increase, while the average price rose by 61 euros to 355 euros, compared with 502 euros on average for new smartphones. Major household appliances are the only segment to defy the crisis by remaining stable.

Televisions, which account for 40% of the value of the consumer electronics segment, did not benefit as much from the booster effect of the Euro in England and the Football World Cup in Qatar as previous editions of these sporting events. Sales volume fell by 5% to 3.9 million units. Incremental sales linked to the Euro and the Football World Cup are estimated at 70,000 and 105,000 units respectively. This is less than the figures (180,000 to 200,000 units) observed in previous editions by GfK.

The Covid effect has changed buying habits, directing consumers towards e-commerce. This channel accounted for 34% of sales in one year. But in Western Europe, after peaking at 41% in May 2021, it fell to 32% in October 2021, though remaining at a higher level than before the pandemic.

In France, according to GfK, the Home Furnishings sector had a good year in 2021, with sales of almost 29 billion euros, up 4% on 2020. The sector was largely driven by sales of IT and office equipment (+18% in sales), small household appliances (+11%) and consumer electronics (+6%). These 3 universes benefited from the "at home" trends initiated by the confinement. Taking into account the 3 months of constrained closures of physical Home Equipment outlets

(EQM) in 2020, the weight of Internet sales has logically increased, by 6 points, exceeding 30% of sales generated. Already online-oriented markets (Photo, Computers, Telecoms) have seen an even stronger acceleration, while growth is below the average for the universe in GEM and Consumer Electronics.

In 2021, French consumers will have made greater use of e-commerce: their online spending will have risen by 34% in 2020 to almost 7 billion euros, with Click&Mortar sites showing stronger growth (over +50% in sales) than pure-players (over +10%). (Source: https://itrnews.com/articles/188894/equipements-de-la-maison-un-marche- de-29-milliards-deuros-en-croissance-tout-au-long-de-lannee-2020.html)

For 2022, e-commerce will take a break, falling to 29.5% of total sales of high-tech electronic products in France by value, after its peak of 30.9% in 2021. More than a million consumers have made online purchases directly with sellers, without using e-commerce platforms. The crisis is not affecting all products. Of the hundred or so high-tech home equipment products tracked by GfK, some twenty stand out for their growth.

In the top 10 are fans (+82%), auxiliary heaters (+25%), air handling systems (+15%), laser printer toner cartridges (+14%), hair styling appliances (+13%), smartphone accessories (+11%), digital camera optical lenses (+10%), blood pressure monitors (+7%), hair dryers (+6%), and watches and activity trackers (+6%). For 2023, GfK is pessimistic, forecasting a 1% erosion of the market to 29.4 billion euros.

According to the latest U.S. toy sales statistics, consumers spent $38.19 billion on toys in 2021. This marks a huge 14.2% increase on the previous year, and comes despite an overall reduction in consumer spending due to the coronavirus pandemic.

However, this increase represents a slowdown compared with the previous year. In 2020, total sales in the US toy market rose by 20.6% to $33.43 billion.

Analysts attribute growth in the US toy market in 2021 to the pandemic, which has affected consumer behavior. With restrictions on travel and leisure, many people have diverted their money to other forms of entertainment, such as toys (Source: https://www.oberlo.com/statistics/toy-sales-statistics).

For 2022, U.S. toy industry sales generated $29.2 billion, down 0.2 percent year-on-year, or $49 million, according to The NPD Group. Unit sales were down 4 percent, and the average selling price was 3 percent higher than in 2021. (NPD Group).

While toy sales in the U.S. remained relatively stable in 2022, the market has grown strongly over the past three years, contributing to a three-year compound annual growth rate of 10%, according to NPD.

"Ten percent average growth over the past three years of extreme pandemic-related management challenges and economic headwinds for manufacturers and retailers demonstrates the resilience of the U.S. toy industry," said Steve Pasierb, president and CEO of the Toy Association. "Even as we face a strong 2021 that saw 14% growth on top of 2020's 17% increase, the Toy Association and its diverse membership are all focused on growth and not content to beat estimates of a decline in 2022 by simply remaining flat."

In the fourth quarter, sales in dollars fell by 5% to $628 million; unit sales were down 5%.

"After three record years for the toy industry, 2022 was a challenging year. U.S. consumers were forced to endure significant economic headwinds related to inflation and unfavorable macroeconomic factors," said Juli Lennett, Vice President and Toy Industry Advisor at The NPD Group. "While these headwinds have certainly had an impact on general consumer behavior, the toy industry still managed to end the year on a positive note, with spending holding at the same level as the previous record of 2021."

Four of the 11 supercategories tracked by NPD grew in 2022, including plush toys (31% year-on-year increase), exploration and other toys (+16%), building sets (+8%) and figurines and accessories (+4%).

While outdoor and sports toys continue to be the largest supercategory with $5.2 billion in sales, the category as a whole declined by 11 percent year-on-year, contributing 52 percent of the overall decline in toy industry sales.

The top toy properties of 2022 include Pokémon, Barbie, Marvel, Star Wars, Squishmallows, Fisher-Price, Hot Wheels, L.O.L. Surprise!, LEGO Star Wars and Melissa & Doug. These top ten properties collectively grew by 7%, while the rest of the market declined by 2%. (Source: https://www.toyassociation.org/PressRoom2/News/2023_News/npd-us-toy-industry-sales- flat-in-2022.aspx).

In France, after a record year in 2021, the market remains 2.1% higher than in 2019. 2022 marks a return to normal for the toy market. In 2021, it recorded record sales, with an increase in value of 3.3% over 2019. Estimated at around 4.4 billion euros, sales fell last year by 2.6% compared with these unusual twelve months, but rose by 2.1% compared with 2019, according to The NPD Group.
Although it is no longer capitalizing on the postponement of travel budgets or purchases linked to high-dose telecommuting to keep children occupied, due to the pandemic, it has nevertheless managed to stay on course. "The market is consolidating at pre-Covid levels," says Frédérique Tutt, world expert at The NPD Group. Of course, as in other sectors, its value benefits from inflation. Inflation for toys came to 6.8% for the year, slightly higher than the 5.9% for all products put together by Insee, but far from the 12.6% for FMCG products reported by IRI. "We're pleased for consumers that we've been able to keep inflation under control, but the impact on our margins is significant", stresses Florent Leroux, President of the French Federation of Toy and Juvenile Industries (FJP).
The French have made new choices. In terms of volume, they bought 11% fewer toys than in 2021. But they continued to offer products costing over 30 euros. These are gaining ground, while products costing less than 20 euros are losing ground.
"Consumers bought fewer "cry-dryers" and lower-priced toys throughout the year. But parents' Christmas decisions were not made on toys," notes Frédérique Tutt.
And after a sluggish October and especially November, due to the Indian summer and the start of the World Cup, December accounted for 28.6% of 2022 sales. Sales accelerated sharply in the week leading up to December 25.
Stores are also returning to normal. Specialized chains saw their sales rise by 2%, while hypermarkets fell by 5%. Online sales have become an established part of the landscape. They lost 7 points, but still account for 27% of sales.
On the product front, new products were once again on a roll. Among the segments, growth was primarily driven by electronics for juniors, as well as action figures. Objects for "kidults", those adults who have retained a childlike spirit, as well as construction and vehicles, are also doing well.
Just like licensed products.
Another market holding its ground is the French toy market, with a 14% share.
of the total. "This is a French peculiarity. The trend is not the same in other European countries for locally manufactured products", observes the NPD expert.
On the other hand, games and puzzles fell back slightly after two particularly buoyant years. The decline in dolls is even more marked, although NPD predicts a return to growth in 2023.

For 2023, the industry is of course concerned about energy costs, but also about high rent indexations and rising wage costs. It is hoping for greater harmonization of European regulations (Source: Les Echos January 17, 2023).

The NPD Group has announced that toy sales in the UK fell by 3% in 2021 to £3.2 billion. In what has been a turbulent year for the industry, the UK toy market has shown remarkable resilience to pre-pandemic figures, they say, and although there has been a decline in 2021, the market is up overall by +2% on 2019.

Several toy categories were up last year, notably plush toys, up by +9%, and vehicles, up +7% year-on-year. Top toy properties in 2021 include classics like Barbie, Star Wars and Paw Patrol, as well as fast-growing properties like Pokémon, Bluey and Minecraft. The last week of business before Christmas also recorded year-on-year growth of +35%, and December as a whole was up +2%.

"The toy industry has faced huge challenges in 2021, including but not limited to supply chain concerns and the ongoing Covid-19 pandemic," commented Roland Earl, BTHA Chief Executive. "Despite these obstacles, the UK toy market has held up relatively strongly compared to pre-pandemic figures and there are reasons to be optimistic for the year ahead, with some categories showing growth and a strong range of new releases for 2022."

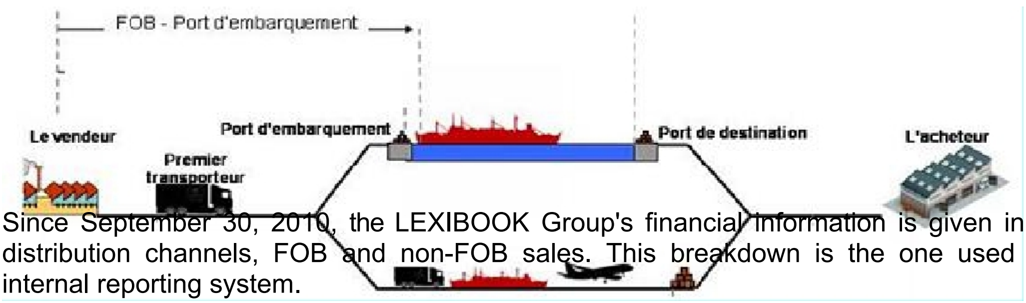
Melissa Symonds, Executive Director, UK Toys, The NPD Group, added: "Last year, the UK toy market managed to retain 35% of the value it gained in 2020, with seven out of eleven categories up on 2019 figures. What's even more impressive is that licensed toys grew for the third year running, reaching 28% of the market - the highest share ever. With a large number of Tokyo film releases scheduled for this year, as well as the continued strong performance of streaming, YouTube and video game licenses, 2022 is shaping up to be a good year for toys. " (Source: https://toyworldmag.co.uk/npd-says- uk-toy-market-shows-resilience-despite-challenging-year/).

Since late 2020, the global industry has been alarmed by a shortage of semiconductors, exacerbated by the pandemic and some supply chain disruptions.

Distribution channels: FOB / NON FOB

<u>FOB: Free On Board :</u>

The seller (exporter) is responsible for delivering the goods from his company and loading them onto the vessel at the port of export. He is also responsible for customs clearance in the country of export. As soon as the goods pass the "ship's gangway", the "risk of loss" is transferred to the buyer (importer). From this point onwards, the buyer is responsible for all transport and insurance costs, as well as for customs clearance in the importing country. An FOB transaction will read "FOB, port of export" (in the case of LEXIBOOK; FOB Hong Kong).



Since September 30, 2010, the LEXIBOOK Group's financial information is given in relation to its two distribution channels, FOB and non-FOB sales. This breakdown is the one used by the company's internal reporting system.

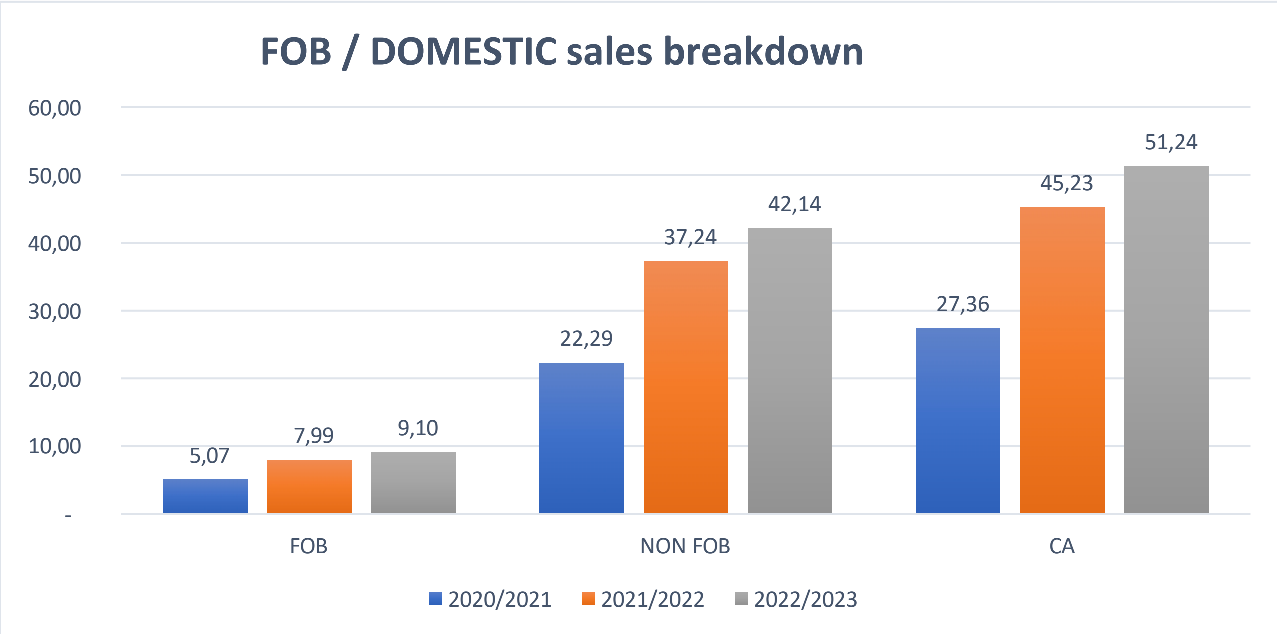
This information corresponds not only to a distribution channel, but also to the sales generated by the two companies that now make up the LEXIBOOK Group: LEXIBOOK SA in France and LEXIBOOK LTD in Hong Kong. The latter's sales are FOB, while those of LEXIBOOK SA are based on domestic invoicing (NON FOB).

Since March 2010, LEXIBOOK, which had been distributing its products via subsidiaries in the main European countries, has decided to reorganize around local distribution partners, in order to reduce its costs on the one hand, and to reduce its customer outstandings on the other.

Previously, sales generated by LEXIBOOK's other European and American subsidiaries were almost entirely on a domestic billing basis (NON FOB). This business has now been transferred to FOB from Hong Kong and to Non FOB.

The breakdown of business between Hong Kong (FOB sales) and France (Domestic or NON FOB sales) varied respectively by +14.3% (€9.13 M at 31/03/2023 vs. €7.99 M at 31/03/2022) and +13.05% (€42.10 M at 31/03/2023 vs. €37.24 M at 31/03/2022).

The following graph shows FOB/NON FOB sales in euros for the last three years:

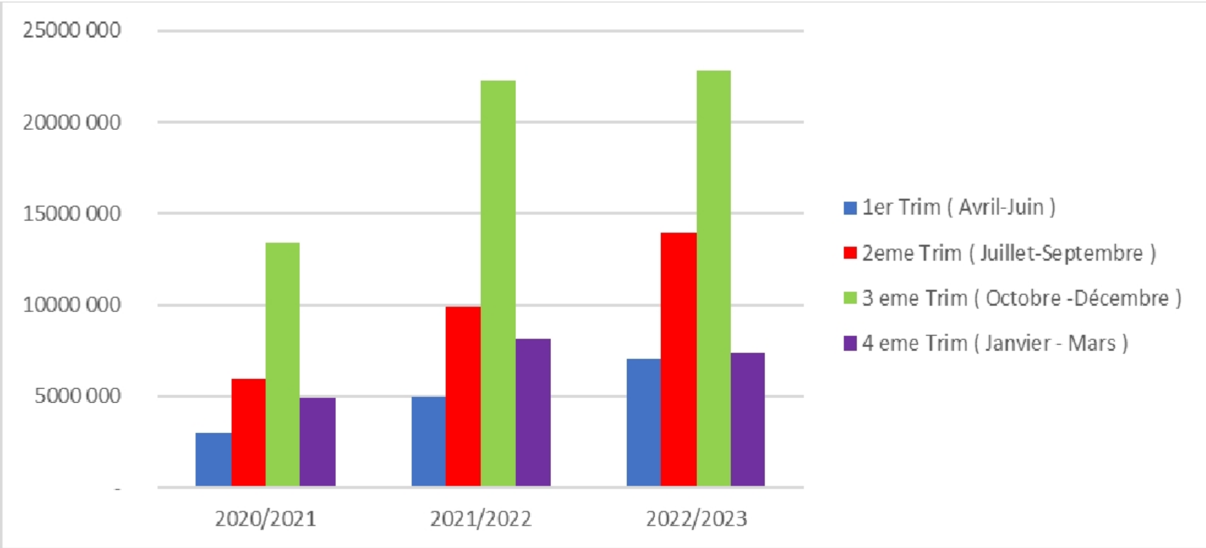


This variation has no impact on the Group's profitability, but enables it to better adapt to customer demand on the one hand, and to fluctuations in the dollar on the other (the latter distribution channel (FOB) has the advantage of not requiring currency hedging, as invoicing from HK is done in USD, of not incurring transport costs, of not incurring returns, and of shortening financing times. Whenever possible and when the environment is more favorable, the Group tries to develop the FOB distribution channel, which has the following advantages:

1/ Logistics and inventory: as goods are sold on shipment, the Group reduces its transport, insurance, inventory and handling costs.

2/ Financing: customers open letters of credit directly with LEXIBOOK LTD, expiring on the date of transfer of ownership. This reduces the time outstanding on trade receivables and facilitates the financing of corresponding purchases from factories. In addition, FOB customers are not factored, and their receivables do not need to be hedged, as they are denominated in US dollars.

Moreover, the seasonal nature of sales follows a constant pattern. The following chart shows quarterly sales in euros over the last three years:

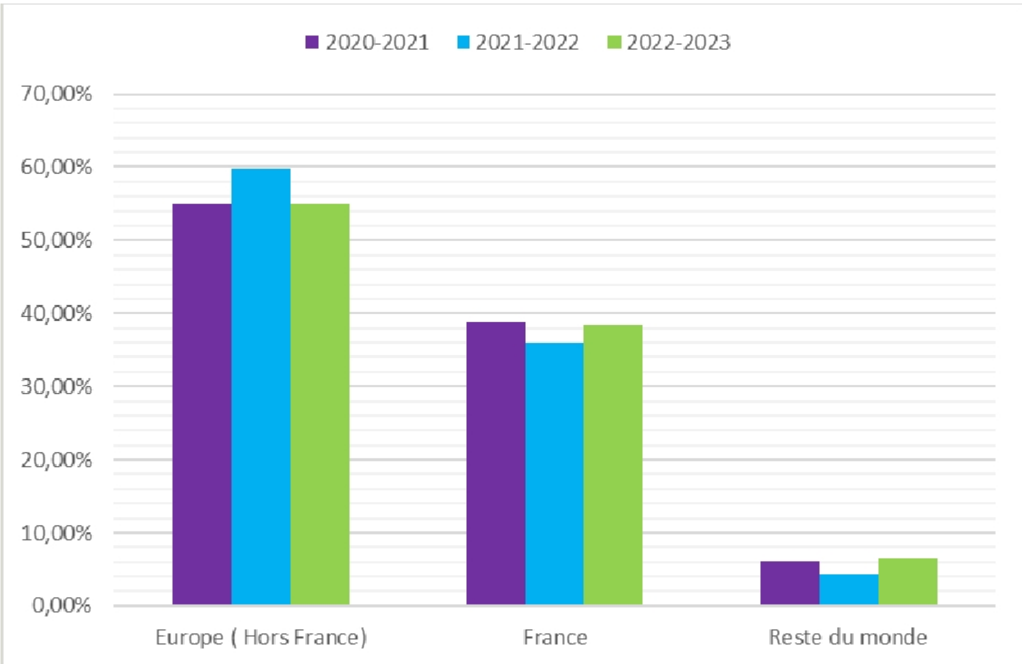


Over the full fiscal year, France accounted for 38% of sales, up 17%. International sales offer significant growth potential, by replicating French successes in other countries.

The following chart shows the breakdown of sales by geographic area as a percentage of total sales over the last three years:

Three-year sales trend (by destination)

Percentage breakdown France / Europe (excluding France) / Rest of the world



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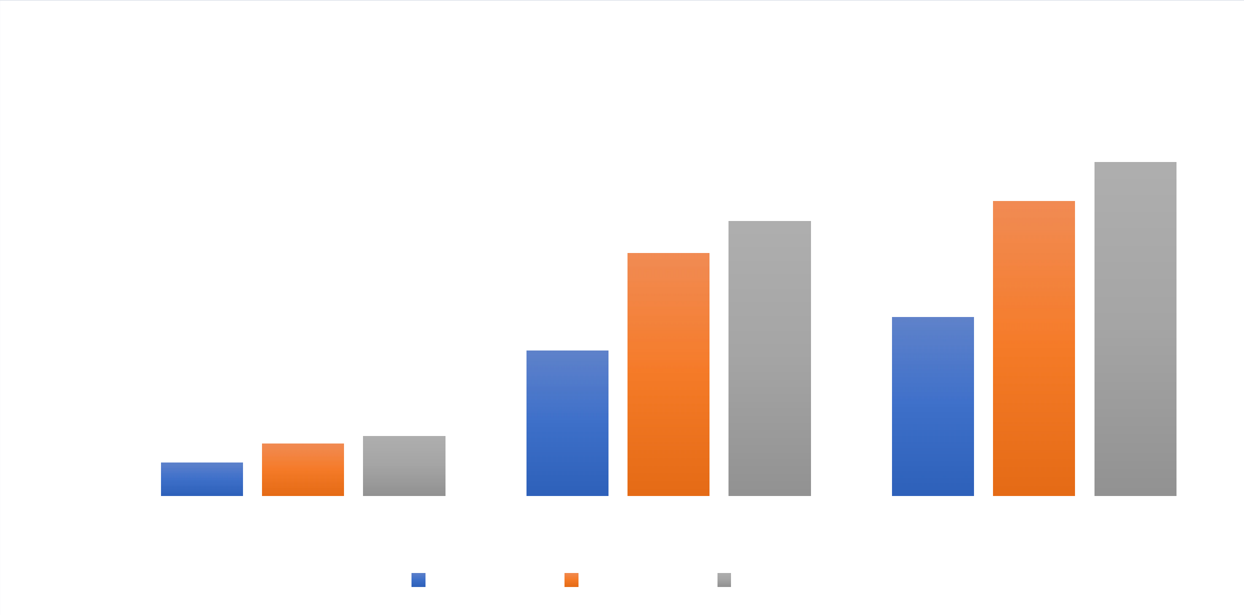
Breakdown of sales by distribution channel in millions of euros



V3 Important events in the development of the issuer's activities

Many years of experience, enabling LEXIBOOK to confirm its leading position in the consumer electronics market and the success of its diversification into the electronic games market (this is the company's internal estimate, based on verbal information gathered from its distributors and customers, and on the position of LEXIBOOK products on its customers' shelves).

1993-1997 Launch of the LEXIBOOK brand with the creation of the Grand Dictionyme. Expansion of the range of dictionaries, translators and electronic organizers, including the TouchMan.

1997 Introduction to the New Market and creation of subsidiaries in Spain, Portugal and the UK.

1998 -2008 Acquisition of ITMC (France) and SPACE TOYS (Hong Kong), specialists in educational electronic games, and creation of subsidiaries in Poland and Germany. Signing of numerous licensing contracts, including Disney. Launch of alarm clocks, watches, euro calculators, electronic toys and musical games. Opening of a subsidiary in Italy. Rapid expansion of international sales.

2008-2010 The Group rethinks itself to increase profitability and prepare for future growth, and deploys the strategy of reducing costs and refocusing on the 2 divisions in France and Hong Kong. Lexibook consolidates its licensing agreements and focuses its development on higher-margin products.

2011-2014 Successful launch of children's tablets. Major TV advertising campaign in France, Spain and the UK. First major listings in the USA. Sales growth in Scandinavia, Italy and Russia. Capital increase of €2.7 million on February 28, 2011. Obtaining a PPI (Prêt Pour l'Innovation) from BPI for 600K€.

2014-2015 New large-scale TV advertising campaigns in France, England and Spain. Mature children's tablet segment. Sales growth in the audio and musical instrument segments for children. Obtained a PPI (Prêt Pour l'Innovation) from BPI for €600K.

2015-2016 New major TV advertising campaigns in France and the UK. Success of "Snow Queen" and "Minions" licensed products. Signing of the Star Wars license. Launch of the Playdroid, the first Android-based TV console, and the first Marbo educational robot penguin. First "Lexibook inside" licensing agreement for software developed by Lexibook for other brands. Issuance of a €1 million, 10-year bond issue subscribed in full by GIAC. Capital increase in 2015 for €1.87 million. Second capital increase of 2.47M€ in 2016.

2016-2017 Launch of the first mobile and connected karaoke systems under the iParty brand. Launch of the first "Snow Queen", "Avengers" and "Minions" licensed phones and accessories. Successful capital increase of €2.47M on May 26, 2016. Launch of a savings plan to optimize the Group's structural costs.

2017-2018 Launch of the official Scrabble dictionary in France and the Decotech brand. New partnership with Sensorwake for the manufacture and distribution of olfactory alarm clocks. Opening of the new www.lexibook.com e-commerce site. Signature of "The Voice, la plus belle voix" license. Resumption of distribution of Franklin products in France and the UK. Launch of Langie, the first professional translator based on artificial intelligence. Capital increase of €1 million through the free allocation of BSARs to shareholders.

2018-2019 Launch of PowerMan, the first edutainment robot. TV advertising campaign in France. Launch of the first products under the "The Voice, la plus belle voix" brand. Renewal of the Group's main licensing contracts for the next 3 years. Impact of the yellow vest movement and the restructuring of retail chains in financial difficulty on customer orders during the Christmas season.

2019-2020 Launch of PowerMan Max, the first programmable edutainment robot, PowerGirl and PowerMan Junior. TV advertising campaign in France. Launch of the first licensed products "Toy Story 4", "The Snow Queen 2", "The Lion King" and "Star Wars Episode 9". Launch of the new Official Scrabble Dictionary and the new "Interpretor" instant voice translator. Capital increase to €1.5M in December 2019 and subscription of a €1.5M 5-year loan from Vatel Capital in March 2020.

2020-2021 Launch of the Powerman Kid, the first edutainment robot for learning English. Launch of Crosslander® radio-controlled cars, the first scientific games, new educational computers and the TrioMax screen. The Powerman is listed at Costco. Signing of the Baby Shark license with Nickedoleon and the Super Mario license with Nintendo. State-guaranteed loan of €2.18 million over 5 years.

2021-2022 Launch of Power Puppy®, the Group's first radio-controlled edutainment dog, and the new Powerman® Master and Star. Launch of new Crosslander® radio-controlled cars, first scientific games, new sleep coaches and storytellers. Introduction of the new Bio Toys® brand, focused on eco-responsible and recyclable toys and games. Development of internet sales in Europe. Signing of a multi-annual, multi-license agreement with Warner and release of the first Harry Potter-licensed products. 2 new banking partners to support growth.

2022-2023 Launch of Power Unicorn®, the first radio-controlled edutainment unicorn, Tyrex Control, the Group's first radio-controlled dinosaur, and new Powerman® Advance products. Launch of new Crosslander® Pro radio-controlled cars and new portable educational computers. Development of Internet sales in Europe and implementation of a massive European digital advertising campaign, with over a billion impressions in 1 year. Extension of Disney and Marvel licensing contracts to Asia and South America. Medium-term loans of €3.5 million to finance the Group's development.

V4. Strategy

At the time of its IPO, the company presented a development plan based mainly on three strategic axes:

- Continued development in France,
- International sales development,
- New product development.

Overall, these objectives have been achieved. They remain important areas of development for the future. Building on its success in France, and to take advantage of its technological strengths, LEXIBOOK decided to expand its export sales and take an interest in the toy market, acquiring ITMC France and SPACE TOYS Hong Kong in 1998.

In addition to the original objectives, we have recently added the following:

- Ensure the evolution of ranges towards leisure electronics,
- Enter into and maintain major licensing agreements that are negotiated at Group level and include guaranteed minimum payments that can be disbursed upon signature of the contract or as the contract progresses.
  measurement of sales performance, based on contracts,
- Continue prospecting and business development in territories identified as priorities,
- Optimize its distribution chain and develop electronic data interchange (EDI) with international customers.
- Develop brands internationally.

- **Technological innovation:** launch innovative products at affordable prices, especially for children, teenagers and seniors.
- Include more and more attractively-designed leisure electronics products in the catalog, adapted to each target in terms of functionality.
- To enable users of LEXIBOOK products to access technology effortlessly and take full advantage of technical advances with ease.
- Integrate the latest technologies developed within LEXIBOOK products into LEXIBOOK toys.
- Develop ever more effective educational content adapted to the different ages of children, and integrate it into new products, in particular the new educational robots.

International sales development :

- Replicate French successes in European countries such as England, Germany, Spain and other European countries as a priority, followed by other international markets.
- By rationalizing marketing investments in each of these countries.
- Development of online sales on leading international e-commerce sites.

Upcoming trends :
Revenues for the consumer electronics market will reach US$1,057 billion in 2022. The market is expected to grow at an annual rate of 1.82% (CAGR 2022-2026).
The largest market segment is telephony, with a market volume of US$482.90 billion in 2022.
By global comparison, most revenues are generated in China (US$250.90 billion in 2022).
In the consumer electronics market, volume is expected to reach 8,947.8 million units by 2026. The consumer electronics market is expected to post volume growth of 1.6% in 2023.Source :https://www.statista.com/outlook/cmo/consumer-electronics/worldwide#:~:text=Revenue%20in%20the%20Consumer%20Electronics,US%24482.90bn%20in%2022.

The global toy market reached a value of US$156.5 billion in 2021. Looking ahead, the publisher forecasts that the market will reach a value of US$249.6 billion by 2027, with a CAGR of 7.50% between 2022 and 2027. Bearing i n mind the uncertainties of COVID-19. (Source: https://www.prnewswire.com/news-releases/global-toys-market-2022-to-2027---industry-trends-share- size-growth-opportunity-and-forecasts-301488626.html)

The world's population is expected to grow from the current 7.6 billion to over 9.6 billion by 2030. Population growth, coupled with ever-increasing consumer disposable income, is expected to be a powerful catalyst for the global toys and games market. In addition to children, sales of toys and games are also expected to be driven by older consumers, particularly in segments such as action figures and accessories. Some of the other factors driving demand for toys and games are the adoption of free play, the growing popularity of educational and scientific toys, the growing demand for eco-friendly toys, and so on.

V5.issuer's dependence on licenses

See paragraph III of this universal registration document on licensing risk.

V6. Basis for any statements made by the issuer concerning its competitive position

The data referred to by the company are internal estimates based on verbal information gathered from its distributors and customers, and on the position of LEXIBOOK products on its customers' shelves.

V7. Investments

V71. Main investments over the last three years

The company's investments are mainly in research and development, and the renewal or acquisition of new licenses. See Note 4 to the March 31, 2023 consolidated financial statements.

At March 31, 2023, LEXIBOOK's net intangible assets consisted mainly of R&D costs (€0.31m).

Representing 0.7% of sales, we report the following R&D data:

Details of intangible asset flows	03/31/2022	Increase	Decrease	03/31/2023
R&D expenses	916 018	110 639	-11 805	1 038 462
R&D amortization	529 465	200 819	-841	731 125
Net R&D expenses	386 553	-79 216		307 337

Share of costs on abandoned projects or on projects already launched not activated	2020/2021	2021/2022	2022/2023
	628 111	535 650	607 399

Costs relating to abandoned projects or projects already launched are expensed each year.

LEXIBOOK has a research and development team based in Hong Kong. This is an essential element of the company's added value, as it concentrates its efforts on regular product development.

This team is responsible for the entire product development process, from design and specifications to the manufacture of the molds required for production. The R&D department also manages product databases and software interfaces. In particular, it ensures that new technologies are well adapted to children's products. Last but not least, the team manages all product certifications to ensure compliance with the standards of the various markets.

The company has no significant property, plant and equipment and is not planning any acquisitions in 2023. At March 31, 2023, property, plant and equipment consisted mainly of computer hardware and fixtures and fittings for the new premises of LEXIBOOK France and LEXIBOOK Hong-Kong.
To the best of the Company's knowledge, no environmental factor has had or is likely to have a significant influence, either directly or indirectly, on LEXIBOOK's operations.

V72. Main investments in in progress or having made by the management bodies of the Group.

Not applicable

VI. Organizational structure

VI1 Description of the Group

The percentages shown in this chart are based on shareholdings and voting rights.

LEXIBOOK is developing its business with the support of a staff of 65, whose expertise and quality have long been recognized.

Production control

The 41-strong LEXIBOOK Hong Kong subsidiary is responsible for product research and development. The product development cycle ranges from six to eighteen months, depending on the project. LEXIBOOK's primary aim is to adapt a new technology to target the consumer segment. The manufacturing process is launched as soon as the project has been validated by management.

Manufacturing involves the production of either LEXIBOOK-branded, licensed or private-label products. For distributor-brand products, manufacturing is carried out exclusively by O.E.M. (Original Equipment Manufactures). Visit
O.E.M. factories assemble components according to precise specifications, resulting in a product. LEXIBOOK will then brand these products according to customer requirements. This process enables linear production management and facilitates the handling of seasonal demands. Production units are based in China (10 factories representing around 2/3 of production and assembly). They generally occupy a surface area of 10,000 ^{m2} and employ over 300 people in season.

For LEXIBOOK products, integrated circuits (often developed specifically for LEXIBOOK) are first designed in Hong Kong, then "masked" (a production system ensuring the protection of systems designed by LEXIBOOK), before being mass-produced by Taiwanese or Chinese suppliers, again using the O.E.M. system.

are purchased on an as-needed basis for direct assembly in China. There are no factories dedicated to private label products. Plants can independently process all products.
All LEXIBOOK products are manufactured by 50 subcontractors with an average production capacity per plant of between 0.5 and 10 million parts per month. LEXIBOOK's Hong Kong subsidiary coordinates production operations thanks to its proximity to production plants. All Group production is outsourced.

LEXIBOOK owns, controls and develops most of the tooling required for the manufacturing process at these plants. These sites are occupied either by specialized suppliers or by OEMs.

All finished products are then subjected to quality control to ensure that they meet both customer requirements and the specific standards in force in the recipient countries.
By working closely with OEMs and IC suppliers, LEXIBOOK benefits from relatively short lead times. The average delivery time for components is six weeks, and two weeks for manufacturing and assembly. Optimized purchasing of strategic components gives LEXIBOOK this competitive edge.

From Hong Kong to the rest of the world

All our product ranges are therefore manufactured according to the process described above. Where volumes are sufficient, LEXIBOOK Hong Kong is responsible for sales in all territories where the Group does not have subsidiaries, with the exception of a few deliveries to European customers who order large volumes in bulk. From Hong Kong, distribution of these products is organized according to the following geographical breakdown:

To Europe :

- French and international purchasing groups,
- The French parent company.
- International distributors for OEM products co-branded with their specific brand or under the LEXIBOOK brand.

To the rest of the world :

Many products in the LEXIBOOK range can be exported to countries outside Europe. However, for reasons of cost and image, these countries cannot be canvassed from a French structure.
LEXIBOOK's presence in Hong Kong is a competitive and credible export base.

Distribution organization

Hong Kong

The LEXIBOOK Hong Kong subsidiary is at the heart of the Group's business. This subsidiary provides :

- Group development through innovation. To achieve this, it invests in research and development and employs top-level engineers;
- Control of the manufacturing process, from the choice of plants and production tools, the purchase of components and the monitoring of manufacturing through to quality control of finished products;
- A contribution to consolidated sales of €9.10 million at March 31, 2023, compared with €7.99 million at March 31, 2022.

The Group's parent company is a distribution structure, since all production takes place in China. The parent company is the decision-making body in charge of strategy. It houses virtually all the Group's sales and financial teams, as well as a large part of its logistics. As part of the savings plan initiated in 2015, the workforce has been reduced to 22 people at March 31, 2023 vs. 32 at March 31, 2016. Indeed, since the 2015-2016 financial year, the Group has embarked on a major reorganization of its supply and distribution chain, involving greater use of dematerialization of information flows and rationalization of its activities in order to gain in efficiency and profitability. LEXIBOOK France is responsible for managing product deliveries worldwide for the non- FOB part.

VI2. List of subsidiaries

List of subsidiaries and affiliates in €	of detention	Shareholders' equity (excluding capital)
A. Subsidiaries over 50%-owned		
Lexibook Hong Kong Limited	99,9%	5 934 565
Lexibook Iberica SL	99,9% -	120 777
Lexibook USA	100,0% -	851 112

VII. REVIEW OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Selected financial information

The table below sets out the Group's key accounting and operating data for the last two years. They are taken from LEXIBOOK's consolidated financial statements (presented in accordance with IFRS) for the years ended March 31, 2023 and March 31, 2022.
This table should be read in conjunction with the consolidated financial statements and notes for the same periods (see paragraph XVIII of this Registration Document).

Key figures (in euros) at March 31, 2023 and March 31, 2022 :

Key figures (in €)	At 03/31/23	At 31/03/22
Share capital	3 881 660	3 881 660
Equity attributable to equity holders of the parent	11 947 141	8 981 328
Financial liabilities	8 851 615	8 489 775
Of which Factoring	*2 847 055*	*3 723 630*
Of which quasi-equity	*5 916 178*	*3 487 751*
Active cash flow	2 439 088	2 448 891
Fixed assets	2 021 968	870 047
Balance sheet total	**30 459 195**	**28 043 055**
Free Cash Flow (1)	**1 190 624**	**-2 197 828**
Operating income	51 862 074	45 852 956
Gross margin (2)	**27 951 053**	**23 611 963**
Profit (loss) before exceptional items from continuing operations and before tax	4 251 287	4 337 231
Restated net margin 4 (3)	**17 405 723**	**16 123 647**
Profit before tax and exceptional items	3 305 587	4 001 784
Consolidated net income	**3 042 427**	**3 744 848**
Consolidated net income per share	**0,39**	**0,48**
Net debt to equity ratio (4)	**54%**	**67%**
Restated net debt-to-equity ratio (5)	**-13%**	**-9%**
Dividends distributed	**0**	**0**

(1) Free cash flow represents the net change in cash and is shown directly at the bottom of the cash flow statement.
(2) Gross margin is equal to net sales minus the cost of goods sold, both amounts being read directly from the income statement.

(3) Adjusted net margin 4 is equal to gross margin adjusted for the net impact of exchange rates (presented in note 19 of the consolidated financial statements), advertising contributions (included in external services) and royalties (included in other operating income and expenses).

(4) The net debt-to-equity ratio is calculated as total financial debt less cash and cash equivalents, divided by total shareholders' equity.

(5) The restated net debt-to-equity ratio is calculated by taking total financial debt, restated for factoring and the counterpart to IAS17 and IFRS 16 activations, less cash and cash equivalents and quasi-equity, divided by total equity and quasi-equity. As part of discussions with our banking partners, financing received from VATEL, GIAC and BPI as part of a Prêt Pour l'Innovation (PPI), as well as PGEs obtained, are treated as quasi-equity and not as financial debt.

I1. Review of the consolidated financial position for the years ended March 31, 2023, March 31, 2022 and March 31, 2021

For further information, see Chapter X - Trends.

I11. Financial position - simplified consolidated balance sheet: fiscal years 2022-2023 / 2021-2022

In K€	MARCH 31, 2023	MARCH 31, 2022	Var
Cash and cash equivalents	2 439	2 449	0%
Operating receivables	8 896	11 349	-22%
Stocks	15 478	12 064	28%
Intangible assets	1 524	390	291%
Property, plant and equipment	205	240	-15%
Long-term investments	293	240	22%
Rights to use assets	499	741	-33%
Other assets	1 125	570	97%
TOTAL ASSETS	30 459	28 043	9%
Bank overdrafts	64	1 264	-95%
Financial debt - Current portion	4 135	4 671	-11%
Current portion of rental commitments	195	288	-32%
Financial debt - Non-current portion	4 653	2 555	82%
Non-current rental commitments	388	546	-29%
Operating liabilities	6 765	7 597	-11%
Other operating liabilities	1 501	1 512	-1%
Other liabilities	811	628	29%
Shareholders' equity	11 947	8 981	33%
TOTAL LIABILITIES	30 459	28 043	-8%

Intangible assets rose by €1,134,000, of which €1,213,000 related to the capitalization of new minimum guarantees on license contracts, and a €90,000 reduction in R&D costs.

Given the high level of orders for the first few months of 2023/2024 and the shortage of components, the Group has chosen to secure its supplies by bringing in goods as soon as possible. Inventory levels thus stood at €15.5 million at March 31, 2023, compared with €12.1 million at March 31, 2022. This inventory level is in line with the production forecasts needed to meet orders and secure margins for the year.

The average rate of depreciation was 6.6% at March 31, 2023, versus 7.3% at March 31, 2022. This average rate is down due to the presence of many new items in stock, reflecting a very healthy inventory.

In fiscal year 22-23, LEXIBOOK obtained new loans for a total of €3,500,000.

The Group repaid a total of €1,100.27 K for the BPI Innovation Loan, loans from GIAC, VATEL and the PGE.

Shareholders' equity, including net income for the 2022-2023 financial year, stands at €11.95 million, a historically high level for the Group.

Net debt stood at €6.41 million at March 31, 2023, compared with €6.04 million at March 31, 2022. This change is mainly due to new borrowings (+3,500 k€), the repayment of short-term debt (-1,100.27 k€), the change in factoring (-848 k€) and the net change in cash and cash equivalents (-1,190.62 k€).

After deducting factoring guarantee funds amounting to €576k, the Group's net debt stood at €5,834k at 31-03-2023, compared with €5,508k at 31-03-22.

I12. Financial position - simplified consolidated balance sheet: fiscal years 2021-2022 / 2020-2021

In K€	MARCH 31, 2022	MARCH 31, 2021	Var
Cash and cash equivalents	2 449	3 458	-29%
Operating receivables	11 349	5 941	91%
Stocks	12 064	4 980	142%
Intangible assets	390	971	-60%
Property, plant and equipment	240	189	27%
Long-term investments	240	278	-14%
Rights to use assets	741	628	18%
Other assets	570	366	56%
TOTAL ASSETS	28 043	16 812	67%
Bank overdrafts	1 264	75	1588%
Financial debt - Current portion	4 671	2 633	77%
Current portion of rental commitments	288	154	87%
Financial debt - Non-current portion	2 555	3 445	-26%
Non-current rental commitments	546	519	5%
Operating liabilities	7 597	3 571	113%
Other operating liabilities	1 512	1 022	48%
Other liabilities	628	229	175%
Shareholders' equity	8 981	5 164	74%
TOTAL LIABILITIES	28 043	16 812	-40%

Intangible assets fell by €581,000, of which €27,000 related to R&D, and €554,000 to the consumption of guaranteed minimum amounts on license contracts.

For several years now, the company has been making a major effort to de-stock: inventory levels had reached an all-time low of €4.9m at March 31, 2021. In view of the high level of orders for the first months of 2022/2023 and the shortage of components, the Group has decided to secure its supplies by bringing in goods as soon as possible. Inventory levels thus stood at €12.1 million at March 31, 2022, compared with €4.9 million at March 31, 2021. This level of inventories is in line with the production forecasts needed to meet orders and secure margins. This higher level of inventories explains the 2.5 M€ increase in working capital requirements.

The average rate of depreciation was 7.3% at March 31, 2022, versus 13.8% at March 31, 2021. This average rate is down due to the presence of many new items in stock, reflecting a very healthy inventory.

LEXIBOOK repaid a total of 963.58 K€ in loans for innovation obtained from BPI, GIAC, VATEL and PGE.

Shareholders' equity, including net income for the 2021-2022 financial year, stands at €8.98 million.

Net debt stood at €6.04 million at March 31, 2022, compared with €2.69 million at March 31, 2021. This change is mainly due to the repayment of short-term debt (-963.58 K€), the change in factoring (+2.11 M€) and the net change in cash (-2.2 M€).

I2. Review of the consolidated income statement for the years ended March 31, 2023, March 31, 2022 and March 31, 2021

I21. Consolidated income statement - fiscal years 2022-2023 / 2021-2022

In K€	MARCH 31, 2023	MARCH 31, 2022	Variatio
Net sales	51 237	45 249	
Cost of goods sold	-23 286	-2	
Gross margin	**27 951**		
External Services	-14 8		
Taxes (excluding corporate income tax) Personnel expenses			
Other operating income and expenses			
Operating income EBITDA			
Cost of net indebtedness			
Net interest on co Other **financial** income and expense Net **income from co**			
Tax s			
Ré			

NB: EBITDA is operating income plus net depreciation and amortization and net charges to provisions and impairment less reversals of provisions and impairment. Items relating to net provisions on inventories and amortization of license concessions are not restated in the EBITDA calculation, as they are included in the Group's operating margin.

1. **Sales and margin** :

Fiscal year 2022-23 was a particularly satisfactory one for the Lexibook Group. Our strategic choices have paid off, enabling us to establish a positive dynamic of sustainable growth. The Group has achieved 15 consecutive quarters of growth between 2020 and 2022. Sales remained buoyant, thanks to new high-potential products, our portfolio of flagship licenses and the explosion of digital sales in France and abroad. Overall for the year, sales closed at an all-time high for Lexibook, at €51.2 million (+13.3%). FOB sales (sales invoiced directly from HK on FOB HK deliveries by full containers) and non-FOB sales grew in tandem, reflecting the enthusiasm for the Group's products among international retailers.

Over the full fiscal year, France accounted for 38% of sales, up 17%. International sales are also driving growth, and offer considerable potential.
In terms of products, sales growth was driven by toys, watches, musical instruments and walkie-talkies, thanks to new products for the Group's own brands and licensed products. Sales growth was spectacular in toys, up 29% and now accounting for 44% of total sales, with the success of the Powerman® robot range, Crosslander® radio-controlled vehicles, educational products and electronic games. Alarm clocks, audio and music products are also particularly popular, with growth of +12%, +10% and +10% respectively.

Licensed products also contributed to this growth, both on existing, highly dynamic licenses such as Snow Queen, Patrol and Spiderman, and on new licenses such as Super Mario, Miraculous and Harry Potter.
Finally, the Group's digitalization is bearing fruit: digital sales are up sharply both in France and in the various European markets, thanks in particular to a massive, Europe-wide digital marketing campaign for the Group's new products. This campaign generated more than a billion digital impressions of the Group's products, mainly in Europe, helping to boost Lexibook brand awareness to an unprecedented level.

The table below shows gross margin, gross margin adjusted for currency impacts included in financial income and exceptional items included in gross margin, and net margin 4 after advertising contributions and royalties:

	Notes	MARCH 31, 2023	MARCH 31, 2022
Net sales		51 236 987	45 248 664
Cost of goods sold		-23 285 934	-21 636 701
Gross margin		**27 951 053**	**23 611 963**
Gross margin		**54,6%**	**52,2%**
Net currency impact	22	-401 341	13 985
Adjusted gross margin		**27 549 712**	**23 625 948**
Adjusted gross margin		**53,8%**	**52,2%**
Advertising contributions		6 524 906	4 467 185
Royalties		3 619 083	3 035 116
Restated net margin 4		**17 405 723**	**16 123 647**
Adjusted net margin 4		**34,0%**	**35,6%**

Thanks to targeted price increases in 2022 and the launch of new high-margin products, gross margin adjusted for currency effects rose by 2.4 points to 54.6%. This €4.3 million rise was made possible by price and volume increases in a context of rising raw material costs, enabling economies of scale and optimization of logistics costs, despite freight costs remaining at a very high level compared with the "pre-Covid" period.
This increase in gross margin is partly reflected in the restated net margin 4, which rose to €17.4m from €16.1m a year earlier, reflecting higher advertising expenditure and a slight increase in the share of licensed products in total sales.

2. Operating income :

Taking advantage of the positive momentum, Lexibook launched a major international digital advertising campaign, generating over a billion digital impressions in 1 year for its products in the EMEA zone, coupled with a TV advertising campaign in France. External services rose by €4.1 million, mainly as a result of increased advertising expenditure and logistics services linked to growth in business volumes and inventory levels.
Personnel costs rose by €0.5m, mainly due to the provisioning of bonuses in view of the increase in business.
Other operating expenses were down slightly (-0.2 M€) despite a 0.6 M€ increase in royalty expenses linked to the rise in activity, due to the net improvement in customer/supplier provisions this year.

Finally, despite the substantial advertising investment of over €2 million in 2022 and the exceptional rise in logistics costs, the Group's operating income held steady at €4.3 million vs. €4.3 million in N-1, thanks to the increase in sales volume and the maintenance of margin levels.

3. Net financial expense :

Net financial income was down 610 K€, mainly due to the 387 K€ variation in net foreign exchange gains on the evolution of the USD/EUR exchange rate. The cost of debt rose by 114 K€ due to the increased use of short-term financing lines, mainly as a result of changes in working capital requirements and, in particular, higher inventory levels. Against a backdrop of uncertainty about the end of the pandemic, the Group has opted to secure its supplies, even if this means carrying higher-than-normal inventory levels for several months.

	31/03/2023	31/03/2022
Cost of net indebtedness (income/expense)	**-432 272**	**-318 185**
Net interest on leases	**-30 805**	**-38 210**
Foreign exchange gains	1 061 370	364 093
Foreign exchange losses	-1 423 448	-389 301
Revaluation of derivative financial instruments at fair value fair value	-39 263	39 193
Sub-total currency impact	**-401 341**	**13 985**
Other financial income	7 933	52 563
Financial provisions	0	-10 000
Other financial expenses	-89 215	-35 600
Subtotal Other	**-81 282**	**6 963**
TOTAL FINANCIAL RESULT	**-945 700**	**-335 447**

Income tax expense for the period amounted to €263,000, reflecting changes in the value of deferred tax assets (€160,000) and provisions for corporate income tax payable (€423,000).

Against this backdrop, consolidated net income at March 31, 2023 was €3.042 million, compared with €3.74 million at March 31, 2022.

I22. Consolidated income statement - fiscal years 2021-2022 / 2020-2021

NB: EBITDA is operating income plus net depreciation and amortization and net charges to provisions and impairment less reversals of provisions and impairment. Items relating to net provisions on inventories and amortization of license concessions are not restated in the EBITDA calculation, as they are included in the Group's operating margin.

1. Sales and margin :

Over the year, sales rose by 65.4% to €45.2 million, a historically high level for the Group. FOB sales (sales invoiced directly from HK on FOB HK deliveries by full containers) and non-FOB sales rose in tandem, testifying to the popularity of the Group's products among international retailers.

France accounts for 36% of sales, up 53%. International sales are driving growth, with rapid advances in Germany, Spain, the UK, Scandinavia and Eastern Europe. In the USA, the Group is also progressing, and benefits from significant growth potential. Overall, international sales rose by 73%.

In terms of products, growth was widespread across all the most profitable segments. Tablet sales now represent less than 2% of sales for the year. Sales growth was spectacular in toys, with the success of the Powerman® robot range, Crosslander® radio-controlled vehicles, educational products and electronic games. Alarm clocks, audio and music products are also particularly popular.
Licensed products also contributed to this growth, both on existing, highly dynamic licenses such as Snow Queen®, Pat Patrol® and Spiderman®, and on new licenses such as Super Mario®, Miraculous® and Harry Potter®.

Finally, the Group's digitalization is bearing fruit: digital sales are up sharply both in France and in the various European markets, thanks in particular to a massive, Europe-wide digital marketing campaign for the Group's new products. Overall, digital communication campaigns generated more than 500 million impressions of Lexibook products, helping to boost awareness of the Lexibook brand and the Group's other brands.

The table below shows gross margin, gross margin adjusted for currency impacts included in financial income and exceptional items included in gross margin, and net margin 4 after advertising contributions and royalties:

	Notes	31 MARS 2022	31 MARS 2021
Chiffre d'affaires net		45 248 664	27 361 283
Coûts d'achat des produits vendus		-21 636 701	-13 357 027
Marge brute		**23 611 963**	**14 004 256**
Taux de marge brute		**52,2%**	**51,2%**
Impact net de change	22	13 985	-219 629
Marge brute retraitée		**23 625 948**	**13 784 627**
Taux de marge brute retraitée		**52,2%**	**50,4%**
Participations publicitaires		4 467 185	1 875 854
Royalties		3 035 116	1 561 722
Marge 4 nets retraitée		**16 123 647**	**10 347 051**
Taux de marge 4 nets retraitée		**35,6%**	**37,8%**

Thanks to a favorable product mix, the launch of new high-margin products, and an equally favorable customer mix, gross margin adjusted for currency effects rose by 1.8 points to 52.2%. This increase was made possible by higher volumes in a context of rising raw material costs, thanks to economies of scale and optimized logistics costs, despite a significant rise in freight costs.
This difference is partly reflected in the restated net 4 margin, which rose to €16.1m from €10.3m a year earlier, due to higher advertising expenditure and a slight increase in the share of licensed products in total sales.

2. Operating income :

External services rose by €4.3 million, mainly due to advertising contributions and logistics services linked to the growth in business volumes and inventory levels.
Personnel costs rose by €1.19m, mainly due to the provisioning of bonuses in view of the increase in business.
Other operating expenses rose by almost €2 million. This change is mainly due to higher royalties, again linked to the increase in sales.
Operating income rose by €2.1 million to €4.33 million. This positive trend was mainly due to higher sales volumes, improved net margin 4 adjusted for currency effects, and tight control of expenses.

3. Net financial income :

	31/03/2022	31/03/2021
Coût de l'endettement net (produits / charges)	**-318 185**	**-285 820**
Intérêts nets relatifs à des contrats de location	**-38 210**	**-35 023**
Gains de change	364 093	169 991
Pertes de change	-389 301	-355 497
Revalorisation d'instruments financiers dérivés à leur juste valeur	39 193	-34 123
Sous total impact change	**13 985**	**-219 629**
Autres produits financiers	52 563	13 432
Provisions financières	-10 000	-70 000
Autres charges financières	-35 600	-22 903
Sous total Autres	**6 963**	**-79 471**
TOTAL RESULTAT FINANCIER	**-335 447**	**-619 943**

The cost of debt rose slightly due to the increased use of short-term financing lines. Net financial income improved by 285 K€, mainly as a result of the +234 K€ variation in net foreign exchange gains due to changes in the USD/EUR exchange rate.

Income tax expense for the period amounted to €257,000, reflecting changes in the value of deferred tax assets (€155,000) and provisions for corporate income tax payable (€412,000).

Against this backdrop, consolidated net income at March 31, 2022 was €3.74 million, compared with €1.57 million at March 31, 2021.

VIII. CASH AND EQUITY

VIII1 Simplified information on the issuer's shareholders' equity

The table below shows changes in LEXIBOOK Group shareholders' equity over the last three years.

Statement of changes in shareholders' equity

For the year ending March 31, 2023

Attributable to owners of the Company

In euros	Note	Share capital	Bonus emission	Stock reserve conversion	Stock reserve coverage options		Reserves actions own	Component "shareholders' equity obligations convertibles	Non-equity earnings distributed	Total own	Shareholdings non-controlling interests control	Total own
Balance at March 31, 2022		**3 881 660**	**7 237 431**	**- 284 714**	**0**	-	-	-	**- 1 853 052**	**8 981 328**		**8 981 328**
Total income for the period												
Net income									3 042 427	3 042 427		3 042 427
Other comprehensive income				- 53 935			- 22 412		- 267	- 76 614		- 76 614
Net income for the period		-	-	**- 53 935**	-		**- - 22 412**	-	**3 042 160**	**2 965 813**	-	**2 965 813**
Transactions with the Company's owners												
Contributions and distributions												
Issue of ordinary shares Issue of convertible bonds Treasury shares sold										-		-
Dividends												
Total contributions and distributions		-	-	-	-	-	-	-	-	-	-	-
Changes in interests										-		-
Acquisition of non-controlling interests with no change in control										-		-
Total change in interest		-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company		-	-	**- 53 935**	-		**- - 22 412**	-	**3 042 160**	**2 965 813**	-	**2 965 813**
Balance at March 31, 2023		**3 881 660**	**7 237 431**	**- 338 649**	**0**		**- - 22 412**	-	**1 189 108**	**11 947 141**		**- 11 947 141**

Etat de variation des capitaux propres

Pour l'exercice clos le 31 mars 2022

Attribuable aux propriétaires de la Société

En euros	Note	Capital Social	Primes d'émission	Réserve de conversion	Réserve de couverture	Stocks options	Réserves d'actions propres	Composante "capitaux propres" des obligations convertibles	Résultats non distribués	Total des capitaux propres
Solde au 31 mars 2021		**3 881 660**	**7 237 431**	**- 392 161**	**- 677**	-	-	-	**- 5 562 047**	**5 164 209**
Résultat global de la période										
Résultat net									3 744 848	3 744 848
Autres éléments du résultat global				107 447	677				- 35 853	72 271
Résultat global de la période		-	-	**107 447**	**677**	-	-	-	**3 708 995**	**3 817 119**
Transactions avec les propriétaires de la Société										
Contributions et distributions										
Emission d actions ordinaires										-
Emission d obligations convertibles										
Actions propres vendues										
Dividendes										
Total des contributions et distributions		-	-	-	-	-	-	-	-	-
Variations des parts d'interets										-
Acquisition de particpations ne donnant pas le contrôle sans modification de contrôle										-
Total des variations des parts d interets		-	-	-	-	-	-	-	-	-
Total des transactions avec les propriétaires de la Société		-	-	**107 447**	**677**	-	-	-	**3 708 995**	**3 817 119**
Solde au 31 mars 2022		**3 881 660**	**7 237 431**	**- 284 714**	**0**	-	-	-	**- 1 853 052**	**8 981 328**

VIII2.cash flow

See Note 29.1 on liquidity risk.

VIII3 Borrowing terms and financing structure

See Note 29.1 on liquidity risk.

VIII4 Restrictions on the use of capital resources

None.

VIII5 Sources of financing for the Company's future investments

Not applicable.

IX. REGULATORY ENVIRONMENT

LEXIBOOK complies with EC regulation 1103/97 modified by EC regulation 2595/2000 and with the standards in force for its products.
All products manufactured and marketed by LEXIBOOK comply with the electromagnetic compatibility standards applicable in the European Union. In addition, in accordance with current legislation, the specific toy segment meets all mechanical, chemical, electrical and flammability standards, guaranteeing the compliance of LEXIBOOK products with the standards in force in the various countries in which the Group markets its products.

To date, the Company has not identified any governmental, economic, budgetary, monetary or political factors that have materially affected, or are likely to materially affect in the future, either directly or indirectly, LEXIBOOK's operations.

X. TREND INFORMATION

X1 Business trends since the end of the last financial year up to the date of the universal registration document

The Group presented its 2023 collections to international retailers, and the response to the new products was very positive. Bookings for the 2023 Christmas campaign are excellent and point to a new 2023-24 fiscal year in line with 22-23. Fiscal Q1 22-23 was 36% up on fiscal Q1 21-22, itself 78% up on the previous year. The benchmark is therefore high for fiscal Q1 2023-24. Nevertheless, the order book suggests a similar level of activity to last year for Q1 2023-24, and the Group intends to continue its momentum of profitable growth this year.

Several license contract extensions are currently being finalized to extend existing contracts into new zones, which could have an accelerating effect on the Group over the next few years. Some have already been confirmed:

- Extension of the Paw Patrol contract to the USA and Canada in the main categories (Film scheduled for July 2023)
- New licensing agreement in EMEA with Mattel for Barbie, (film scheduled for July 2023), Monster High (film scheduled for 2024), and Hot Wheels
- Extension of Warner contract in the USA for Harry Potter (Chess) and Batman (Pinball).

The Group could also benefit from the current level of the US dollar, should it remain at this level for the rest of the year, and from improved international freight conditions, to improve its margins. The Group has updated its budget forecasts and does not foresee any cash flow difficulties over the next 12 months. The Group changed its ERP on June [1,] 2023 and adopted Microsoft's Dynamics 365 to continue to gain in efficiency. The migration i s going smoothly and the Group will be fully operational for its Christmas season with the new ERP.

SERVICE

In order to reduce the level of after-sales returns, the Group generally sells merchandise to distributors including, whenever possible, a percentage of free products in lieu of after-sales service on FOB Hong Kong sales. This practice is difficult to apply to domestic sales. The Group has therefore chosen to outsource after-sales service for the most technical products, such as tablets, to a specialist company. The Group has succeeded in making its production more reliable by reinforcing its quality requirements, controls and after-sales policy. This proactive policy has helped to strengthen LEXIBOOK's brand image with both retailers and end consumers. The decline in sales in the tablet segment has accelerated this trend, and the Group has been at a low point for the past 3 years in terms of both returns and credit notes. With the significant increase in business over the last 2 years, the Group has maintained its quality standards and thus succeeded in keeping the number of products processed by the after-sales service in 2022-23 close to the 2020/21 level:

There have been no significant changes in the Group's financial performance between the end of the last fiscal year for which financial information was published and the date of this universal registration document.

X2. Known trend, uncertainty, demand or any event reasonably likely to have a material effect on the issuer's prospects

In the context of the global Covid-19 pandemic, Lexibook's priority has been to continue the mobilization undertaken since January 2021 with its customers despite the absence of international trade shows, in order to pursue sales actions as effectively as possible and confirm the launch of new projects and end-of-year listings. Lexibook also intends to maintain its intense sales activity, focusing on customers who still have potential, particularly internationally. In parallel with the traditional network, Lexibook has stepped up the pace of its digitalization process and the development of web sales, not only by making its product catalog available on the main European e-tailers, but also by implementing an aggressive policy of effective targeted digital communication. These actions have resulted in widespread business growth in France and internationally over the 2021-22 financial year. Lexibook intends to build on this momentum in 2022-23 by strengthening the most effective ways of making its products visible and boosting consumption. The release of several blockbusters in 2022, for which Lexibook holds the operating licenses, should also boost sales over the year.

XI. PROFIT FORECASTS OR ESTIMATES

XI1 Issuer's declaration

Not applicable.

XII. BODIES AND ADMINISTRATION, OF MANAGEMENT AND GENERAL MANAGEMENT

XII1.corporate officers and corporate governance bodies

During at least the last five years, none of the members of the Supervisory Board or the Executive Board has been the subject of :

- any conviction for fraud within the last five years;
- of a bankruptcy, receivership or liquidation or has been associated with a bankruptcy, receivership or liquidation acting in the capacity :
    - member of an administrative, management or supervisory body,
    - general partner,
    - founder of a company founded less than 5 years ago,
    - general manager ;
- of an official public incrimination and/or sanction pronounced against him or her, or against a company of which he or she is or has been a partner, by statutory or regulatory authorities (including designated professional bodies), nor has he or she ever been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or conduct of the affairs of an issuer during at least the last five years."

XII11. Executive Committee

The current composition of the Executive Committee is as follows:

- **Aymeric Le Cottier**

  Chairman of the Management Board, responsible for leading the

  Executive Committee Born April 7, 1969

  A graduate of EDHEC business school and holder of a Master's degree from Ecole Centrale de Paris, Aymeric Le Cottier began his career at LEXIBOOK as Area Manager in 1994. In 1996, he was appointed Sales Director, then Sales Director in 1997. He has been Chairman of the Management Board since December 19, 2006.

- **Emmanuel Le Cottier**

  Managing Director, Head of Sales and Business Development. Born on April 7,

  1969

  A graduate of ESC Lille and the University of Granada (Spain), Emmanuel Le Cottier began his career in Total's Finance Department in 1994. In 1995, he joined LEXIBOOK in the Management Control department. He was appointed Managing Director in charge of Group Sales and Business Development in 2002.

- **David MARTINS**

  Chief Financial Officer and Director of Human Resources Born December

  20, 1974

  Holder of a Diplôme d'Etude Comptable et Financières, David Martins has over twenty years' experience within the LEXIBOOK Group. His experience ranges from consulting and auditing to management control and financial consolidation. He has been Chief Financial Officer and Director of Human Resources at LEXIBOOK since mid-2012.

- **Delphine Le Lan**

  Marketing Director

  Born January 11,

  1973

  A graduate of ESC Nantes, Delphine Le Lan began her career at Hachette Editions in the Marketing department in 1995. Two years later she joined the LEXIBOOK Group as Toy Marketing Director. She was appointed Group Marketing Director in 2002.

XII12. Directory

The Executive Board met 6 times during the 2022-2023 financial year.
Its members are Emmanuel Le Cottier and Aymeric Le Cottier.

Aymeric Le Cottier, Chairman of the Management Board of LEXIBOOK SA, is also a Director of LEXIBOOK Limited Hong Kong.

Emmanuel Le Cottier, Member of the Management Board and Chief Executive Officer of LEXIBOOK SA, is also 1) Director of LEXIBOOK Limited Hong Kong, 2) Director of LEXIBOOK Iberica, 3) Director of LEXIBOOK USA.

The mandates described above cover the last five years.

Aymeric LE COTTIER and **Emmanuel LE COTTIER** bring more specific expertise in product strategy and market development strategy respectively.

XII13. Supervisory Board

The Supervisory Board met 12 times during the 2022-2023 financial year.

The terms of office of the Supervisory Board members described below cover the last five years.

- **Luc Le Cottier**
  Born February 17,
  1943. EDHEC
  Father of Messrs Aymeric and Emmanuel Le Cottier
  Chairman of the Supervisory Board, he is also 1) director of LEXIBOOK limited Hong Kong, 2) managing partner of SCI Trio, 3) managing partner of SCI Anastase IV, 4) partner of EURL LLC Invest. He was managing director of GEPRIM and ELVECO before creating LEXIBOOK in 1993, and a director of REALTRACE until the end of 2019.

  Founder and Chairman of the LEXIBOOK Group, he has an intimate knowledge of the company, its customers, its markets and their needs. These qualities, combined with his strategic vision, have made a major contribution to the Group's development.

- **Caroline PUECHOULTRES, Independent member,**

  Born April 12, 1969
  Was a member of the Board of Directors of Kaufman & Broad from 2014 to 2021 and a director of Groupe Flo between 2015 and 2016.
  Her expertise in Marketing, Commerce and Digital includes ten years' experience at Club Méditerranée as GM of Global Strategy and, more recently, as Sales & Marketing Director at Intermarché and Carrefour Supermarché.
  She is now Executive Vice President in charge of Group Customer Strategy, a corporate officer and member of the Management Board of the Unibail Rodamco Westfield group.
  Graduated from HEC business school in 1991 (Marketing major in 3rd year). She
  owns 10 LEXIBOOK shares.

- **Gérard Abadjian, Independent member,**

Vice-Chairman of the Supervisory Board, he is also co-manager of SELARL A&C ASSOCIES.
Born February 24, 1956
As a lawyer, he brings particular expertise in risk identification and prevention.

He owns 20 LEXIBOOK shares

- **Pascal Gandolfini, Independent member**

Born June 8, 1961
Diploma in Electrical Engineering with electronics option in 1981
Finance training for managers at Cégos in 2000
1982 - 1986 worked in electronics product development for the Rafale 1986 - 1994
joined Elexience as sales manager
1994 - 2000 buys Elexience with 2 partners and creates Milexia after the acquisition of the Italian company Microelit
Today, as Chairman of Milexia, he brings a wealth of commercial and financial expertise to the table, as well as business expertise. His company operates in a similar way to LEXIBOOK, with Milexia buying products in Asia and the USA and reselling them in France and Europe on a B-to-B basis. In particular, they market "hardened" products for professional customers.

He owns 400 LEXIBOOK shares

- **Bénédicte EVEILLARD**

Born February 5, 1972
After graduating from the Institut Supérieur du Commerce (ISC Paris) in 1995 and obtaining a DUT in Marketing Techniques, she specialized in communications and press relations. After two stints in Parisian communications agencies, she took over as head of communications for the town of Gif sur Yvette (Essonne). She then turned to raising her three children and to acting and writing plays.

She holds 1,950 LEXIBOOK shares.

XII2 Conflicts of interest involving administrative, management, supervisory and senior management bodies

There is no conflict of interest between the duties to the issuer of any member of the Executive or Supervisory Boards and their private interests and/or other duties.

Apart from the service contracts listed below, which are part of the normal operation of the company, there are no other service contracts binding members of the administrative, management or supervisory bodies to the issuer or any of its subsidiaries and providing for the granting of benefits at the end of such a contract.

1/ Lease agreement between LEXIBOOK and SCI TRIO for buildings at 6 avenue des Andes - Bâtiment 11, Les Ulis. SCI TRIO is owned by Messrs Le Cottier Aymeric, Emmanuel and Luc, respectively Chairman of the Executive Board, Chief Executive Officer and Chairman of the Supervisory Board. Expenses of €164.84k were recognized in the 2022-2023 financial year.

2/ Legal advice contract between LEXIBOOK and SELARL A&C AVOCATS, in which Gérard Abadjian, member of the Supervisory Board and Audit Committee, is a shareholder. Expenses of €37.4k were recognized in the 2022-2023 financial year.

XIII. COMPENSATION AND BENEFITS

COMPENSATION POLICY FOR CORPORATE OFFICERS

Approval of the compensation policy for the Company's corporate officers (6ème to 8ème resolutions)

In accordance with article L.22-10-26 of the French Commercial Code, shareholders will be asked at the Combined General Meeting on September 13, 2023 (the **"Ordinary General Meeting"**) to approve the remuneration policy for the Company's corporate officers (members of the Executive Board and members of the Supervisory Board).

The Supervisory Board considers that the remuneration policy for the Company's corporate officers is in line with the Company's corporate interests, and contributes to its long-term viability and business strategy, since it is based on an ongoing search for a balance between the Company's interests, recognition of executive performance and continuity of remuneration practices.

The remuneration policy for the Company's corporate officers is reviewed annually by the Supervisory Board (determination of the remuneration of members of the Executive Board, the remuneration of the Chairman of the Supervisory Board and proposals for the determination of the total remuneration of members of the Supervisory Board).

Elements of the remuneration policy specifically applicable to members of the Executive Board by virtue of their office

The Chairman of the Executive Board has had an employment contract since joining the Company. As his duties had not changed, it seemed normal to maintain this contract.

The Supervisory Board has taken a formal decision on this matter and has decided to suspend the employment contracts of the two members of the Managing Board, Aymeric and Emmanuel Le Cottier. Their contracts are to be considered as suspended ipso jure from the date of their appointment as members of the Executive Board, i.e. December 19, 2006. They will be automatically reinstated on expiry of their respective terms of office.

Fixed remuneration

Executive Board members receive fixed remuneration for their corporate offices. This is set by taking into account the fixed remuneration usually paid in the market, even if the remuneration granted to members of the Executive Board remains below this level.

The level and terms of compensation are determined by the Supervisory Board, in accordance with legal and regulatory requirements and taking into account recommendation R13 of the 2016 Middlenext Code, with particular assessment of the criteria of Exhaustiveness, Balance, Benchmark, Consistency, Readability of Measurement and Transparency.

Gross fixed annual compensation for Aymeric LE COTTIER, Chairman of the Executive Board, amounts to 141,500 €uros. It was set by the Supervisory Board on February 1, 2019.

The gross fixed annual remuneration of Mr Emmanuel LE COTTIER, member of the Executive Board, amounts to €141,500. It was set at the Supervisory Board meeting of February 1, 2019.

Variable compensation

The Supervisory Board takes into account the principles set out in the AFEP-MEDEF Code: comprehensiveness, balance between compensation components, consistency, intelligibility of rules, measurement.

The Supervisory Board is committed to defining a compensation policy that meets the following objectives:

- ✓ attract and retain the best skills,
- ✓ define a balanced compensation structure, taking into account the scope of responsibilities,
- ✓ define remuneration based on performance, particularly in relation to sales strategy, in line with the interests of LEXIBOOK - L.E.S. and its shareholders.

In accordance with paragraph 25.12 of the AFEP-MEDEF Code, the remuneration of corporate officers is based on the work performed, the responsibilities assumed and the missions entrusted to them.
The results we have achieved, with a very substantial rise in sales and earnings, are undeniable proof that the members of the Managing Board (Sales Directors at both national and international level) devote an enormous amount of time and energy to their missions, which has enabled the Company to grow.
Under these conditions, the Supervisory Board, at its meetings of October 8, 2021 and September 16, 2022, decided, in view of the scope of the work performed and the results achieved, to review the variable remuneration of the members of the Executive Board, as follows:

- ✓ Net income below 1,000,000 euros: no remuneration
- ✓ Earnings in excess of €1,000,000: payment of a €10,000 bonus.
- ✓ Earnings in excess of €1,500,000: payment of a bonus of €40,000 in addition to the previous minimum.
- ✓ Earnings in excess of €2,000,000: payment of a bonus of €50,000 in addition to the above, up to a maximum of €100,000.
- ✓ Earnings in excess of €2,500,000: payment of a bonus of €50,000 in addition to the above, up to a maximum of €150,000.
- ✓ Earnings in excess of €3,000,000: payment of a bonus of €50,000 in addition to the above, up to a maximum of €200,000.
- ✓ Earnings in excess of €3,5000,000: payment of a bonus of €50,000 in addition to the above, up to a maximum of €250,000.
- ✓ Earnings in excess of €4,000,000: payment of a bonus of €100,000 in addition to the above, up to a maximum of €350,000,
- ✓ Net income in excess of €4,500,000: payment of a bonus of €50,000 in addition to the above, up to a maximum of €400,000,
- ✓ Net income in excess of €5,000,000: payment of a bonus of €50,000 in addition to the above, up to a maximum of €450,000,
- ✓ Net income in excess of €5,500,000: payment of a bonus of €50,000 in addition to the above, up to a maximum of €500,000,
- ✓ Net income in excess of €6,000,000: payment of a bonus of €100,000 in addition to the above, up to a maximum of €600,000,

for each member of the Executive Board.

It should be noted here that the trigger thresholds are assessed on the basis of net income prior to the allocation of the variable portion.

Exceptional compensation

The Supervisory Board may decide to grant exceptional compensation to one or more members of the Executive Board, notably in connection with special transactions carried out by the Company. The amount of such exceptional remuneration may not exceed 50% of fixed annual remuneration.
Where applicable, the payment of exceptional compensation awarded in respect of the previous year is subject to the approval by the Annual General Meeting of the components of the compensation and benefits of any kind paid to members of the Executive Board during the previous year or awarded in respect of the said year (ex-post vote).

Other benefits of any kind

1/ On August 29, 2003, the Board of Directors authorized LEXIBOOK - L.E.S. to take out identical unemployment insurance policies (GSC) with GAN, effective September 1, 2003, in favor of Emmanuel LE COTTIER and Aymeric LE COTTIER.

The last authorization to renew these contracts was granted by the Supervisory Board at its meeting of March 31, 2023:

- ➢ At the Supervisory Board meeting of March 13, 2009, it was decided that Aymeric and Emmanuel Le Cottier would be entitled to the following benefits with effect from January 1, 2009
  class 4 basic scheme and class F supplementary scheme for a benefit period of 24 months with option 2, entitling each of them to total compensation of 150,956 euros over 24 months;

- ➢ At the Supervisory Board meeting of February 1, 2019, it was decided that Aymeric and Emmanuel LE COTTIER would be granted the following benefits with effect from January 1, 2019
  class 4 basic plan and class G supplementary plan for a period of

24-month indemnity period with option 2, entitling each of them to an annual indemnity of 93,205 euros;

2/ The decision of the Board of Directors on January 6, 2005 authorized LEXIBOOK - L.E.S. to take out RIP provident policies with GAN, identical to those taken out for Emmanuel LE COTTIER and Aymeric LE COTTIER.

The last authorization to renew these contracts was granted by the Supervisory Board at its meeting of March 31, 2023.

3/ Expenses are reimbursed only on presentation of receipts.

Elements of the remuneration policy specifically applicable to Supervisory Board members by virtue of their office

Supervisory Board members are remunerated by a fixed sum allocated by the Annual General Meeting of Shareholders and distributed by the Supervisory Board among its members. The allocation of this remuneration must take into account the diligence of Supervisory Board members and the time they devote to their duties.

The Chairman of the Supervisory Board receives an additional sum in respect of his duties as Chairman of the Board (article L.225-81 of the French Commercial Code). No additional sum is paid for membership of any committee.

Fixed annual sum allocated by the Shareholders' Meeting

The Ordinary Shareholders' Meeting of September 14, 2017, in its 7th resolution, set the total remuneration of Board members at the fixed annual sum of €50,000 valid for the current financial year until further decision by the Shareholders' Meeting.

At the Ordinary General Meeting of September 13, 2018, the total remuneration of Board members was set at €6,000, both for the 2018/2019 financial year and for subsequent financial years.

At the Annual General Meeting on September 9, 2019, the Board's total remuneration per financial year will remain set at €6,000, both for the 2019/2020 financial year and for subsequent financial years.

At the Ordinary General Meeting of September 14, 2021, the Board's total remuneration per financial year was set at €20,000, for both the 2020/2021 financial year and subsequent years, it being noted that the Supervisory Board will determine the allocation of this amount among its members.

At the Annual General Meeting on September 14, 2022, the Board's total remuneration per fiscal year will remain set at €20,000, both for the 2021/2022 fiscal year and for subsequent years.

The total fixed amount allocated for the 2022/2023 financial year is set out in the 13th resolution submitted for approval to the Annual General Meeting of September 13, 2023. The amount of this remuneration remains unchanged from the previous year.

Fixed compensation for the Chairman of the Supervisory Board

In his capacity as Chairman of the Supervisory Board, Mr Luc LE COTTIER receives a fixed annual remuneration of €36,000, it being specified that Mr Luc LE COTTIER significantly reduces this sum each year, waiving the balance.

This remuneration may be reviewed annually by the Supervisory Board.

At the Supervisory Board meeting of March 31, 2022, it was decided to maintain the remuneration for his activities as Chairman of the Supervisory Board at the following levels

Supervisory Board, pursuant to Article L.225-81 of the French Commercial Code, to the sum of 36.00 (thirty-six thousand) €, to be applied to the fiscal year from April 1, 2022 to March 31, 2023.

At the Supervisory Board meeting of March 31, 2023, it was :

- confirmed the payment in July 2022 to Mr Luc LE COTTIER of the sum of 52,000, broken down as follows :
  - 6,000 in directors' fees (financial year 2020-2021)
  - 6,000 in compensation pursuant to Article L.225-81 of the French Commercial Code corresponding to his duties as Chairman of the Supervisory Board (financial year 2020-2021)
  - 6,000 in directors' fees (fiscal 2021-2022)
  - 34,000 in compensation pursuant to Article L.225-81 of the French Commercial Code, corresponding to his duties as Chairman of the Supervisory Board (financial year 2021-2022).
- decided to maintain the amount of his fixed remuneration as Chairman of the Supervisory Board at €36,000, payable for the financial year from April 1, 2023 to March 31, 2024.

Exceptional compensation

Board members may be remunerated for exceptional assignments, subject to compliance with the provisions of Article L.225-84 of the French Commercial Code.

Benefits of any kind

Expenses are reimbursed only on presentation of receipts.

Approval of the report on the remuneration of the Company's corporate officers and the remuneration paid or awarded in respect of the year ended March 31, 2023 (9ème to 12ème resolutions)

Subject to the resolutions submitted to the Shareholders' Meeting of September 13, 2023 and their approval by the shareholders, the components of the remuneration of the Chairman of the Supervisory Board, the Chairman of the Executive Board and the other members of the Executive Board in respect of the 2022/2023 financial year are presented below:

In accordance with Article L.22-10-34 II of the French Commercial Code, the Annual General Meeting of Shareholders to be held on September 13, 2023 will be asked to vote on a draft resolution concerning the information referred to in Article L.22-10-9 I of said Code.

This information concerns each corporate officer, including those whose term of office has expired and those newly appointed during the 2022/2023 financial year.

The fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during the 2022/2023 financial year or granted in respect of the same financial year must therefore be submitted to shareholders for approval by separate resolutions for the Chairman of the Supervisory Board, the Chairman of the Executive Board and the other members of the Executive Board.

Accordingly, the following subsections present the information required under the above-mentioned legislative provisions.

XIII1. Compensation paid to corporate officers

In accordance with the recommendations of the AFEP-MEDEF, the following tables present a summary of all types of compensation paid to executive directors, i.e. members of the Executive Board and the Chairman of the Supervisory Board.

	2022/2023	2021/2022	2020/202
LE COTTIER Aymeric, Chairman of the Management Board			
Compensation due for the year	510 400	510 303	
Valuation of options granted during the year			
Valuation of performance shares granted during the year the exercise			
TOTAL	5		
LE COTTIER Emmanuel, General Manager			
Compensation due for the year			
Valuation of options granted during the year Valuation of performance shares granted during the year			
the exercise			
TOTAL			
LE COTTIER Luc, Chairman of			
Remuneration due in respect of			
Valuation of optio Valuation of			
optio			
the exercise			
TO			

(1) The €40,000 due in respect of the 2022/2023 financial year was provisioned at 31/03/2023.

	2022/2023		2021/2022		2020/2021	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
LE COTTIER Aymeric, Chairman of the Management Board						
fixed compensation	172 500	172 500	141 500	141 500	143 625	139 800
variable compensation	350 000	20 000	350 000	40 000	40 000	
exceptional compensation						
directors' fees						
fringe benefits	18 900	18 900	18 803	18 803	18 560	18 560
TOTAL	541 400	211 400	510 303	200 303	202 185	158 360
LE COTTIER Emmanuel, General Manager						
fixed compensation	172 500	172 500	141 500	141 500	143 625	139 800
variable compensation	350 000	20 000	350 000	40 000	40 000	
exceptional compensation						
directors' fees						
fringe benefits	18 900	18 900	18 713	18 713	18 650	18 650
TOTAL	541 400	211 400	510 213	200 213	202 275	158 450
LE COTTIER Luc, Chairman of the Supervisory Board						
fixed compensation	34 000	0	34 000	0	6 000	4 800
variable compensation						
exceptional compensation						
directors' fees	6 000	0	6 000	0	6 000	3 000
fringe benefits						
TOTAL	40 000	0	40 000	0	12 000	7 800

The Chairman of the Executive Board had had an employment contract since joining the company. As his duties had not changed, it seemed normal to maintain this contract. On February 15, 2011, the Supervisory Board took a formal decision on this issue and decided to suspend the employment contracts of the two members of the Executive Board, Aymeric and Emmanuel Le Cottier. Their employment contracts are to be considered as having been suspended ipso jure since their appointment as members of the Executive Board on December 19, 2006. They will be automatically reinstated on expiry of their respective terms of office.
The benefits in kind available to corporate officers and members of the Management Board include GSC (unemployment insurance for corporate officers) and life insurance.

The level and terms of executive compensation are determined by the Supervisory Board, in accordance with legal and regulatory requirements and taking into account recommendation R13 of the 2016 Midlenext Code, with particular assessment of the criteria of Exhaustiveness, Balance, Benchmark, Consistency, Readability of Measurement and Transparency.

Company Officers	employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due as a result of termination or change of function		Indemnities relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
LE COTTIER Aymeric Chairman of the Management Board Start of term of office End of term of office	X 19/12/2006 17/12/2024			X		X		X
LE COTTIER Emmanuel Chief Executive Officer - Member of the Executive Board Start date of term of office End of term of office	X 19/12/2006 17/12/2024			X		X		X
LE COTTIER Luc Chairman of the Supervisory Board Start of term of office End of term of office	19/12/2006 31/03/2024	X		X		X		X

Non-executive directors received no remuneration or attendance fees.

No performance shares have been allocated to corporate officers and none have become available.

At March 31, 2023, the members of the Supervisory Board and Executive Board together held 2,397,097 LEXIBOOK shares, including Aymeric LE COTTIER, 1,151,669 shares and Emmanuel LE COTTIER, 1,125,048 shares, Luc LE COTTIER, 118,000 shares, Gérard ABADJIAN, 20 shares, Bénédicte EVEILLARD, 1,950 shares, Pascal GANDOLFINI, 400 shares and Caroline PUECHOULTRES, 10 shares.

The gross amount of total executive compensation earned for the 2022-2023 financial year was €1,122,801. This remuneration concerns two executives in their capacity as Chairman of the Executive Board and Chief Executive Officer, and the Chairman of the Supervisory Board in respect of directors' fees and remuneration.

No loans and/or guarantees have been granted to directors since the company was founded.

A provision of €40,000 has been recorded in respect of remuneration and attendance fees for 2022/2023.

The benefits in kind available to members of the Executive Board are GSC (Garantie sociale des Chefs d'entreprise) under the conditions defined by the Supervisory Board, and life insurance.

It is specified that, in accordance with the provisions of Law no. 2016-1691 of December 9, 2016, all elements of this remuneration policy will be submitted to the vote of the next LEXIBOOK Shareholders' Meeting.

XIII2 Pensions and other benefits

Not applicable.

XIV. OPERATION OF ADMINISTRATIVE AND MANAGEMENT BODIES

XIV1.Expiry dates of terms of office of directors and officers

The operating rules of the Supervisory and Executive Boards are set out in Articles 17 to 33 of the Articles of Association. The meeting of February 15, 2011 adopted the principle of internal rules for the Supervisory Board, in line with recommendation R6 of the MiddleNext code.

The Executive Board and Supervisory Board are governed by Articles L.225-57 to L.225-93 of the French Commercial Code.

At March 31, 2023, the composition of the Supervisory Board was as follows:

Luc LE COTTIER, born February 17, 1943, Chairman of the Supervisory Board, appointed on December 19, 2006 for a term of six years, which expired at the Ordinary General Meeting called to approve the financial statements for the year ended March 31, 2012, reappointed at the Ordinary General Meeting of June 26, 2012 for a term of six years, which expired at the Ordinary General Meeting called to approve the financial statements for the year ended March 31, 2018. Reappointed at the Ordinary General Meeting of 09/13/2018 for a term of six years, expiring at the Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2024.

Gérard ABADJIAN, born February 24, 1956, Vice-Chairman of the Supervisory Board, appointed on December 19, 2006 for a term of six years, which expired at the Ordinary General Meeting called to approve the financial statements for the year ended March 31, 2012, reappointed at the Ordinary General Meeting of June 26, 2012 for a term of six years, which expired at the Ordinary General Meeting called to approve the financial statements for the year ended March 31, 2018. Reappointed at the Ordinary General Meeting of 09/13/2018 for a term of six years, expiring at the Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2024.

Pascal GANDOLFINI, born June 8, 1961, Member of the Supervisory Board, appointed on September 12, 2011 for the remainder of his predecessor's term of office, i.e. at the Ordinary General Meeting called to approve the financial statements for the year ended March 31, 2012 Term of office renewed at the Ordinary General Meeting of June 26, 2012 for six years, expiring at the Ordinary General Meeting called to approve the financial statements for the year ended March 31, 2018. Reappointed at the Ordinary General Meeting of 09/13/2018 for a term of six years, expiring at the Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2024.

Caroline PUECHOULTRES, born April 12, 1969, Member of the Supervisory Board, appointed on September 10, 2013 for a term of six years, expiring at the Annual Shareholders' Meeting convened to approve the financial statements for the year ending March 31, 2019, reappointed at the Annual Shareholders' Meeting of September 14, 2020, for a term of six years, expiring at the Annual Shareholders' Meeting convened to approve the financial statements for the year ending March 31, 2025.

Bénédicte EVEILLARD, born February 5, 1972. Member of the Supervisory Board, appointed on September 14, 2017 for a term of six years, expiring at the Annual General Meeting convened to approve the financial statements for the year ending March 31, 2024.

At March 31, 2023, the composition of the Executive Board was as follows:

Aymeric LE COTTIER, born April 7, 1969, Chairman of the Executive Board, appointed on December 19, 2006 for a term of six years, expiring at the Annual General Meeting called to approve the financial statements for the year ended March 31, 2012, reappointed by the Supervisory Board on December 18, 2012 for a term of six years expiring on December 17, 2018, reappointed by the Supervisory Board on December 18, 2018 for a term of six years expiring at the Annual General Meeting called to approve the financial statements for the year ended March 31, 2024.

Emmanuel LE COTTIER, born April 7, 1969, Chief Executive Officer, appointed on December 19, 2006 for a term of six years, expiring at the Ordinary General Meeting called to approve the financial statements for the year ended March 31, 2012, term renewed by the Supervisory Board on December 18, 2012.

for a six-year term ending December 17, 2018, reappointed by the Supervisory Board on December 18, 2018 for a six-year term ending at the Annual General Meeting convened to approve the financial statements for the year ending March 31, 2024.

Organization and Functioning of the Supervisory Board

The Executive Board determines and defines corporate strategy. The Supervisory Board ensures that measures taken by the Executive Board are in the shareholders' and the company's best interests.

The Chairman of the Supervisory Board, in direct and regular contact with all Supervisory Board members, centralizes requests and draws up a draft agenda for the next Board meeting. He ensures that this draft agenda meets the expectations of all Supervisory Board members, and sends the Chairman of the Executive Board the list of items to be prepared for presentation to the next Supervisory Board meeting. The involvement of persons from outside the Supervisory Board and the company (other than the Statutory Auditors) is possible and is left to the discretion of the Chairman. This option was not used during the 2022-2023 financial year.

During Board meetings, items on the agenda which fall within the sole competence of Supervisory Board members are dealt with by the members themselves, while any work requested of the Executive Board is formally presented by the latter. The Chairman of the Executive Board may be assisted, at his convenience, by any "business manager" from the Executive Committee when he deems that direct explanations from the latter would be conducive to a better understanding of the issue by Board members.

Twelve Supervisory Board meetings were held between April [1,] 2022 and March 31, 2023. The Executive Board is responsible for the quality of the information it communicates to the Board. It coordinates the Executive Committee and ensures the diligent and effective application of all measures conducive to the achievement of strategic objectives. In this respect, he implements any action he deems necessary, relying in particular on the internal control procedures in place within the company. At the annual meeting on March 31, 2023, 100% of members were present, and discussions took place on the Board's operations.

The Audit Committee, whose creation was ratified by the Board of Directors on March 26, 2004, was abolished by the Supervisory Board on February 15, 2011, as it now carries out this mission, in accordance with Article L823-20 of the French Commercial Code.

Balanced representation of men and women on the Supervisory Board

Act no. 2011-103 of January 27, 2011 introduced the principle of balanced representation of men and women on the Supervisory Boards of certain companies.
LEXIBOOK - L.E.S. is concerned by this law.
The proportion of women on Supervisory Boards may not fall below 20% at the close of the first Ordinary General Meeting held on or after January [1,] 2014, and 40% from January [1,] 2017.
This concern had already been raised at Audit Committees and informal meetings held prior to the aforementioned law.
The advantage of this law is that it now sets very clear deadlines for achieving this balance between men and women on Supervisory Boards.
Consequently, at the meeting of September 10, 2013, the Combined Shareholders' Meeting appointed Caroline PUECHOULTRES.
Following this appointment, the Supervisory Board now has 5 members, including one woman, and is therefore in compliance with Law no. 2011-103 of January 27, 2011.
During the 2016/2017 financial year one of the male members of the Supervisory Board resigned and two female candidates were put forward at the Annual General Meeting held in September 2017.

With the co-opting of these two new members, the Supervisory Board was composed of 7 members, including 3 women, i.e. 43% female members. The LEXIBOOK Group was therefore in compliance with French law no. 2011-103 of January 27, 2011.

During 2021/2022, one of the members of the Supervisory Board, whose term of office was due to expire, did not wish to renew it in view of his professional obligations and his distance from the Ile-de-France region.
At the time of the Annual General Meeting of September 14, 2022, the Supervisory Board comprised 3 men and 3 women, i.e. 50% female members.
In March 2023, one of the members of the Supervisory Board resigned, as her professional obligations took up a lot of her time and she feared that she would not be available enough to carry out her duties as a member of the Supervisory Board.
After this resignation and at March 31, 2023, the Supervisory Board will comprise 3 men and 2 women, i.e. 40% female members. The LEXIBOOK Group will therefore continue to comply with French Law no. 2011-103 of January 27, 2011.
However, at the next Annual General Meeting, we will be proposing the appointment of Valérie GUIARD-SCHMIDT, currently Managing Director of Tigre-Yoga, who has spent her entire career in the digital sector and who will be an asset to the LEXIBOOK Group.
If her appointment is approved by the next Annual General Meeting, the Supervisory Board will comprise 3 men and 3 women, i.e. 50% of female members, thus exceeding the requirements of Law no. 2011-103 of January 27.

XIV2 Service contracts with corporate officers

See paragraph XII2.

XIV3 Specialized committees - Audit Committee

In view of the composition of the Audit Committee and the reduced size of the Supervisory Board, the Supervisory Board meeting of February 15, 2011 decided to abolish the Audit Committee, whose mission will be carried out by the Supervisory Board, in accordance with Article L823-20 of the French Commercial Code. Members of the Managing Board may be invited to attend in an advisory capacity.

The composition of the Supervisory Board in its role as Audit Committee complies with the provisions of Article L. 823-19 of the French Commercial Code, due to :

- that it comprises only members of the Board of Directors or the Supervisory Board who hold office in the company, to the exclusion of those exercising management functions,
- that it includes members who, through their significant experience as company managers over many years, have particular expertise in financial or accounting matters,
- at least two of its members are independent.

The independence of its members has been determined on the basis of the criteria specified by recommendation (R3) issued within the MiddleNext 2016 code, which are:

- Not to have been an employee or executive officer of the company or a member of its Group during the previous five years.
- Not to have had a significant business relationship with the Company or its Group within the last two years.
- Not be a reference shareholder of the Company or hold a significant percentage of voting rights
- Have no close family ties with a corporate officer or reference shareholder,
- Must not have been the company's statutory auditor for the last six years.

At its meeting on February 15, 2011, the Supervisory Board approved the skills and independence criteria for its members as defined above.

When the Supervisory Board meets as an Audit Committee, it generally does so in an enlarged configuration, in particular to approve the annual and half-yearly financial statements. Where appropriate, members of the Executive Board are invited to attend. This meeting precedes Supervisory Board meetings, and reviews the risks set out in paragraph IV of this universal registration document.

The Supervisory Board also ensures that the remuneration of members of the Executive Board is aligned with market practices and shareholder interests, while taking into account the reality of the missions performed and the company's social interest.

LEXIBOOK does not have a compensation committee.

XIV4 Statement on corporate governance

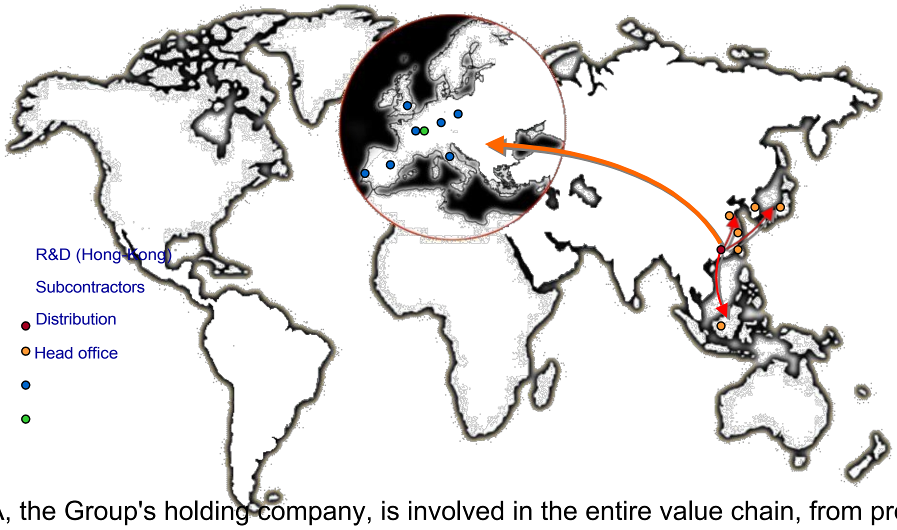
At its meeting on February 15, 2011, the Supervisory Board, having reviewed the MiddleNext Code of Corporate Governance for Small and Midcaps in its entirety, decided that its content was in line with the Company's corporate governance approach, and that the MiddleNext Code of Corporate Governance for Small and Midcaps would be the reference for the Company's report under Article L.225-68 of the French Commercial Code, with effect from the 2011-2012 financial year.

XIV5 Information on corporate governance and internal control

Internal control procedures implemented by the company

General organization: strategic locations and shared resources

The LEXIBOOK Group benefits from strategic locations in various geographical areas, whether for research, production or distribution.



LEXIBOOK SA, the Group's holding company, is involved in the entire value chain, from product design to after-sales service for end customers. The parent company, LEXIBOOK SA, is active in distribution on the French and European markets. The Spanish and U.S. subsidiaries only provide service (sales support), and in principle do not invoice.
The Hong Kong subsidiary is in charge of product design: mold development, product design, technical engineering and software programming (definition of specifications only, programming is outsourced to IT services companies).
A set of specifications (type of product, quantity, mode of transport, etc.) is sent by LEXIBOOK SA to its Hong Kong subsidiary. The latter manages sourcing and orders directly with the O.E.M. subcontractors.
LEXIBOOK Hong Kong assists O.E.M. in bringing products up to standard and complying with specifications. The subsidiary supports subcontractors in the manufacture of products designed to meet target prices: suggestions for alternative components or construction materials, new manufacturing techniques, etc.
LEXIBOOK IBERIA acts as an office to support LEXIBOOK SA's customer service. Some domestic invoicing is carried out.
LEXIBOOK USA has no staff and is only used for billing in North America.

LEXIBOOK relies on some fifty Chinese subcontractors to manufacture its products. Integrated circuits developed by LEXIBOOK are "masked" before being passed on to subcontractors, to avoid any transfer of knowledge.

After-sales service is managed directly by LEXIBOOK SA for all its ranges except tablets, due in particular to the low level of returns for defective products. This low rate enables LEXIBOOK to systematically exchange returned products for new ones, in order to satisfy the end customer as much as possible. The product is then exchanged or credited to the retailer.

After-sales service for the tablet range, a specific sector for the Group, has been entrusted to an external service provider, partners of world-renowned brands, since October 2013.

This after-sales service provider now responds within an average of 72 hours, giving us a quality of service worthy of the biggest brands.

At March 31, 2023, the subsidiaries of LEXIBOOK S.A. were as follows:

List of subsidiaries and affiliates	participation and voting rights held by the Group at 03/31/2023	participation and voting rights held by the Group at 03/31/2022
Lexibook Hong Kong Limited	99,9%	99,9%
Lexibook Iberica SL	99,9%	99,9%
Lexibook USA	100,0%	100,0%

Implementation and limits of internal control during the 2022-2023 financial year

Given the impact of potential risks inherent in the sourcing and R&D functions, the Chairman of the Executive Board usually travels to Hong Kong four or five times a year to check on the implementation of existing procedures and make any necessary improvements. This year, controls were carried out remotely, in particular by video, as travel was not possible due to the pandemic. Control work aimed at optimizing these cycles revealed no major malfunctions.

One of the objectives of the internal control system is to prevent and control risks arising from the company's activities, and the risk of error or fraud, particularly in the accounting and financial fields. Like any control system, however, it cannot provide an absolute guarantee that these risks have been totally eliminated.

Secondly, given the size of the company, internal control systems are based on a limited number of people, particularly as regards the supervision of operations and the segregation of duties.

Procedures relating to the preparation of financial information

General framework for the preparation and control of financial information

LEXIBOOK has set up written procedures, which the Directors and department heads ensure are properly applied, under the supervision of the Management Board. In 2003, these procedures were collected, analyzed and brought together in a single procedures manual ("Manuel d'Information du Management").
The procedures manual has a strong accounting and financial focus, and almost 70% of its content is designed to provide all LEXIBOOK Group companies with rules and methods for preparing financial information. This applies whether the information is intended for management or for external communication.
The procedures cover the following main areas: the role of the Group Chief Financial Officer and local Chief Financial Officers, management reporting, the keeping and retention of legal books, insurance, accounting rules and methods, investment procedures and corresponding authorizations to incur expenditure, rules for approving medium- or long-term contracts, the Group's financing policy and specific procedures relating to Research and Development.

In the preparation of financial information, the role of the Chief Financial Officer is more specifically defined. The procedures manual specifies the scope of their duties and responsibilities:
"The role and responsibilities of an Administrative and Financial Director (or equivalent) within a LEXIBOOK subsidiary are wide and varied (...). The purpose of this section is to document his or her major responsibilities inherent in the proper keeping of the legal books in the name and on behalf of the ultimate majority shareholder LEXIBOOK S.A.(....) The following are the major areas that need to be closely monitored to ensure that the legal books are properly kept and reflect as accurately as possible the financial position of the subsidiary at all times. (...) The Administrative and Financial Director :
Ensures that the subsidiary's accounting records are properly kept, that they accurately reflect the financial situation, and that they allow easy and efficient auditing in accordance with Group rules.
Ensures that ALL rules and procedures in force at LEXIBOOK are applied or that a formal dispensation request exists if exceptional circumstances justify it.
Ensures that issues raised by internal or external auditors are correctly and promptly communicated and resolved.
Ensures that tax books and related documents are kept in accordance with the rules laid down by the competent authorities.
Ensures that all financial practices of the subsidiary for which he/she is responsible comply with Group procedures, and in particular with the rules governing employee ethics.
Performs sufficient personal review of information systems, procedures and accounting elements to be fully satisfied that the above points have been achieved.
Ensures that a succession plan is in place for all key members of the Finance and Administration team.
Ensures that the responsibilities and commitment levels of management staff have been properly and appropriately defined, and that responsibilities are appropriately delegated within the strict framework of the authorizations granted to each.
It is the responsibility of the Chief Financial Officer to immediately inform the subsidiary's General Manager and the Group's Chief Financial Officer if a significant malfunction in the information systems and procedures could hinder the achievement of any of the objectives assigned above."

Financial circuits

In addition to its legal obligations, the company uses various management reports to quantify the financial impact of strategic decisions taken by the Board, both in the medium term (strategic plan) and the short term (budget), to monitor the performance of subsidiaries against budget and the previous year (monthly financial statements: income statement, balance sheet and cash flow statement), and to prevent certain financial risks (credit management reporting, currency position reporting, presentation of investment requests to the Executive Committee, etc.).

All management statements are drawn up in standard formats published by the parent company and in accordance with Group rules and methods. Regular reporting of these documents to head office provides multiple opportunities to ensure the overall quality of financial information.
These various reporting systems have been gradually introduced over the last few years. Today, the quality of reporting is relatively satisfactory, and there are various avenues for improvement as the company continually seeks to optimize its management tools.

Securing financial circuits

The main responsibility for controlling and analyzing information, before it is aggregated for distribution to the Executive Committee, lies with the central Management Control, Consolidation and Credit Management departments.

Audit of financial information

The application of all the above-mentioned fundamental rules and principles is regularly monitored as part of management's supervision of the company's operations.

The statutory audit, which takes place in March of each year, also provides an opportunity to ensure that the Group's objectives are being met.
"quality of financial information" have been achieved.

Limitations placed by the Supervisory Board on the powers of the Chief Executive Officer.
To date, there are no restrictions in addition to those already included in the legal or regulatory frameworks.

Principles and rules for determining compensation and benefits in kind granted to corporate officers

In public limited companies with an Executive Board and a Supervisory Board, the Supervisory Board has the power to set the principles and rules for determining compensation and benefits in kind granted to corporate officers.

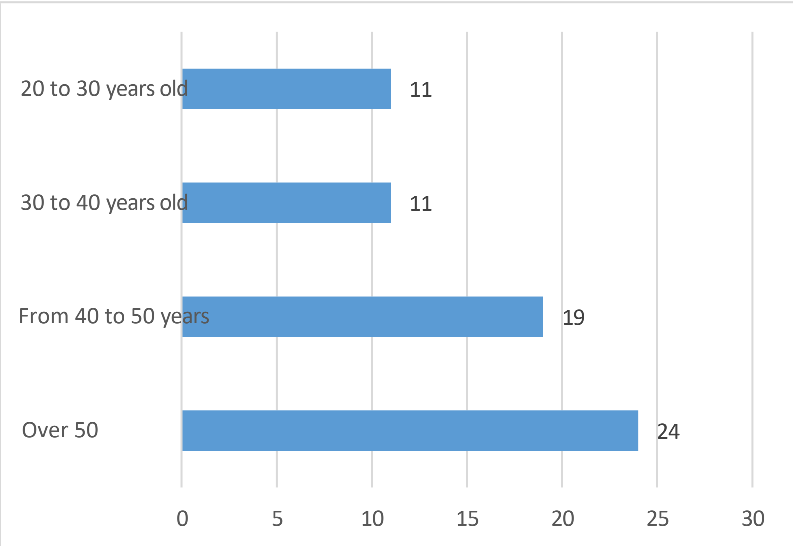
XV. EMPLOYEES

XV1 Workforce at the end of the reporting period

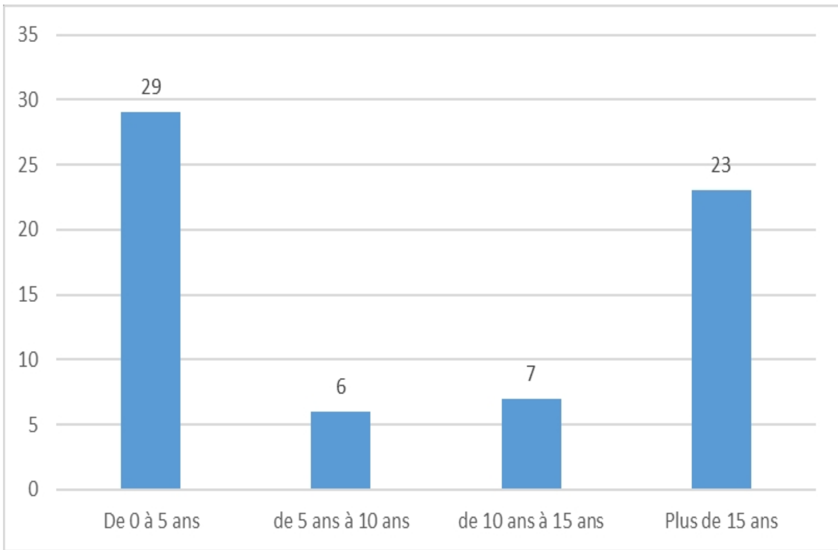
At March 31, 2023, the Group had 65 employees, distributed as follows:

- France: 22 people
- Spain: 2 people
- Hong Kong: 41 people

The average age of the workforce is :



The average length of service is as follows:



The male/female breakdown is as follows:

Men	29
Women	36
Total	65

In accordance with the provisions of Article L.225-102-1 of the French Commercial Code, you will find below information on the social consequences of the Company's activities.

A) Total headcount, new hires distinguishing between fixed-term and open-ended contracts and analyzing any recruitment difficulties, layoffs and the reasons for them, overtime, outside labor and, where applicable, information on plans to reduce headcount and safeguard employment, outplacement efforts, rehiring and support measures.

At March 31, 2023, the company employed 65 people.

Group company	CDI	CDD	Contract Professionalization	Apprenticeship contract	Total 03/31/2023
LEXIBOOK IBERICA	2				2
LEXIBOOK France	21	1	0	0	22
LEXIBOOK Hong Kong	41				41
LEXIBOOK US					0
	64	**1**	**0**	**0**	**65**

The company's young, dynamic population generates a classic turnover, which means that we are constantly on the lookout for candidates, mainly to replace employees who leave the company or for absences such as maternity leave.
The Group has not made any redundancies between April 1, 2022 and March 31, 2023:
- 0 dismissals for cause.

In addition, during this period, our company also managed a number of departures:
- 0 contractual termination,
- 11 resignations,
- 0 trial period terminations initiated by our company,
- 1 termination of trial period at employee's initiative,
- 2 retirements,
- 0 end of fixed-term contract.

Group company	Dismissal s for serious misconduct	Dismissal s for real and serious	Termination of contract s	Resignations	Retirement	End of fixed-term contract determined	Termination of trial period	Total 03/31/2023
LEXIBOOK IBERICA	0	0	0	0	0	0	0	0
LEXIBOOK France	0	0	0	7	2	0	1	10
LEXIBOOK Hong Kong	0	0	0	4	0	0	0	4
LEXIBOOK US	0	0	0	0	0	0	0	0
	0	**0**	**0**	**11**	**2**	**0**	**1**	**14**

the number of hours of overtime worked by Lexibook France employees over the period from April [1,] 2022 to March 31, 2023 amounts to 326.50 hours, representing a gross cost of 5,636.72 euros.

B) Organization of working hours, working hours for full-time and part-time employees, absenteeism and the reasons for it.

At LEXIBOOK France, work is essentially organized on the basis of 39-hour weekly schedules or 37.5-hour weekly schedules with days off (RTT), with the exception of fixed-price executives and senior managers. Since the end of 2008, all new hires of non-managerial or managerial staff who do not benefit from fixed-rate day contracts are systematically based on 39-hour weekly schedules.
The "LEXIBOOK Hong-Kong" company's work is essentially organized around 45-hour weekly schedules.

The company's overall absenteeism rate is insignificant.

C) Salaries and salary trends, social security charges, application of the provisions of Title IV of Book IV of the French Labor Code (profit-sharing, incentive schemes, employee savings plans), professional equality between men and women.

Increases are always granted in accordance with the principles of fairness between employees and the preservation of the company's competitiveness. General annual increases may be granted, accompanied by individual increases linked to the development of functions, the achievement of objectives or to reward performance. The majority of the Company's managers are associated with the company's results through a bonus scheme based on the amount of consolidated net income, which is designed to encourage, retain and motivate them.
Social security charges for 2022/2023 amount to €1,022,776, representing a total payroll (charges + remuneration) of €4,964,968, or 9.69% of sales for the year (compared with 9.88% the previous year).

There is no professional inequality between women and men within the company, which ensures that the same job held by a man or a woman gives rise to the same remuneration.

D) Industrial relations and collective agreements

As the average number of employees in France during the year was less than 50, no employee profit-sharing agreement has been signed.

E) Health and safety conditions and social benefits

As the Company's average headcount in France during the year was less than 50, there is no such committee.

F) Training

LEXIBOOK is committed to taking into account the human factor, which contributes to the creation of added value and represents a key factor in the Group's competitiveness. The company spends on training, potentially for all its employees. Specific programs are defined according to identified needs (technical training, skills upgrading, foreign language training, management training, etc.) and legal obligations.

LEXIBOOK invests in professional training for its employees and spends its entire training budget every year.

G) Employment and integration of disabled workers

During the year, the Group did not make use of a C.A.T., but employed a disabled worker in its Hong Kong subsidiary.

H) The importance of subcontracting and the way in which the Company promotes compliance with the fundamental conventions of the International Labour Organization among its subcontractors and ensures that its subsidiaries comply with them.

The LEXIBOOK Hong Kong subsidiary mainly buys its products from several factories in Asia. LEXIBOOK France and its subsidiaries are then responsible for marketing them.
LEXIBOOK has drawn up precise specifications for its factories, requiring them to strictly apply the principles of the ILO's fundamental conventions, particularly with regard to child labor. These factories are visited at least once a year by a member of Group management to ensure compliance with these principles and/or by independent auditing firms.

I) How the company takes into account the territorial impact of its activities in terms of employment and regional development.

The location of the parent company on the "Des Ulis" site has created jobs in this region.

XV2. Stocks options and/or other benefits granted to corporate officers

There are no stock option plans.

XV3 Stock options and/or other benefits granted to employees

NEANT

XVI. MAJOR SHAREHOLDERS

XVI1 Current ownership of share capital and voting rights

The breakdown of capital at March 31, 2023 is as follows:

Shareholders	Number of shares	% of capital	Number of voting rights	% of voting rights
Luc Le Cottier	118 000	1,52%	185 464	1,84%
Aymeric Le Cottier	1 151 669	14,83%	2 294 015	22,75%
Emmanuel Le Cottier	1 125 048	14,49%	2 231 839	22,13%
Le Cottier family	3 150	0,04%	4 350	0,04%
Family concert	2 397 867	30,89%	4 715 668	46,76%
Identified shares with double voting rights	3 401	0,04%	6 802	0,07%
Identified shares with single voting rights	43 253	0,56%	43 253	0,43%
Vatel Capital	326 106	4,20%	326 106	3,23%
Public	4 992 692	64,31%	4 992 692	49,51%
Total	7 763 319	100,00%	10 084 521	100,00%

The company is 30.89% controlled by members of the Le Cottier family (Parents & Sons), who act in concert. No specific measures have been taken to ensure that this control is not exercised in an abusive manner, apart from the existence of the Supervisory Board.

XVI2.differentiated voting rights

In accordance with paragraph 18.2 of Appendix 1 of European Regulation no. 809-2004, we hereby inform you that the main shareholders do not have different voting rights from the other shareholders, except for the allocation of double voting rights declared by the Le Cottier family in respect of 2,317,801 shares.

In accordance with the 14th resolution, on December 9, 2010, the Management Board carried out a capital increase of €18,100.50 through the issue of 36,201 new shares.

In accordance with the 15th resolution, on February 24, 2011, the Management Board carried out a capital increase of 1,164,269 euros through the issue of 2,328,538 new shares with an issue premium of 0.51 euro per new share.

In accordance with the 10th resolution, the Management Board meeting of January 2, 2012 carried out a €21,020 capital reduction through the cancellation of 42,040 treasury shares held by the Company.

In accordance with the 2nd resolution, on January 27, 2012, the Management Board carried out a capital increase of €120,482.50 through conversion of Turenne Capital bonds, by issuing 240,965 new shares on the basis of a conversion parity of €4.15, of which €3.65 was allocated to additional paid-in capital.

In accordance with the 2nd resolution, the Management Board meeting of May 12, 2014 carried out a capital increase by conversion of Turenne Capital bonds, of €46,186.50, by issuing 92,373 new shares on the basis of a conversion parity of €5.41, of which €4.91 was allocated to additional paid-in capital.

In accordance with the 19th resolution of the Extraordinary Shareholders' Meeting of July 24, 2015, on August 3, 2015 the Management Board carried out a capital increase with cancellation of preferential subscription rights, of 413,338.50 euros through the issue of 862,677 new shares with an issue premium of 1.77 euro per new share.

In accordance with the 17th resolution of the Extraordinary General Meeting of July 24, 2015, the Management Board meeting of May 26, 2016 carried out a capital increase with preferential subscription rights, of 644,893.50 euros through the issue of 1,289,787 new shares with an issue premium of 1.50 euro per new share.

In accordance with the 17th resolution of the Extraordinary General Meeting of July 24, 2015, the Management Board on May 22, 2017 issued bonus BSARs for each share held. At the end of the subscription period on November 30, 2017, a capital increase of €287,985 was recorded through the issue of 575,970 new shares with an issue premium of €1.26 per new share.

In accordance with the 15th resolution of the Annual General Meeting of September 13, 2018, on December 11, 2019, the Management Board carried out a capital increase through the issue of ordinary shares with waiver of pre-emptive subscription rights via an offer governed by 1° of Article L.411-2 of the French Monetary and Financial Code (formerly worded L.411-2-II) of €468,750 through the issue of 937,500 new shares with an issue premium of €1.10 per new share.

Since that date, we confirm that, to the best of our knowledge, there have been no changes in the breakdown of capital and voting rights.

XVI3 Control of the company

See § XVI 1

XVI4. description of agreements whose implementation could lead to a change in control

Not applicable

XVII. TRANSACTIONS WITH RELATED PARTIES

During the years ended March 31, 2023, 2022 and 2021 and up to the date of this Universal Registration Document, the Company has entered into the following agreements with related parties:

For transactions concluded on current terms :

During the 2022-2023 financial year, no agreements, other than those relating to ordinary transactions and entered into on arm's length terms, were concluded directly or through an intermediary between a subsidiary of the Company and the Chief Executive Officer, one of the directors or one of the shareholders holding more than 10% of the Company's voting rights.

For transactions governed by regulated agreements

Statutory auditors' special report on regulated agreements
Annual General Meeting to approve the financial statements for the year ending March 31, 2023

To the General Meeting of Lexibook Linguistic Electronic System S.A.,

In our capacity as Statutory Auditors of your Company, we hereby report on certain contractual agreements with certain related parties.

Our responsibility is to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us and the reasons why they are of interest to the Company. We are not required to comment as to whether they are beneficial or appropriate, nor to identify any undisclosed agreements. It is your responsibility, under the terms of Article R.225-58 of the French Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

In addition, we are required to provide you with the information specified in Article R.225-58 of the French Commercial Code relating to the performance during the year of agreements already approved by the Annual General Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the source documents from which it has been extracted.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

Agreements authorized and entered into during the year :

In accordance with Article L. 225-88 of the French Commercial Code (Code de Commerce), we have been advised of the following agreements entered into during the year which were authorized by your Supervisory Board.

Guarantee given by Lexibook Linguistic Electronic System S.A. for standard letters of guarantee for USD 4.947 million

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Details :

At its meeting on January 30, 2023, the Supervisory Board authorized the signature of all documents relating to the implementation of the standard letter of credit facility (hereinafter "SBLC"), in favor of Lexibook Hong Kong Limited, a 100% subsidiary of Lexibook Linguistic Electronic System S.A., for the period from February 1, 2023 to January 31, 2024, in the following amounts:

For HSBC: SBLC in favour of HSBC Hong Kong to cover the lines granted to Lexibook Hong Kong Limited: $1,336,239, or €1,161,947;

For BNP PARIBAS: SBLC in favour of BNPP Hong Kong to cover the lines granted to Lexibook Hong Kong Limited: $1,781,339, or €1,548,990;

For SOCIETE GENERALE :

- SBLC in favour of SOCIETE GENERALE Hong Kong to fully cover the lines granted to Lexibook Hong Kong Limited: $1,329,738, or €1,156,294;

- SBLC in favor of CITI BANK Hong Kong to fully hedge the lines granted to Lexibook Hong Kong Limited: $500,000, or €434,782.

Reasons justifying the interest of this agreement for Lexibook :

The implementation of these SBLCs will enable the aforementioned credit lines to be maintained, in the interests of LEXIBOOK Hong-Kong, a 100% subsidiary of LEXIBOOK - L.E.S.

It should be noted that LEXIBOOK Hong-Kong is in charge of extremely important functions for SA LEXIBOOK - L.E.S., such as research and development, product management and manufacturing, in addition to marketing activities outside the Group which are essential to the company's strategy.

Joint and several guarantee deed in favour of Société Générale for USD 1.83 million

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Terms :

At its meeting on March 22, 2023, the Supervisory Board authorized the signature of a joint and several guarantee on the Stand By Letter Of Credit Line for a total amount of 1,591,077 euros, i.e. 1,829,738 dollars, by Lexibook Linguistic Electronic System S.A. and its wholly-owned subsidiary, Lexibook Hong Kong Limited, in favor of Banque SOCIETE GENERALE.

Reasons justifying the interest of this agreement for Lexibook :

The setting up of these SBLCs enables the aforementioned credit lines to be maintained, in the interests of LEXIBOOK Hong-Kong, a 100% subsidiary of LEXIBOOK - L.E.S.

The purpose of the authorization granted in the minutes of the Supervisory Board meeting of March 21, 2022 is to formalize the joint and several guarantee by LEXIBOOK - L.E.S. France of its 100%-owned subsidiary, LEXIBOOK Hong-Kong, in favor of the guaranteed bank, SOCIETE GENERALE, for the aforementioned principal amount of 1,591,077 euros, 100% guaranteed.

It should be noted that LEXIBOOK Hong-Kong is in charge of extremely important functions for SA LEXIBOOK - L.E.S., such as research and development, product management and manufacturing, in addition to marketing activities outside the Group which are essential to the company's strategy.

AGREEMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements approved in prior years which remained in force in the year under review

In accordance with Article R. 225-57 of the French Commercial Code, we have been advised that the following agreements, which were approved by the Annual General Meeting in prior years, remained in force during the year.

Guarantee given by Lexibook Linguistic Electronic System S.A. for standard letters of guarantee for USD 4.947 million

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Terms :

At its meeting on January 25, 2022, the Supervisory Board authorized the signature of all documents relating to the issuance of letters of guarantee by Lexibook Linguistic Electronic System S.A.'s wholly-owned subsidiary, for the period from February 1, 2022 to January 31, 2023, in the following amounts:

For HSBC: SBLC in favour of HSBC Hong Kong to cover the lines granted to Lexibook Hong Kong Limited: $1,336,239, or €1,161,947;

For BNP PARIBAS: SBLC in favour of BNPP Hong Kong to cover the lines granted to Lexibook Hong Kong Limited: $1,781,339, or €1,548,990;

For SOCIETE GENERALE :

- SBLC in favour of SOCIETE GENERALE Hong Kong to fully cover the lines granted to Lexibook Hong Kong Limited: $1,329,738, or €1,156,294;

- SBLC in favor of CITI BANK Hong Kong to fully hedge the lines granted to Lexibook Hong Kong Limited: $500,000, or €434,782.

Joint and several guarantee deed in favour of Société Générale for USD 1.83 million

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Terms :

On March 21, 2022, the Supervisory Board authorized the signature of a joint and several guarantee on the Stand By Letter Of Credit Line for a total amount of 1,591,077 euros, i.e. 1,829,738 dollars, by Lexibook Linguistic Electronic System S.A. and its 100% subsidiary, Lexibook Hong Kong Limited, in favor of Banque SOCIETE GENERALE.

Structure and support costs with Lexibook Hong Kong Limited

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Details :
At its meeting on March 31, 2023, the Supervisory Board ratified the amount invoiced to the Hong Kong subsidiary for structural and support costs incurred between April [1,] 2022 and March 31, 2023, based on the existing contract, amounting to 385,722.50 euros.

Commercial lease of December 4, 2017

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Details :
A commercial lease was signed on December 4, 2017 between SCI TRIO, of which Luc LE COTTIER, Emmanuel LE COTTIER and Aymeric LE COTTIER are partners, and Lexibook Linguistic Electronic System S.A.An amendment dated December 23, 2021 to the aforementioned commercial lease signed on December 4, 2017 between SCI TRIO and LEXIBOOK - L.E.S. SA.For the period from April 1, 2022 to March 31, 2023, the amount of rent and rental charges assumed amounts to €164,836 exclusive of tax.

Legal Counsel Fees

Persons concerned :

Supervisory Board member concerned: Mr Gérard ABADJIAN Terms :

SELARL A&C Associés, of which Gérard ABADJIAN is Managing Partner, charges fees for its services as legal advisor to Lexibook Linguistic Electronic System S.A. The Supervisory Board meeting of March 31, 2023 approved the fees booked for the year, which amounted to 37,392.46 euros excluding tax.

Unemployment and provident insurance contract

Persons concerned :

Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER Terms :

At its meeting on February 1, 2019, the Supervisory Board authorized Lexibook Linguistic Electronic System S.A. to update the cover provided to Mr Aymeric and Mr Emmanuel LE COTTIER under the GSC policies taken out with GAN, enabling them to opt for the basic class 4 plan and the supplementary class G plan with effect from January 1, 2019, for a benefit period of 24 months with option 2, giving them each an annual benefit of 93,205 euros.

Reminder: on March 31, 2022, the Supervisory Board authorized Lexibook Linguistic Electronic System S.A. to renew the following contracts in favor of Aymeric LE COTTIER and Emmanuel LE COTTIER:

- Unemployment insurance contract for company directors under identical conditions, enabling each of them to receive, for one year, an indemnity and a capital sum for retraining, in the event of the loss of their professional activity. This contract took effect on September 1, 2003. At its meeting on March 13, 2009, the Supervisory Board decided to extend the compensation period to 24 months, with effect from January 1, 2009;

- Prévoyance contract, taken out in 2005.

Insurance premiums expensed during the year amounted to 25,351 euros in respect of unemployment insurance for company directors.

Insurance premiums expensed during the year amounted to 12,904 euros in respect of Prévoyance RIP policies.

Cash advances

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Details :
On March 31, 2023, the Supervisory Board renewed the authorization given to the Executive Board to grant cash advances to Lexibook Linguistic Electronic System S.A. subsidiaries.

Cash advances to subsidiaries amounted toat March 31, 2023:Lexibook Iberica:

	101,433.53 euros
Lexibook Hong Kong:	19,298,976.45 euros
Lexibook USA:	102,016.50euros

These advances are non-interest-bearing.

Guarantee given by Lexibook Linguistic Electronic System S.A. to Citibank for a short-term loan of $3,000,000.

Persons concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER

Details :
On March 19, 2013, the Supervisory Board authorized the agreement between Lexibook Linguistic Electronic System S.A., Hong Kong-based Lexibook Hong Kong Limited, a subsidiary of Lexibook Linguistic Electronic System S.A., and Citibank, under which Lexibook Linguistic Electronic System S.A. appears as guarantor ("Guarantor") of its subsidiary's commitments relating to a short-term credit amount of $3,300,000.

It is hereby specified that according to the CitiBank "Facility Letter" dated October 29, 2019, the credit facility, as from that date, is up to an overall limit of USD 1.3 million with the following sub-limits:

a) 500,000 for the issuance of letters of credit and trust receipt loans; and
b) 800,000 to negotiate export invoices.

This agreement expired on January 31, 2023, LEXIBOOK - L.E.S. and LEXIBOOK HK Limited being released from their commitments to CitiBank under the Facility Letter.
"October 29, 2019. **Debt**

waiver Persons

concerned :

Supervisory Board member concerned: Mr Luc LE COTTIER
Executive Board members concerned: Aymeric LE COTTIER and Emmanuel LE COTTIER Terms :

The Supervisory Board meeting of July 2, 2018 authorized the waiver, in favor of the Chinese subsidiary, Lexibook Hong Kong Limited, of the claim it holds on the latter in the amount of 1,400,000 (one million four hundred thousand) euros at March 31, 2018 in order to restore its net book position. This debt waiver is subject to a financial recovery clause valid for ten years from July 2, 2018. Lexibook Hong Kong Limited will be deemed to have returned to profit when the subsidiary is able to repay all or part of the debt waiver without jeopardizing its operations, and when its net worth is equal to or greater than 2,000,000 euros.

Neuilly Sur Seine, June 30, 2023

GRANT THORNTON

Samuel CLOCHARD
Associate

XVIII. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS OF OPERATIONS

XVIII1 Consolidated financial statements at March 31, 2023

Statutory auditors' report on the consolidated financial statements

Year ended March 31, 2023

To the Annual General Meeting of Lexibook Linguistic Electronic System S.A.,

Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Lexibook Linguistic Electronic System S.A. for the year ended March 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the year ended December 31, 2009 and of the financial position and assets and liabilities of the Group at that date, in accordance with the accounting rules and principles applicable under IFRS as adopted by the European Union.

Basis of 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 these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities Relating to the Audit of the Consolidated Financial Statements".

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 April [1,] 2022 to the date of issue of our report.

Justification of assessments

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters which, in our professional judgment, were the most significant for the audit of the consolidated financial statements.

The company records provisions for inventory impairment in accordance with the methods and procedures described in note 3.6 "Inventories". In addition, the company has recourse to factoring of its trade receivables, as described in note 3.5 "Trade receivables and factoring". We have analyzed the contracts and assessed the accounting treatment of factoring transactions. With regard to impairment, we familiarized ourselves with the approaches adopted by the Company, verified their application by carrying out detailed tests on a sample basis, and assessed the reasonableness of these estimates.

As part of our assessment, we verified the reasonableness of these estimates.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and of the formation of our opinion expressed above. We do not express an opinion on any individual component of these consolidated financial statements.

Specific checks

In accordance with professional standards applicable in France, we have also verified the information given on the Group in the Executive Board's management report.

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

Responsibilities of management and those charged with corporate governance in relation to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with the accounting rules and principles set out in IFRS as adopted by the European Union, and to implement the internal control procedures it deems necessary to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these statements, where appropriate, the necessary information relating to going concern, and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

The consolidated financial statements have been approved by the Executive Board.

Statutory auditors' responsibility for the audit of the consolidated financial statements

Our responsibility is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from material misstatement. Reasonable assurance refers to a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will identify all material misstatements. Misstatements may be the result of fraud or error and are considered material when it is reasonable to expect that they could, individually or in aggregate, influence the economic decisions made by users of the financial statements.

As stipulated by Article L.823-10-1 of the French Commercial Code, our role as statutory auditors does not include guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition :

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and implements audit procedures to address these risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal controls;
- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control ;

- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the consolidated financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, based on the information gathered, whether or not there is any significant uncertainty linked to events or circumstances that could call into question the company's ability2 to continue as a going concern. This assessment is based on information gathered up to the date of his report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If the auditor concludes that there is a material uncertainty, he draws the attention of the readers of his report to the information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not relevant, he issues a qualified opinion or a refusal to certify;
- It assesses the overall presentation of the consolidated financial statements, and whether they give a true and fair view of the underlying transactions and events;
- concerning the financial information of the persons or entities included in the scope of consolidation, it gathers information that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. He is responsible for directing, supervising and performing the audit of the consolidated financial statements, and for expressing an opinion on these financial statements.

Statutory auditors,

Neuilly Sur Seine, June 30, 2023

GRANT THORNTON

Samuel CLOCHARD

Associate

XVIII11. Consolidated statement of financial position for the year ended March 31, 2023

In Euros	Notes	MARCH 31, 2023	MARCH 31, 2022
Non-current assets			
Intangible assets Property,	4	1 523 720	390 125
plant and equipment Rights	5	204 752	240 236
to use assets Other financial	31	499 275	740 917
assets Deferred tax assets	6	293 496	239 686
Non-current assets	23	416 368	271 160
Current assets		**2 937 611**	**1 882 124**
Cash and cash equivalents Operating			
receivables	10	2 439 088	2 448 891
Derivative financial instruments	8	8 896 226	11 349 089
Inventories		0	5 070
Other operating receivables	7	15 477 798	12 063 811
Current assets	9	708 472	294 070
TOTAL ASSETS		**27 521 584**	**26 160 931**
		30 459 195	**28 043 055**
Shareholders' equity			
Capital	11	3 881 660	3 881 660
Reserves and retained earnings		5 361 703	1 639 530
Currency translation adjustments		-338 649	-284 710
Net income for the year	13	3 042 427	3 744 848
Shareholders' equity	**12**	**11 947 141**	**8 981 328**
Non-current liabilities			
Financial liabilities	14	4 652 702	2 554 575
Rental commitments	31	387 849	546 446
Deferred tax liabilities	23	51 987	65 296
Provisions for pensions and similar benefits	16	303 277	137 249
Other non-current liabilities	18,3	0	0
Non-current liabilities		**5 395 815**	**3 303 566**
Current liabilities			
Bank loans	14	63 547	1 263 968
Financial liabilities	14	4 135 366	4 671 232
Rental commitments	31	195 136	288 087
Operating liabilities	18,1	6 764 867	7 597 259
Corporate income tax liabilities	23	421 708	425 540
Derivative financial instruments	28	34 193	0
Other operating liabilities	18,2	1 501 422	1 512 075
Current liabilities		**13 116 239**	**15 758 161**
TOTAL LIABILITIES		**18 512 054**	**19 061 727**
TOTAL EQUITY AND LIABILITIES		**30 459 195**	**28 043 055**

XVIII12. Statement of net income and other comprehensive income for the year ended March 31, 2023

In Euros

	Notes	MARCH 31, 2023	MARCH 31, 2022
Net sales Other ordinary	19	51 236 987	45 248 664
income		625 087	604 292
Operating income (I)		**51 862 074**	**45 852 956**
Cost of goods sold Personnel expenses	19	-23 285 934	-21 636 701
External Services	20	-4 964 968	-4 473 797
Taxes (excluding corporate income tax)		-14 848 032	-10 752 958
Other operating income and expenses		-92 846	-82 026
	30	-4 419 007	-4 570 243
Operating expenses (II)		**-47 610 787**	**-41 515 725**
Operating income	**21**	**4 251 287**	**4 337 231**
Cost of net indebtedness		-432 272	-318 185
Net interest on leases		-30 805	-38 210
Other financial income and expense		-482 623	20 948
Net financial expense (IV)	**22**	**-945 700**	**-335 447**
Profit before tax and exceptional items (V = III + IV)		**3 305 587**	**4 001 784**
Income tax	23	-263 160	-256 936
Income (expenses) from discontinued operations			
Net income		**3 042 427**	**3 744 848**
Basic and diluted earnings per share	13	0,39	0,48
Basic earnings per share excluding discontinued operations and diluted earnings per share	13	0,39	0,48
Other comprehensive income			
Items subsequently reclassified to net income.			
Cash flow hedges		0	937
Deferred tax on cash flow hedges IFRS 16, contract		0	-260
extensions		-267	-35 857
Treasury stock		-22 412	0
Translation adjustments		-53 935	107 447
Overall result		**2 965 813**	**3 817 115**

XVIII13. Statement of changes in shareholders' equity for the year ended March 31, 2023

Statement of changes in shareholders' equity

For the year ending March 31, 2023

Attributable to owners of the Company

In euros	Note	Share capital	Bonus	Stock reserve conversion	Stock reserve hedging options		Reserves actions own	Component "shareholders' equity obligations convertibles	Non-equity earnings distributed	Total own	Shareholdings non-controlling interests control	Total own
Balance at March 31, 2022		**3 881 660**	**7 237 431**	**- 284 714**	**0**	**-**	**-**		**- - 1 853 052**	**8 981 328**		**8 981 328**
Total income for the period												
Net income									3 042 427	3 042 427		3 042 427
Other comprehensive income				- 53 935			- 22 412		- 267	- 76 614		- 76 614
Total income for the period		**-**	**-**	**- 53 935**	**-**		**- - 22 412**		**- 3 042 160**	**2 965 813**		**-2 965 813**
Transactions with the Company's owners												
Contributions and distributions												
Issue of ordinary shares Issue of convertible bonds Treasury shares sold Dividends										-		-
Total contributions and distributions		-	-	-	-	-	-	-	-	-	-	-
Changes in interests										-		-
Acquisition of non-controlling interests with no change in control										-		-
Total change in interest		-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company		**-**	**-**	**- 53 935**	**-**		**- - 22 412**		**- 3 042 160**	**2 965 813**		**-2 965 813**
Balance at March 31, 2023		**3 881 660**	**7 237 431**	**- 338 649**	**0**		**- - 22 412**		**- 1 189 108**	**11 947 141**		**- 11 947 141**

As all subsidiaries are 100%-owned, there are no minority interests.

Etat de variation des capitaux propres

Pour l'exercice clos le 31 mars 2022

Attribuable aux propriétaires de la Société

En euros	Note	Capital Social	Primes d'émission	Réserve de conversion	Réserve de couverture	Stocks options	Réserves d'actions propres	Composante "capitaux propres" des obligations convertibles	Résultats non distribués	Total des capitaux propres
Solde au 31 mars 2021		**3 881 660**	**7 237 431**	**- 392 161**	**- 677**	**-**	**-**	**-**	**- 5 562 047**	**5 164 209**
Résultat global de la période										
Résultat net									3 744 848	3 744 848
Autres éléments du résultat global				107 447	677				- 35 853	72 271
Résultat global de la période		**-**	**-**	**107 447**	**677**	**-**	**-**	**-**	**3 708 995**	**3 817 119**
Transactions avec les propriétaires de la Société										
Contributions et distributions										
Emission d actions ordinaires										-
Emission d obligations convertibles										
Actions propres vendues										
Dividendes										
Total des contributions et distributions		-	-	-	-	-	-	-	-	-
Variations des parts d'interets										-
Acquisition de particpations ne donnant pas le contrôle sans modification de contrôle										-
Total des variations des parts d interets		-	-	-	-	-	-	-	-	-
Total des transactions avec les propriétaires de la Société		**-**	**-**	**107 447**	**677**	**-**	**-**	**-**	**3 708 995**	**3 817 119**
Solde au 31 mars 2022		**3 881 660**	**7 237 431**	**- 284 714**	**0**	**-**	**-**	**-**	**- 1 853 052**	**8 981 328**

As all subsidiaries are 100%-owned, there are no minority interests.

XVIII14. Consolidated cash flow statement for the year ended March 31, 2023

En euros	Note	CONSO 31/03/2023	CONSO 31/03/2022
FLUX DE TRESORERIE D'EXPLOITATION			
Résultat net		**3 042 427**	**3 731 151**
Elimination des charges et des produits sans incidence sur la trésorerie ou non liés à l'activité			
Amortissements des immobilisations corporelles et incorporelles		1 150 507	1 139 811
(Diminution) augmentation des provisions		166 028	13 912
Impôts différés		-172 214	-141 841
Instruments financiers		39 263	-39 193
Intérêts et charges financières	22	432 272	318 185
Intérêts nets relatifs aux contrats de location		30 805	38 210
IFRS 2		0	
Licences royalties		515 106	561 134
Gains et pertes de change		-85 516	-33 440
		0	
Marge brute d'autofinancement		**5 118 678**	**5 587 929**
Variation des éléments du fonds de roulement			
(Augmentation) diminution des stocks	7	-3 413 987	-7 083 645
(Augmentation) diminution des clients et comptes rattachés	8	1 609 593	-3 247 018
(Augmentation) diminution des avances et acomptes fournisseurs	8	1 622 266	-2 076 486
(Augmentation) diminution des autres actifs circulants	8 & 9	-1 193 398	-136 072
(Diminution) augmentation des dettes fournisseurs	18.1	-1 092 105	2 206 075
(Diminution) augmentation des autres passifs circulants		-269 878	2 174 966
Pertes et gains de change sur éléments du bfr		-2 936	103 717
Variation des éléments du fonds de roulement		**-2 740 445**	**-8 058 463**
Flux de trésorerie liés aux activités opérationnelles		**2 378 233**	**-2 470 534**
FLUX D'INVESTISSEMENTS			
Acquisitions d'immobilisations incorporelles	4	-1 897 248	-218 939
Acquisitions d'immobilisations corporelles	5		
Cessions d'immobilisations corporelles		-33 732	-19 387
Variation des autres actifs financiers	6	-52 950	
Flux de trésorerie liés aux activités d'investissements		**-1 983 930**	**-238 326**
FLUX DE FINANCEMENT			
Augmentation des dettes court terme		3 510 407	2 110 750
Remboursement des dettes court terme	14	-1 948 148	-963 581
Augmentation des dettes long terme			
Remboursement des dettes long terme	14		
Intérêts et charges financières	22	-432 272	-318 185
Intérêts nets relatifs aux contrats de location		-30 805	-38 210
Paiements relatifs aux contrats de location		-315 414	-296 540
Flux de trésorerie liés aux activités de financements		**783 768**	**494 234**
Effet de change		12 547	16 792
Variation de trésorerie de la période		**1 190 624**	**-2 197 828**
Trésorerie d'ouverture		1 184 923	3 382 751
Trésorerie de clôture		2 375 541	1 184 923

Réconciliation de la trésorerie au TFT avec la trésorerie du bilan		CONSO 31/03/2023	CONSO 31/03/2022
Trésorerie et équivalents de trésorerie		2 439 088	2 448 891
Concours bancaires		-63 547	-1 263 968
Trésorerie nette du tableau de flux de trésorerie		**2 375 541**	**1 184 923**

XVIII15. Notes to the consolidated financial statements for the year ended March 31, 2023

Highlights of the year

Fiscal year 2022-23 was a particularly satisfactory one for the Lexibook Group. Our strategic choices have paid off, enabling us to establish a positive dynamic of sustainable growth. The Group has thus achieved 15 consecutive quarters of growth between 2020 and 2022. Sales remained buoyant, thanks to new high-potential products, our portfolio of flagship licenses and the explosion of digital sales in France and abroad. Overall for the year, sales closed at an all-time high for Lexibook, at €51.2 million (+13.3%).

Despite an appreciation of the US$ vs € of around 18% in 1 year, and a very significant increase in freight costs, the Group succeeded in preserving its margins thanks to targeted rate increases. As a result, gross margin for the year came in at a very high level, close to 54.6% vs. 52.2% the previous year, up €4.3 million on N-1.

Taking advantage of the positive momentum, Lexibook launched a major international digital advertising campaign, generating over a billion digital impressions in 1 year for its products in the EMEA zone, coupled with a TV advertising campaign in France. External services rose by €4.1 million, mainly as a result of increased advertising expenditure and logistics services linked to growth in business volumes and inventory levels.
Personnel costs rose by €0.5m, mainly due to the provisioning of bonuses in view of the increase in business.
Other operating expenses were down slightly (-0.2 M€) despite a 0.6 M€ increase in royalty expenses linked to the rise in activity, due to the net improvement in customer/supplier provisions this year.

Finally, despite the substantial advertising investment of over €2 million in 2022 and the exceptional rise in logistics costs, the Group's operating income held steady at €4.3 million vs. €4.3 million in N-1, thanks to the increase in sales volume and the maintenance of margin levels.

Net financial income was down 610 K€, mainly due to the 415 K€ change in net foreign exchange gains on the evolution of the USD/EUR exchange rate. The cost of debt rose by 114 K€ due to the increased use of short-term financing lines, mainly as a result of changes in working capital requirements and, in particular, higher inventory levels.

Income tax expense for the period amounted to €263,000, reflecting changes in the value of deferred tax assets (€160,000) and provisions for corporate income tax payable (€423,000).

Finally, net income was €3 million at March 31, 2023, compared with €3.7 million at March 31, 2022.

The years 2020 and 2021 were marked by the global spread of the Covid-19 Coronavirus, which led to significant changes in the global economic environment, notably with the closure of certain business zones, the adjustment of production rhythms and a change in consumption patterns. The year 2023 marks the end of the pandemic and a return to a normal situation at the end of the fiscal year. Given the uncertainty surrounding the end of the pandemic, the Group has decided to secure its supplies, even if this means carrying higher-than-normal inventory levels for several months.

The Group is exposed to the risk of international conflicts in the territories in which it operates, both in terms of product design and manufacture, and sales. A conflict involving China and/or Taiwan, for example, could cause a break in the product manufacturing chain. Nevertheless, in the context of the war in Ukraine, the Lexibook Group specifies that it is not exposed to the Russian or Ukrainian markets, either in terms of supplies or sales.

Despite an increase in inventories of around €3.5 million, net debt was nevertheless limited to €6.41 million at March 31, 2023, compared with €6.04 million at March 31, 2022. This change is mainly due to new borrowings (+3,500 k€), repayment of short-term debt (-1,100.27 k€), change in factoring (-848 k€) and net change in cash and cash equivalents (-1,190.62 k€).

After deducting factoring guarantee funds amounting to €576k, the Group's net debt stood at €5,834k at 31-03-2023, compared with €5,508k at 31-03-22.

The Group's shareholders' equity continued to strengthen, reaching a high of €12 million versus €9 million a year earlier.

The company has analyzed the valuation of its various asset classes and has not identified any indicators of impairment. Nor has it identified any liabilities to be recognized in connection with this crisis.

Outlook

The Group presented its 2023 collections to international retailers, and the response to the new products was very positive. Bookings for the 2023 Christmas campaign are excellent, pointing to further growth in fiscal 2023-24. Fiscal Q1 22-23 was up 36% on fiscal Q1 21-22, itself up 78% on the previous year. The benchmark is therefore high for fiscal Q1 2023-24. Nevertheless, the order book suggests a similar level of activity to last year in Q1 2023-24, and the Group intends to continue its momentum of profitable growth this year.

Several license contract extensions are currently being finalized to extend existing contracts into new zones, which could have an accelerating effect on the Group over the next few years. Some have already been confirmed:

- Extension of the Paw Patrol contract to the USA and Canada in the main categories (Film scheduled for July 2023)
- Extension of the Warner contract in the USA for Harry Potter (Chessboards) and Batman (Flippers). Lexibook therefore expects sales in the USA to kick off in the coming months, and to take off in fiscal year 24-25.

The Group could also benefit from the current level of the US dollar, should it remain at this level for the rest of the year, and from improved international freight conditions, to improve its margins. The Group has updated its budget forecasts and does not foresee any cash flow difficulties over the next 12 months. The Group is changing its ERP over its fiscal Q1 and adopting Microsoft's Dynamics 365 to continue gaining in efficiency.

Note 1 - Accounting standards

1.1 - General information

The LEXIBOOK Group, headquartered at 6, Avenue des Andes - Bâtiment 11- 91 940 LES ULIS, designs, manufactures and distributes consumer electronics products primarily for children and teenagers.

The consolidated financial statements at March 31, 2023 reflect the accounting position of LEXIBOOK S.A. and its subsidiaries (hereinafter referred to as the Group).

The Management Board approved the financial statements for the year ended March 31, 2023 on June 28, 2023.

As the LEXIBOOK Group is listed in a European Union country and in accordance with EC regulation 1606/2002, its consolidated financial statements for the year ended March 31, 2023 have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union. The obligation to prepare consolidated financial statements arises from Article L 233-16 of the French Commercial Code, and applies whenever a commercial company has exclusive or joint control over one or more other companies.
However, given that Lexibook France, the head company of the Lexibook Group, is listed on an unregulated market, and that the Group does not exceed two of the three criteria for the preparation of consolidated financial statements, the Group is not subject to any material restrictions.

consolidated financial statements, the Group is exempt from the requirement to prepare consolidated financial statements for the year ending March 31, 2023.
Consolidation is therefore voluntary.

These standards are available at at the website website of European website at https://europa.eu/youreurope/business/strat-grow/annual-accounts/index_fr.htm.

The amendment to IAS 7 "Financing Activities Disclosure Initiative" applicable from January [1,] 2017 has been supplemented accordingly in note 14 to the financial statements.

Texts adopted by the European Union at the balance sheet date and coming into force on April [1,] 2019

IFRS 15 - Revenue from contracts with customers :

The standard defines revenue recognition principles. With effect from January 1, 2018, this standard replaced IAS 18 - Revenue and IAS 11 - Construction Contracts and the related interpretations. Its scope covers all contracts with customers, with the exception of leases (rental and sublease income), financial instruments (interest income) and insurance contracts, which are covered by other standards.

The impact study showed that the standard does not call into question the sales recognition method.

IFRS 16 - Leases :

Leased assets mainly comprise real estate assets operated by the Group in France and Hong Kong, and, to a lesser extent, vehicle and copier leases, exclusively in France.

As of April [1,] 2019, all leases are now recognized on the balance sheet, by recording an asset representing the right to use the leased asset, against a rental commitment corresponding to the present value of the rents to be paid over the reasonably certain term of the lease.

IFRS 16 also affects the presentation of these transactions in the income statement (recognition of a depreciation charge in recurring operating expenses and an interest charge in financial income/expense, replacing the rental expense in recurring operating expenses) and in the cash flow statement (rental payments, representing the payment of interest and repayment of the rental commitment, affect cash flows from financing activities.

Texts adopted by the European Union at the balance sheet date but not yet in force :

- Improving IFRS - 2018-2020 cycle
- IFRS 17: Insurance contracts
- Amendments to IAS 1 - Presentation of financial statements: Classification of liabilities as current or non-current.
- Amendments to IAS 1 and IAS 8 - Disclosure of Accounting Policies
- Amendment to IAS 12 - Income Taxes - Treatment of deferred tax assets and liabilities recognized in a single transaction.

1.2 - Application of the going concern principle

The lines of the historical banking pool have been renewed until January 31, 2024, except for BPRI which has renewed its lines until 07/31/2023.
Once again this year, the new banks are granting the Group short-term credit in the form of cash or seasonal credit.
A Revolving Credit Facility (RCF) project is currently under discussion with all partners, to give the Group the means to ensure its growth over the next 3 years.

Current bank facilities and cash flow for the 2022-23 financial year enable the Group to consider that the necessary conditions are in place to operate as a going concern over the next twelve months.

1.3 - Presentation of consolidated financial statements

The Group's consolidated financial statements are presented in euros. They are prepared on a historical cost basis, with the exception of derivative financial instruments and investments held for trading, which are measured at fair value in accordance with IFRS 9, and assets held for sale (if any), which are measured in accordance with IFRS 5.

Assets held for sale or consumption in the course of the Group's normal operating cycle, assets held with a view to disposal within twelve months of the year-end, and cash and cash equivalents are current assets. All other assets are non-current.

Debts falling due in the course of the Group's normal operating cycle or in the twelve months following the year-end are considered current. All other liabilities are non-current.

1.4 - Management estimates and judgments

The preparation of the consolidated financial statements requires Group management to exercise judgment and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying notes.

Group management reviews its estimates and assumptions on a regular basis to ensure that they are appropriate in the light of past experience and the current situation. These estimates are based on the going concern assumption.

Estimates may be revised if the circumstances on which they were based change or if new information becomes available.

The main judgements and estimates made by management in the preparation of the financial statements relate in particular to the following items;

- Research and Development projects, classified as intangible assets, see notes 3.2 and 4, Depending on sales and market appetence, it may be decided to write down certain projects.
- Inventories (see notes 3.6 and 7) Inventories are written down to net realizable value, based mainly on sales forecasts and expected margins.
- Deferred taxes (see notes 3.10 and 23): recognition of deferred tax assets requires estimates of future taxable income.

Note 2 Consolidation scope and methods

2.1 - Perimeter

All LEXIBOOK holdings are 100%-owned, giving it control over these entities.

2.2 - Consolidation method

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control of these entities.

2.3 - Translation of financial statements of foreign subsidiaries

The financial statements are presented in euros, rounded to the nearest euro.

The financial statements of foreign subsidiaries are translated using the closing rate method, under which :

• Balance sheet items are translated into euros at the official year-end exchange rates, with the exception of shareholders' equity, which is translated at historical rates.

• Income statement items are translated, for each currency, using the average rate for the year, which is an approximation of the exchange rate on the transaction date.

Translation differences arising from the use of different exchange rates for the opening balance sheet position, transactions for the period and the closing balance sheet position are recognized directly in other comprehensive income. These translation differences are recognized in the income statement on disposal of the company concerned.

The conversion rates used for the years ended March 31, 2023 and March 31, 2022 are as follows:

2.4 - Operations eliminated on consolidation

Intra-Group balances and transactions, as well as unrealized gains resulting from intra-Group transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized losses arising from intra-Group transactions are eliminated only to the extent that there is no indication of impairment.

A full list of Group companies at March 31, 2023 is provided in note 27.

Note 3 - Accounting rules and valuation methods

3.1 - Sales figures

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer upon delivery in the case of non-FOB sales, or upon delivery at the port of Hong Kong in the case of FOB sales. No revenue is recognized in the event of significant uncertainty as to recovery of the transaction price, associated costs or possible return of goods. In the event of possible returns of goods, a provision is recorded, which reduces the amount of sales.

Given the nature of its customer base, the Group's gross sales are subject to discounts or subtractive elements, in particular year-end discounts and advertising allowances. Under IFRS, as these are services purchased from our customers, advertising contributions are expensed ("external services" line) in the income statement. Discounts (invoice discounts and year-end discounts) are deducted from sales.

3.2 Intangible assets

Research and development costs
Development costs are capitalized when all of the following criteria (IAS 38) are met:

- technical feasibility of completing the intangible asset.
- intention to complete the intangible asset and place it in service or sell it.
- ability to commission or sell the intangible asset.
- validation of the business plan highlighting the project's profitability by the steering committee, to demonstrate that the intangible asset will generate economic benefits probable futures.
- the availability of appropriate technical, financial and other resources to complete the development.

- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

This formal validation allows the project to enter its "phase 1" capitalization phase. Costs incurred prior to "phase 0" are all expensed, and the period of capitalization of R&D costs ends when development is completed, or at the latest, when the product enters the "phase 2" marketing phase.

Each project meeting these criteria is the subject of an investment application accompanied by a business case, which is submitted to the Executive Committee. The committee's approval marks the starting point for the project and investments. Projects are treated as fixed assets in progress until the date of the first sale (outside the Group), which corresponds to the end of cost capitalization and the start of depreciation. All other costs are expensed as incurred.

Development expenditure is amortized over its estimated useful life, at the rate at which the economic benefits are consumed. If sales targets are not met from the second year onwards, this should lead to (1) an impairment test being carried out and (2) the amortization schedule being revised prospectively.

These forecasts are updated at each year-end based on actual sales.

Impairment tests are systematically carried out for each project, whether under development or already marketed, at each closing.

Projects that no longer meet the capitalization criteria are immediately written down.

For the impairment test, a coefficient corresponding to (1 - target attainment rate) is determined. If it exceeds 20%, an impairment of intangible assets is recognized for the amount corresponding to this coefficient applied to the net book value of the asset. Where appropriate, management may revise the amount of impairment upwards or downwards in the light of available information on the project's future marketability.

Impairment tests did not lead to the recognition of any material impairment charge for the year. LICENSE

CONCESSIONS

In accordance with the treatment recommended by IAS 38 (intangible assets), rights relating to license concessions have been capitalized. The flow of future economic benefits attributable to the use of these assets may vary according to different assumptions.
The conservative assumptions leading to a low value of expected cash flows generally correspond to the minimum guaranteed amounts that the company has undertaken to pay to the companies granting it the rights. This is the value used to represent the cost of these assets.
The current portion of these assets is recognized in "Other operating liabilities", while the non-current portion is recognized in "Other non-current liabilities".
Actual cash flows in excess of the low asset value are recognized directly in the income statement under "Other operating income and expenses".

The amortization methods used are those recommended by IAS 38 for intangible assets with finite useful lives. Amortization begins as soon as the licenses are used. It reflects the rate at which the future economic benefits associated with each license are consumed.

Amortization periods are the periods over which rights are granted.

Where there is an indication of impairment (decline in sales of a specific license), these assets are tested and an impairment loss is recognized as an expense for the period. No indication of impairment was identified during the year.

OTHER INTANGIBLE ASSETS

During the year ended March 31, 2008, the Group carried out an exchange of goods. In exchange for the products exchanged, it received an asset purchase credit (APC) that can be used to pay part of its trade payables at a later date.
In the consolidated financial statements, this transaction is analyzed as an exchange of dissimilar goods: an exchange of inventory for an intangible asset giving entitlement to discounts on future goods or services.
In accordance with IAS 18 §12 and §14, sales are recorded at the date of exchange at the fair value of the inventory just prior to the exchange, with a corresponding intangible asset corresponding to the APC for the same amount (i.e. for a value close to the net realizable value of the inventory exchanged), provided that all the criteria set out in IAS 18 §14 for sales of goods have been met.
No margin is recognized in the income statement at the time of exchange.
Intangible assets are amortized on the basis of their actual use (payment of trade payables).
An impairment test is systematically carried out on APC once a year, to ensure that the recoverable value of APC exceeds their net book value at the balance sheet date.

Other intangible assets acquired by the Group are carried at cost, less accumulated amortization and any impairment losses.
Other intangible assets mainly include the acquisition cost of technologies and licenses purchased from third parties. These intangible assets are amortized on a straight-line basis over the estimated useful life of the intangible asset, over a maximum period of 10 years.

3.3 - Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.
Other subsequent expenditure on an item of property, plant and equipment is capitalized only when it improves the condition of the asset above its originally defined level of performance.
All other subsequent expenditure is expensed in the year in which it is incurred.
Depreciation is expensed on a straight-line basis over the estimated useful life of the item of property, plant and equipment.
The estimated useful lives are as follows:

· Transport	equipment3 to 5 years
· Buildings under finance	lease9 years
· Machinery and	equipment3 to 10 years
· Computer	equipment3 to 5 years
· Office	equipment5 to 10 years
· Fixtures and fittings 3 to 10 years	

Maintenance and repair costs are expensed as incurred.

Where there is an indication of impairment, property, plant and equipment are tested for impairment. No indication of impairment was identified during the year.

3.4 - Finance leases

Leases are classified as finance leases if they transfer to the lessee substantially all the risks and rewards incidental to ownership of the leased assets. In the case of finance leases, the leased asset is recognized as an asset under property, plant and equipment, with a corresponding liability representing the commitment to make lease payments. These items are recognized at the lower of fair value and the present value of the minimum lease payments at the inception of the lease.
Where there is no reasonable certainty that the lessee will become the owner of the asset at the end of the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

The main leases held by the LEXIBOOK Group are finance leases, the main one being the lease for the head office in France, with a gross value of €943,300, amortized to €558,993 at March 31, 2023.

3.5 Customers and factoring

Trade receivables are initially recognized at fair value, which in most cases corresponds to their face value. Impairment of trade receivables is recognized when there is objective evidence that the Group will be unable to collect all amounts due according to the original terms of the transaction. Significant financial difficulties encountered by the debtor, the likelihood of the debtor going bankrupt or undergoing financial restructuring, and default or non-payment are all indicators of impairment of a receivable.
Under IFRS, these receivables must be written back once it has been established that the benefits and risks inherent in these receivables remain with the Group. This year, the Group has reintegrated these receivables under "Trade receivables", with a corresponding financial liability. In addition, guarantee deposits granted under the factoring contract have been reclassified under "Advances and deposits paid". All the Group's factoring programs have been considered as not allowing receivables to be removed from the consolidated balance sheet.

The main characteristics of the main contracts in force at the balance sheet date are as follows:

	FACTOFRANCE	COFACREDIT
Reserves	8%	6%
Retention period	15%	15%
Minimum Guarantee Fund	230 000	100 000
Factoring commission	0,24%	0,34%
Anticipation commission	Monthly average EURIBOR 3 months + 0.75	Monthly average EURIBOR 3 months + 0.75

3.6 Stocks

Inventories are valued at the lower of cost or estimated net realizable value; cost is calculated using the weighted average cost method. The valuation method includes the cost of purchasing raw materials and components, approach costs (sea or air freight, customs clearance, etc.) and other costs associated with production, such as the cost of controlling the manufacturing process, from the choice of plants and production tools to product quality control.

In terms of depreciation, which is recorded if the realizable value is lower than the cost, the method differs depending on the type of inventory

a) Defective inventories or inventories to be recycled: these inventories are grouped into different categories. These categories are used to determine the level of depreciation to be applied. Depreciation rates vary from 5% to 100%.

b) Slow-moving inventories: inventories of new products are subject to a detailed review to determine whether the value of products identified as "slow-moving" should be written down, and if so, how much.

The company records impairment losses on the basis of net realizable values, mainly based on sales prospects and expected margins.
A 100% provision may also be decided if the product is no longer marketable, for specific reasons.
New products are never depreciated. A product is said to be new when it has been on the market for less than a year.

3.7 Provision for pension and other post-employment benefit obligations

Provisions are set aside to cover all employee benefit obligations corresponding to benefits paid to employees on or after leaving the Group, where the plans concerned qualify as defined-benefit plans.

In the case of defined-benefit plans, commitments are valued using the projected unit credit method, based on the agreements in force at each company. Under this method, each period of service gives rise to an additional unit of benefit entitlement, and each unit is valued separately to obtain the final obligation. This obligation is then discounted to present value. The actuarial assumptions used to determine obligations vary according to the economic conditions of the country in which the plan is located, and notably take into account :

- foreseeable wage trends ;
- staff turnover ;
- mortality risk ;
- a financial discount rate.

3.8 Stock-based compensation

At March 31, 2023, LEXIBOOK S.A. no longer had any stock option plans.

3.9 Other provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, the amount of which can be reliably estimated, and the settlement of which is expected to result in an outflow of resources embodying economic benefits.

3.10 Deferred taxes

Deferred taxes arising from temporary differences are differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The deferred tax recognized is determined using the balance sheet liability method.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the year when the asset is realized or the liability settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Assets and liabilities are offset when taxes are levied by the same tax authority and when authorized by local tax authorities.

The tax losses of the Group and its subsidiaries may be carried forward indefinitely. They give rise to the recognition of a deferred tax asset to the extent that it is probable that the Group will have future taxable profits against which the unused tax losses can be offset.
Deferred tax assets were recognized for part of the tax loss carryforwards in Spain.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits and factors' current accounts. Bank overdrafts are shown under current liabilities in the balance sheet.

3.12 Segment reporting

Segment information is provided at "activity" level, analyzed according to the methods used to distribute products: FOB / NON FOB.

In its internal reporting, LEXIBOOK has chosen to focus on the methods it uses to distribute its products to its customers, and in particular "ex-Hong Kong" distribution (FOB incoterm) as opposed to "delivered" distribution to the customer. These two distribution methods have their own operating modes and, by their very nature, different profitability levels.

The Chairman of the Executive Board, the Chief Executive Officer and the Chief Financial Officer (CODM - Chief Operating Decision Maker within the meaning of IFRS 8) monitor operating performance according to this segmentation in the Group's internal reporting.

3.13 Derivative financial instruments

The scope of application of derivative financial instruments has been defined by the LEXIBOOK Group in accordance with the provisions and principles introduced by IFRS 9.

Valuation and accounting

Derivative financial instruments are measured at fair value. This fair value is determined on the basis of quoted prices and market data available from external contributors. The LEXIBOOK Group may also refer to recent comparable transactions or use a valuation based on internal models recognized by market participants and incorporating data directly derived from observable data such as over-the-counter quotations.
Changes in the fair value of these derivatives are recognized in the income statement, except when they are designated as hedging instruments in a cash flow hedge or a net investment hedge. In the latter two cases, changes in the value of hedging instruments are recognized directly in other comprehensive income, excluding the ineffective portion of hedges.

Derivative financial instruments qualifying as hedges

The LEXIBOOK Group uses derivatives to hedge its foreign exchange risks.
The criteria used by the LEXIBOOK Group to qualify a derivative instrument as a hedging transaction are those set out in IFRS 9:
1. the hedging instruments and hedged items constituting the hedging relationship are all eligible for hedge accounting;
2. a formal designation and structured documentation of the hedging relationship, as well as the objective and strategy for implementing the hedge, are formally established at the start of the hedging relationship;
3. and the hedging relationship meets all the following effectiveness criteria :
- there is an economic link between the hedged item and the hedging instrument;
- the effect of credit risk is not the dominant factor in the changes in value resulting from this economic relationship; and
- the hedge ratio between the hedged item and the hedging instrument is appropriate, i.e. there is no imbalance between the weights of the hedged item and the hedging instrument that could create inefficiency resulting in accounting impacts that are inconsistent with the purpose of hedge accounting.

The LEXIBOOK Group applies cash flow hedging.
This is a hedge of highly probable future transactions, where changes in cash flows generated by the hedged item are offset by changes in the value of the hedging instrument. Cumulative changes in fair value are recognized in other comprehensive income for the effective portion, and in income for the ineffective portion (corresponding to the excess of changes in fair value of the hedging instrument over changes in fair value of the hedged item).
When the hedged cash flows materialize, the amounts previously recorded in the cash flow hedge reserve are reversed through the income statement as a reclassification adjustment in the period or periods in which the hedged forecast cash flows affect net income.

The LEXIBOOK Group does not apply fair value hedges or net investment hedges.
The hedging relationship is terminated prospectively when a derivative instrument ceases to qualify as a hedging instrument under the Group's hedge accounting criteria, after taking into account any adjustment to the hedge ratio. This includes situations where the hedging instrument expires, matures, is sold or is exercised.

As only derivatives external to the LEXIBOOK Group are deemed eligible for hedge accounting, results relating to internal derivatives are eliminated in the financial statements.

consolidated financial statements. However, in the case of a hedging relationship initiated using derivatives internal to the LEXIBOOK Group, hedge accounting is applied if it is demonstrated that the internal derivatives give rise to a reversal outside the LEXIBOOK Group.

Derivative financial instruments not qualifying for hedge accounting Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are immediately recognized in the income statement under "Other financial income and expense".

Note 4 - Intangible assets

Flows of intangible assets in €	31/03/2022	Increase	Decrease	Other Variations	Differences conversion	31/03/2023
Research and development costs	916 018	110 639			11 805	1 038 462
Concessions, patents, licenses (excluding finance leases)	276 802	1 786 609	0		1 072	2 064 483
Other intangible assets	100 000					100 000
TOTAL	**1 292 820**	**1 897 248**	**0**	**0**	**12 877**	**3 202 945**

Depreciation of fixed assets intangible assets in € (in ')	31/03/2022	Increase	Decrease	Other Variations	Differences conversion	31/03/2023
Amort / Research and development costs	529 465	200 819			841	731 125
Amort / Concessions, patents, licenses (excluding finance leases)	273 230	573 798	0		1 072	848 100
Amort / Other intangible assets	100 000					100 000
TOTAL	**902 695**	**774 617**	**0**	**0**	**1 913**	**1 679 225**

Net value of intangible assets (€)	31/03/2022	Variations	Differences conversion	31/03/2023
Research and development costs	386 552	-90 180	10 964	307 336
Concessions, patents, licenses (excluding finance leases) (1)	3 572	1 212 811	0	1 216 383
Other intangible assets (2)	0	0	0	0
TOTAL	**390 125**	**1 122 631**	**10 964**	**1 523 719**

(1) including €1,215,212 related to the license concessions mentioned in 3.2 in net value. The counterpart to the capitalization of these minimum guarantees is included in other current operating liabilities (€1,270,318 - see note 18.2).
(2) including €0 related to the asset purchase credit described in section 3.2

The net value of intangible R&D assets continued to fall, to €307,000 from €386,000 a year earlier.

The net value of intangible assets corresponding to licenses was €1,215,212 at March 31, 2023, an increase of €1.2 million due to the renewal of the main license contracts.

Note 5 - Property, plant and equipment

Flux d'immobilisations corporelles en €	31/03/2022	Augmentation	Diminution	Ecarts de conversion	31/03/2023
Installations tech, mat et outillages ind.	592 717	27 641		6 491	626 849
Autres immobillsations corporelles (Hors Crédit-Bail)	534 880	6 092			540 972
TOTAL	**1 127 597**	**33 733**	**0**	**6 491**	**1 167 821**

Flux d'amortissements des immobilisations corporelles en €	31/03/2022	Augmentation	Diminution	Ecarts de conversion	31/03/2023
Amort / Installations tech, mat et outillages ind.	532 563	29 321		5 325	567 209
Amort / Autres immobillsations corporelles (Hors Crédit-Bail)	354 798	41 062			395 860
TOTAL	**887 361**	**70 383**	**0**	**5 325**	**963 069**

Valeur nette des immobilisations corporelles en €	31/03/2022	Variations	Ecarts de conversion	31/03/2023
Installations tech, mat et outillages ind.	60 154	-1 680	1 166	59 640
Autres immobillsations corporelles (Hors Crédit-Bail)	180 082	-34 970	-	145 112
TOTAL	**240 236**	**-36 650**	**1 166**	**204 752**

Note 6 - Other financial assets

Other financial assets in €	31/03/2022	Increase	Decrease	Differences conversion	03/31/2023
Other securities	10 057		0		10 057
Deposits and guarantees	229 629	55 029	2 080	860	283 438
TOTAL	**239 686**	**55 029**	**2 080**	**860**	**293 495**

Deposits and guarantees correspond mainly to guarantee deposits on BPI and GIAC loans.

Note 7 - Inventories

Stocks in €	31/03/2023	31/03/2022	Change 31 20
Gross value	16,570 3		
Impairment			
Go to			
Depr			

In view of the high level of orders for the first few months of 2023/2024 and the shortage of components in 2022, the Group has chosen to secure its supplies by bringing in goods as soon as possible. Inventory levels, net of depreciation, stand at €15.5m versus €12.1m at 31/03/2022. Product write-downs are meticulously monitored, so there is no risk of further major write-downs. The average impairment rate was 6.6% at March 31, 2023, versus 7.3% at March 31, 2022. This average rate is down due to the presence of many new products in stock, reflecting a very healthy inventory.

Inventory levels net of write-downs should gradually normalize to below 25% of annual sales.

Note 8 - Operating receivables

Operating receivables (€)	Gross value 31/03/2023	Impairment	Net value 31/03/2023	Net value 31/03/2022	Change 31-03-2023 / 31-03-2022
Customers	5 715 446	595 813	5 119 633	6 729 226	-1 609 593
Prepaid expenses	1 718 862		1 718 862	939 866	778 996
Advance payments (1)	2 057 731		2 057 731	3 679 997	-1 622 266
TOTAL	**9 492 039**	**595 813**	**8 896 226**	**11 349 089**	**-2 452 863**

(1) Of which 1,715,253 euros related to the restatement of Factoring as indicated in note 3.5, reserves for Year-End Discounts, Advertising Shareholdings and credit balances.

Note 9 - Other operating receivables

Other operating receivables in € (in ')	31/03/2023	31/03/2022	Change 31-03-2023 / 31-03-2022
Employee receivables and related accounts	60	25645	93014 326
Receivables from the State and other public bodies	647	477247	690399 787
Current account assets			
Other current receivables	739	450	289
	TOTAL708	**472294**	**070414 402**

Note 10 - Cash and cash equivalents

Cash and cash equivalents in €	31/03/2023	31/03/2022
Marketable securities		
Banks, financial institutions and similar	2 439 088	2 448 891
TOTAL	**2 439 088**	**2 448 891**

Note 11 - Shareholders' equity

Currency translation adjustments

Translation adjustments relate to subsidiaries in Hong Kong and the USA.

Capital

At March 31, 2023, the share capital comprised 7,763,319 fully paid-up shares with a par value of 0.50, giving a share capital of €3,881,659.50. As 2,321,202 shares have been registered for over two years, a total of 10,084,521 voting rights are attached to the 7,763,319 shares making up the capital.

Shareholders' equity including net income at March 31, 2023 was €11.97

million. The company holds 10,050 of its own shares, and none of its

subsidiaries. **Capital management**

The Group's policy is to maintain a solid capital base, in order to preserve the confidence of investors, creditors and the market, and to support the future development of the business.

Note 12 - Stock option plans

At March 31, 2023, the Group had no stock option plans.

Note 13 - Earnings per share

Basic earnings per share are calculated by dividing net income (Group share) by the weighted average number of shares outstanding during the year, excluding the number of ordinary shares purchased and held as treasury stock.

Earnings per share	31/03/2023	31/03/2022
Net income in € (Group share)	3 042 427	3 744 848
Weighted average number of shares	7 753 269	7 763 319
Earnings per share in euros	0,39	0,48

As there are no dilutive instruments, diluted earnings per share are identical to earnings per share.

Note 14 - Borrowings

Borrowings in €	03/31/2023	03/31/2022	Change 03/31 2023/31-03-2022
Borrowings from credit institutions (1)	5 887 481	3 487 751	2 399 730
Accrued interest on borrowings	24 834	14 426	10 408
Other borrowings (2)	2 939 300	4 987 598	-2 048 298
Total	**8 851 615**	**8 489 775**	**361 840**

(1) Including €648,856 from VATEL, €500,000 from GIAC and €2,922,038 from Prêt Garanti par l'Etat, as well as €928,571 from BPI and €888,015 from Banque Postale.
(2) Including €63,547 in bank overdrafts (campaign credit, French overdraft facilities, Hong Kong Crédocs and Hong Kong overdraft facilities) and €2,847,055 in factoring.
(NB) The change between the two years is mainly due to the acquisition of 3 new loans, the reduction in factoring, repayments on medium-term loans and the level of utilization of bank overdrafts.

(in €)	**31/03/2023**	**31/03/2022**
Opening financial liabilities	**8 489 775**	**6 153 505**
Impact of first-time adoption of IFRS 16		
Financial liabilities at 01/04/2019		
New loans	3 500 000	-
Refunds	- 1 071 573	- 963 581
Change in fair value of hedged borrowings		
Change in bank overdrafts	- 1 200 421	1 172 363
Change in accrued interest	10 408	- 4 055
Currency translation adjustments	-	16 737
Change in scope of consolidation		
Reclassification of financial liabilities associated with assets held for sale		
Factoring	- 876 575	2 114 806
Financial liabilities at end of year	**8 851 615**	**8 489 775**

	31/03/2022	Flow treasury	Non-cash flows			31/03/2023
			Acquisition	Variation exchange rate	Variation Just Values	
Long-term borrowing	4 303 968	3 500 000				7 803 968
Short-term borrowing	2 921 838	- 1 937 738				984 100
Bank loans	1 263 969	- 1 200 422		-		63 547
Hedging derivatives of financial debt	-					-
Financing liabilities	**8 489 775**	**361 840**	**-**	**-**	**-**	**8 851 615**

Lexibook has the cash flow it needs for its new fiscal year: after the capital increase carried out in December 2019, Lexibook obtained in March 2020 a medium-term loan from Vatel Capital for €1.5M over 5 years amortized monthly, and a State Guaranteed Loan for €2.18M repayable monthly until June 2026. All the necessary bank lines have been renewed until January 31, 2024 by the historical partners.
A new bank has joined the pool as of June 1, 2020 for new campaign loans for the season, and has strengthened its lines in 2022 and 2023. Two new banking partners have also joined the pool in 2022 to enable the Group to finance the growth in working capital and organize production serenely. Over the year, the Group also obtained €3.5 million in new medium-term financing from one of the new banking partners and the BPI.

14.1 Analysis by maturity

14.2 Fixed rate - variable rate breakdown

Breakdown of debt by type rate	31/03/2023 31

14.3 Main borrowing characteristics

- On May 20, 2015, the LEXIBOOK Group issued a bond subscribed in full with GIAC for €1,000,000 (one million euros) over 10 years with a 5-year grace period, bearing interest at 3-month EURIBOR + 3.113%.

- On March 5, 2020, the LEXIBOOK Group also issued a €1,501,208 (one million five hundred and one thousand two hundred and eight euros) 5-year bond, fully subscribed with VATEL, paying interest at 6.80%.

- The Group has obtained a State Guaranteed Loan from its banking partners for a total amount of €2,179,581 (two million one hundred and seventy-nine thousand five hundred and eighty-one euros). The funds were released between May 27, 2020 and July 2, 2020. These PGEs bear interest at an average rate of 0.25% for the first three months.

year. This first year is capital-free. The Group has decided to extend these PGEs over 5 years with monthly amortization starting in May 2021.

- On 31/03/2022, the LEXIBOOK Group obtained a loan of €1,000,000 (one million euros) from a new banking partner. The funds were released on April 20, 2022. The loan bears interest at 2.02% over 7 years.

- On 29/06/2022, the LEXIBOOK Group obtained a state-guaranteed loan of €1,500,000 (one million five hundred thousand euros) from a new banking partner. The funds were released on June 29, 2022. The loan bears interest at 5.83% over 6 years, with a 1-year grace period.

- On 31/08/2022, the LEXIBOOK Group obtained a BPI loan for a total amount of €1,000,000 (one million euros). The funds were released on 31/08/2022. The loan bears interest at 3.41% over 7 years.

14.4 Fair value and fair value hierarchy of financial assets and liabilities IFRS 9 -

Financial instruments :

Financial instruments consist of :

- Financial assets, which include other non-current assets, trade receivables, other current assets and cash and cash equivalents;
- Financial liabilities, including short-term borrowings and bank overdrafts, trade payables and other current and non-current liabilities;
- Derivative financial instruments.

IFRS 9 had no impact on the Group's financial position.

- A new classification of financial instruments and the resulting valuation rules, based on the business model and contractual characteristics of financial instruments (part 1);
- A new impairment model for financial assets, based on expected credit losses, to replace the previous model based on actual credit losses (part 2);
- New hedge accounting principles (part 3) This standard has three main

components:

Section 1: Classification and valuation of financial assets and liabilities

Under IFRS 9, the classification of financial assets takes into account the entity's business model for managing financial assets and the characteristics of the asset's contractual cash flows.
Based on the combinatorial analysis of the two criteria, the standard provides for the following three categories:
- financial assets measured at amortized cost ;
- financial assets measured at fair value through profit or loss (FVPL) ;
- financial assets measured at fair value, with changes in value recognized in equity (recyclable or non-recyclable) (JVOCI).

The accounting principles applied by the Group, insofar as most financial assets previously classified as "Loans and receivables" continue to be carried at amortized cost.

Section 2: Impairment of financial assets

Application of the trade receivables impairment model is based on expected losses. This model applies to financial assets corresponding to debt instruments measured at fair value through other comprehensive income, as well as to loan commitments and financial guarantee contracts.

Recognition of credit risk relating to financial assets based on the expected loss versus actual loss approach: this results in the recognition of impairment losses on unmatured trade receivables. In view of the Group's business activity, customer typology and risk hedging policy, the application of the impairment model to trade receivables has no impact on the consolidated financial statements.

Section 3: Hedge accounting

The adoption of the IFRS 9 hedge accounting model does not lead to any change in the Group's hedging policy and has no impact on the accounting treatment of hedging transactions and derivative financial instruments managed by the Group (see note 3.13).

	Book value				Hierarchy of fair values			
Financial assets / liabilities at March 31, 2023	Fair value of hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward exchange contracts used as hedges	-			-		-		-
Total financial assets measured at fair value	**-**			**-**		**-**		**-**
Financial assets not measured at fair value								
Trade and other receivables		9 604 698		9 604 698				
Cash and cash equivalents		2 439 088		2 439 088				
Total financial assets not measured at fair value		**12 043 786**		**12 043 786**				
TOTAL FINANCIAL ASSETS	**-**	**12 043 786**	**-**	**12 043 786**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value								
Forward exchange contracts used as hedges	34 193			34 193		34 193		34 193
Total financial liabilities measured at fair value	**34 193**	**-**	**-**	**34 193**	**-**	**34 193**	**-**	**34 193**
Financial liabilities not measured at fair value								
Bank loans			63 547	63 547				
Rental commitments			499 275	499 275				
Factoring			2 847 055	2 847 055				
Borrowings from credit institutions			5 887 481	5 887 481				
Operating liabilities			8 266 289	8 266 289				
Total financial liabilities not measured at fair value			**17 563 647**	**17 563 647**				
TOTAL FINANCIAL LIABILITIES	**34 193**	**-**	**17 563 647**	**17 597 840**	**-**	**34 193**	**-**	**34 193**

Level 1: values derived from quoted prices in active markets for identical assets or liabilities to which the entity has access at the measurement date.
Level 2: values derived from inputs for the asset or liability, other than quoted market prices included in Level 1, that are observable either directly or indirectly.
Level 3: values derived from unobservable data concerning the asset or liability

Note 15 - Net indebtedness

Net debt (in €)	**31/03/2023**	**31/03/2022**
Bank loans	**63 547**	**1 263 968**
Factoring	2 875 753	3 723 630
GIAC, VATEL, PPI BPIFRANCE, PGE Part Courante	1 234 778	933 176
IAS 17 finance lease (1)		
Accrued interest	24 834	14 426
Total current portion of borrowings	**4 135 365**	**4 671 232**
IAS 17 finance lease (1)		
GIAC, VATEL, PPI BPIFRANCE Non-current portion	4 652 702	2 554 575
Total non-current borrowings	**4 652 702**	**2 554 575**
Total borrowings - A	**8 851 614**	**8 489 775**
Cash flow - B	2 439 088	2 448 891
Associates' current accounts - C		
Total net debt (A-B+C)	**6 412 526**	**6 040 884**

LEXIBOOK repaid a total of €1,115.7k for the Innovation Loan obtained from BPI, VATEL, GIAC and PGE, contributing to the Group's debt reduction.

Net debt stood at €6.41 million at March 31, 2023, compared with €6.04 million at March 31, 2022. This change is mainly due to new borrowings (+3,500 k€), the repayment of short-term debt (-1,100.27 k€), the change in factoring (-848 k€) and the net change in cash and cash equivalents (-1,190.62 k€).

After deducting factoring guarantee funds amounting to €576k, the Group's net debt stood at €5,834k at 31-03-2023, compared with €5,508k at 31-03-22.

Note 16 - Provisions for pensions and other post-employment benefits

At March 31, 2022, the main assumptions used were: retirement at age 67 (voluntary redundancy), inflation rate of 1%, turnover of 13.50% and discount rate of 1.7% (Bloomberg Eurozone rate (AA - long term (15 years)), Index at March 31, 2022.

The main assumptions used at March 31, 2023 are: retirement at age 67 (voluntary redundancy), inflation rate of 1%, employee turnover of 13.50% and discount rate of 5.6% (Bloomberg Eurozone rate (AA - long term (15 years)), Index at March 31, 2023.

This concerns only IDRs in France.

The amount of commitments at March 31, 2023 was €303,277, compared with €137,249 at March 31, 2022. The amount charged to the income statement is therefore a provision of €166,028 for the period.

Note 17 - Other provisions

No provision within the meaning of IAS 37 has been recognized at the balance sheet date.

The Group has not considered it necessary to set aside a provision for product warranties due to the following factors:

- The Group has warranty contracts with all its assembly subcontractors, and has transferred the risk of an epidemic default to them.
- Quality standards have been tightened over the last few years, making products more reliable, reducing breakdowns on unpacking and improving Lexibook's brand image.
- With some of its customers, the Group buys back warranties instead of returning defective products, in order to limit flows.
- The Group has replaced tablets (which generate a lot of after-sales processing) with less technological products (musical instruments, lighting, toys, etc.) that are less likely to break down and require after-sales returns.

Overall, the ratio of products handled by the after-sales service reached a low point in FY 2022-23 at 0.17% of volumes.

Note 18 - Operating liabilities

18-1 Operating liabilities

Operating liabilities in €	31/03/2023	31/03/2022	Change 03-31-2023-03-31-03-2022
Suppliers	3 975 615	5 067 721	-1 092 106
Advances and deposits received	1 518 933	2 529 539	-1 010 606
TOTAL	**5 494 548**	**7 597 260**	**-2 102 712**

18-2 Other operating liabilities - Current portion

Other operating liabilities in € - Current portion	31/03/2023	31/03/2022	Change 31-03-2023/31-03-2022
Employee-related liabilities	1 400 810	936 691	464 119
Debts to the State and other public bodies	100 612	575 383	-474 771
Other creditors - Current			0
Fixed asset suppliers (1)	820 717	0	820 717
TOTAL	2 322 139	1 512 074	810 065

(1) Entirely related to the license concessions mentioned in 3.2. The counterpart of this debt is included in intangible assets, see note 4.

18-3 Other operating liabilities - Non-current portion

Other operating liabilities in € Non-current portion	03/31/2023	03/31/2022	Change 31-03-2023/31-03-2022
Fixed asset suppliers (1)	449 601	0	449 601
TOTAL	449 601	0	449 601

(1) Entirely related to the license concessions mentioned in 3.2. The counterpart to this debt is included in intangible assets, see note 4.

Note 19 - Sales and margin

After a very dynamic first half of fiscal year 22-23, with growth of 36.4%, and a third quarter 22-23 also up 7%, the last quarter of the fiscal year, which was already up 175.8% in 21-22 due to the saturation of ports at the end of 2021, came in above the Group's expectations at €7.49M vs. €8.44M in 21-22 (-11.3%). This sustained level of activity is linked to excellent consumption of Lexibook products during the Christmas season in all the countries in which the Group operates, and in most of its main segments. Customers restocked on discontinued products at Christmas, and put in place a wider assortment of new permanent ranges than in previous years.
Over the full year, sales rose by 13.3% to €51.2 million, a record level for the Group. FOB sales (sales invoiced directly from HK on FOB HK deliveries by full containers) and non-FOB sales rose in tandem, testifying to the popularity of the Group's products among international retailers.
Over the full fiscal year, France accounted for 38% of sales, up 17%. International sales are also driving growth, and offer considerable potential.
In terms of products, sales growth was driven by toys, watches, musical instruments and walkie-talkies, thanks to new products for the Group's own brands and licensed products. Sales growth was spectacular in toys, up 29% and now accounting for 44% of total sales, with the success of the Powerman® robot range, Crosslander® radio-controlled vehicles, educational products and electronic games. Alarm clocks, audio and music products are also particularly popular, with growth of +12%, +10% and +10% respectively.

Licensed products also contributed to this growth, both on existing, highly dynamic licenses such as Snow Queen, Patrol and Spiderman, and on new licenses such as Super Mario, Miraculous and Harry Potter.
Finally, the Group's digitalization is bearing fruit: digital sales are up sharply both in France and in the various European markets, thanks in particular to a massive, Europe-wide digital marketing campaign for the Group's new products. This campaign generated more than a billion digital impressions of the Group's products, mainly in Europe, helping to boost Lexibook brand awareness to an unprecedented level.

The table below shows gross margin, gross margin adjusted for currency impacts included in financial income and exceptional items included in gross margin, and net margin 4 after advertising contributions and royalties:

	Notes	MARCH 31, 2023	MARCH 31, 2022
Net sales		51 236 987	45 248 664
Cost of goods sold		-23 285 934	-21 636 701
Gross margin		**27 951 053**	**23 611 963**
Gross margin		**54,6%**	**52,2%**
Net currency impact	22	-401 341	13 985
Adjusted gross margin		**27 549 712**	**23 625 948**
Adjusted gross margin		**53,8%**	**52,2%**
Advertising contributions		6 524 906	4 467 185
Royalties		3 619 083	3 035 116
Restated net margin 4		**17 405 723**	**16 123 647**
Adjusted net margin 4		**34,0%**	**35,6%**

Thanks to targeted price increases in 2022 and the launch of new high-margin products, gross margin adjusted for currency effects rose by 2.4 points to 54.6%. This €4.3 million rise was made possible by price and volume increases in a context of rising raw material costs, enabling economies of scale and optimization of logistics costs, despite freight costs remaining at a very high level compared with the "pre-Covid" period.
This increase in gross margin is partly reflected in the restated net 4 margin, which rose to €17.4m from €16.1m a year earlier, reflecting higher advertising expenditure and a slight increase in the share of licensed products in total sales.

Note 20 - Staff costs

Personnel expenses in € (in ')	31/03/2023	31/03/2022
Salaries	3 942 192	3 558 931
Social security charges	1 002 666	881 004
Other personnel expenses	20 110	33 862
TOTAL	**4 964 968**	**4 473 797**

At March 31, 2023, the Group had 65 employees, including 22 in France, 41 in HK and 2 in Spain. Personnel costs are rising, mainly due to the provisioning of bonuses in view of the increase in business.

Note 21 - Operating income

External services rose by €4.1 million, mainly due to advertising expenses and logistics services linked to the growth in business volumes and inventory levels. The Group faced a marked increase in logistics expenses due to higher rates charged by its service providers and saturation of its warehouses as a result of higher inventory levels.
Personnel costs rose by €0.5m, mainly due to the provisioning of bonuses in view of the increase in business.
Other operating expenses were down slightly (-0.2 M€) despite a 0.6 M€ increase in royalty expenses linked to the rise in activity, due to the net improvement in customer/supplier provisions this year.
Finally, despite the substantial advertising investment of over €2 million in 2022 and the exceptional rise in logistics costs, the Group's operating income held steady at €4.3 million vs. €4.3 million in N-1, thanks to the increase in sales volume and the maintenance of margin levels.

Note 22 - Net financial income (expense)

	31/03/2023	31/03/2022
Cost of net indebtedness (income/(expense)) loads)	-432 272	-318 186
Net interest on leases	-30 805	-38 209
Foreign exchange gains	1 061 370	364 093
Foreign exchange losses	-1 423 448	-389 301
Remeasurement of financial instruments at fair value	-39 263	39 193
Sub-total currency impact	-401 341	13 985
Other financial income	7 933	51 476
Financial provisions	0	-10 000
Net proceeds from disposals of marketable securities	0	1 087
Other financial expenses	-89 215	-35 600
Subtotal Other	-81 282	6 963
TOTAL FINANCIAL RESULT	-945 700	-335 447

Net financial income was down 610 K€, mainly due to the 415 K€ variation in net foreign exchange gains on the evolution of the USD/EUR exchange rate. The cost of debt rose by 114 K€ due to the increased use of short-term financing lines, mainly as a result of changes in working capital requirements and, in particular, higher inventory levels.

Note 23 - Income taxes

Income tax expense for the period amounted to €263,000, reflecting changes in the value of deferred tax assets (€160,000) and provisions for corporate income tax payable (€423,000).

23.1 Income tax expense

Main components of income tax expense (or benefit) :

In	31/03/2023	31/03/20
Current income tax	-423 710	
Tax payable		
Deferred tax on temporary differences		
Change in value of assets		
Deferred tax		
Char		

Relationship between tax expense (or income) and accounting profit :

In €	31/03/2023	31/03/2022
Profit before tax and exceptional items	3 305 587	4 001 784
Applicable tax rate	25,00%	26,50%
Book profit x applicable tax r a t e	**-826 397**	**-1 060 473**
French/foreign rate differentials and reduced rates	207 321	331 383
Non-activated tax losses for the period	42 858	-8 714
Utilization of unused tax losses	269 475	505 318
Effect of permanent differences	43 583	-24 450
Income tax expense (income) in the income statement	**-263 160**	**-256 936**

The applicable tax rate used is the standard corporate income tax rate in France (25.0%), excluding the 3.3% social contribution on corporate income tax, since the corporate income tax payable by the Group in France is less than the amount of the allowance applicable for calculating the social contribution; the company is also not subject to the exceptional contribution and the additional contribution on corporate income tax (15%).

23.2 Deferred taxes

<u>Deferred tax assets and liabilities by category :</u>

In €	31/03/2023		
	Assets	**Liabilitie s**	**Net**
Deferred taxes on temporary differences :			
on research and development costs		- 51 987	**- 51 987**
on license concessions	15 204		**15 204**
on derivative financial instruments	8 549	-	**8 549**
on elimination of inventory margin	231 495	-	**231 495**
on other timing differences	92 619	-	**92 619**
Deferred taxes on temporary differences	347 867	- 51 987	**295 880**
Deferred tax on unused tax losses	68 501	-	**68 501**
Total deferred taxes	**416 368**	**- 51 987**	**364 381**

Given the outlook for the Spanish subsidiary, deferred tax assets have been maintained at 68.5 K€.

Relationship between changes in deferred taxes recognized in the balance sheet and deferred tax expense (or income) recognized in the income statement :

In €	Opening	Flows for the period		Fence
	31/03/2022	Income statement	Other items of comprehensive income	31/03/2023
Deferred taxes on temporary differences :				
on research and development costs	-65 296	15 158	-1 849	-51 987
on license concessions	1 513	13 777	-86	15 204
on derivative financial instruments	-1 344	9 816	76	8 549
on elimination of inventory margin	149 169	89 927	-7 600	231 495
on other timing differences	50 122	35 071	7 426	92 619
Deferred taxes on temporary differences	134 164	163 749	-2 033	295 880
Deferred tax on unused tax losses	71 700	-3 199	0	68 501
Total deferred taxes	**205 864**	**160 550**	**-2 033**	**364 381**

Unused tax losses for which no deferred tax asset has been recognized in the balance sheet :

In €	31/03/2023		
	France	Spain	USA
Amount of tax losses	**11 244 206**	**0**	**604 764**
Applicable tax rate	25,00%	30,00%	35,00%
Unrecognized deferred tax asset	**2 811 052**	**0**	**211 667**
Tax loss expiry date	None.	None	None.

Note 24 - Related party transactions

The consolidated financial statements include transactions carried out by the Group in the normal course of business with non-consolidated companies. Transactions are carried out at market prices.

24.1 Purchases and sales of goods and services

In €	31/03/2023	31/03/2022
Rentals	138 000	124 500
Rental expenses	26 836	23 968
Total	**164 836**	**148 468**

24.2 Compensation of corporate officers

Remuneration in €	31/03/2023	31/03/2022
Short-term benefits fixed portion	283 000	283 000
Short-term benefits Variable portion	700 000	700 000
Post-employment benefits		
Other long-term benefits	37 800	37 515
Termination benefits		
payments in action		
Total	**1 020 800**	**1 020 515**

Note 25 - Segment information

In accordance with the Group's management rules and internal reporting, segment information is presented by activity, using the distribution method for products sold, as indicated in paragraph 3.12.

MARCH 31, 2023 (€)	CANAL DE DISTRIBUTION 1 (1)	CANAL DE DISTRIBUTION 2 (1)	TOTA
Net sales Other ordinary income	9 385 565 41 302 229		
Operating income (I)	**9 68**		
Cost of goods sold			
Personnel expenses External services			
Taxes (excluding corporate income tax)			
Other operating income and expenses			
Operating expenses (II)			
Operating income			
TOTAL			
Acquisi			
TO			

Distribution channel 1 (FOB) corresponds to sales originating at the place of production. The customer takes delivery of the goods at the place of production.
Distribution channel 2 (NON FOB) corresponds to a complete service. LEXIBOOK takes charge of the entire logistics chain.

Distribution channel 1 (FOB) corresponds to sales originating at the place of production. The customer takes delivery of the goods at the place of production.
Distribution channel 2 (NON FOB) corresponds to a complete service. Lexibook takes charge of the entire supply chain.
In accordance with IFRS 8.31 to 34, the table below shows a breakdown of sales by geographical area:

Sales by zone geographical	**31/03/2023**	**31/03/2022**
Europe (excluding France)	55%	60%
France	39%	36%
Rest of the world	6%	4%
Total	**100%**	**100%**

Note 26 - Subsequent events

None.

Note 27 - List of Group companies

List of subsidiaries and affiliates	participation and voting rights held by the Group at 03/31/2023	participation and voting rights held by the Group at 03/31/2022
Lexibook Hong Kong Limited	99,9%	99,9%
Lexibook Iberica SL	99,9%	99,9%
Lexibook USA	100,0%	100,0%

The LEXIBOOK Hong Kong subsidiary is at the heart of the Group's business. This subsidiary provides :

- the Group's development through innovation. To this end, it invests in research and development and employs top-level engineers;
- control of the manufacturing process, from the choice of plants and production tools, to the purchase of components and quality control of finished products;
- a contribution to consolidated sales of €9.13 million at March 31, 2023, compared with €8.19 million at March 31, 2022.

LEXIBOOK Iberica and LEXIBOOK USA are distribution subsidiaries which enable the Group to ensure its development in these markets by providing retailers with the flexibility of domestic invoicing.

Note 28 - Derivative instruments and hedge accounting

Financial assets and liabilities break down into current and non-current items as follows:

in €	March 31, 2023			March 31, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Negative fair value of hedging derivatives not eligible for hedge accounting under IFRS 9			-			-
Negative (+) or positive (-) fair value of hedging derivatives qualifying as effective and accounted for in accordance with IFRS 9 hedge accounting rules		-34 193	-34 193		5 070	5 070
Financial assets (-) and liabilities (+)		-34 193	-34 193		5 070	5 070

The fair value of derivatives is determined on the basis of valuations provided by the banks. (see note 3.13).

The derivatives used by the Group are solely currency hedges. At
At March 31, 2023, the Group had accumulator hedges with European-style deactivating barriers. As the unexpired contractual components of the accumulators do not enable us to determine with any certainty the possible accumulations, we have considered them to be ineffective within the meaning of IFRS 9, and their fair value has been taken directly to income.

The fair value used is based on a valuation model (that of the bank) reconciled with observable parameters in the absence of an official listing market for the hedging instruments taken out by the Group at March 31, 2023 (specific foreign exchange contracts with accumulators and deactivating barriers).

Hedge accounting is applied in accordance with the principles of IFRS 9 and concerns derivatives hedging future cash flows.

Impact on reserves and income statement :

	31/03/2022	Results	Other items of comprehensive income	31/03/2023
Assets	5 070	-5 070		0
Liabilities	0	-34 193	0	-34 193
Total	**5 070**	**-39 263**	**0**	**-34 193**
Deferred taxes	-1 344	9 816	-76	8 548
Net total	**3 726**	**-29 447**	**-76**	**-25 645**

Note 29 - Risk management

The Group has reviewed the risks that could have a material adverse effect on its business, financial position or results (or on its ability to achieve its objectives) and considers that there are no significant risks other than those presented below.

Other risks to which the Group is exposed are described in paragraph III of our Universal Registration Document.

However, the Group cannot rule out the possibility that other risks may materialize in the future and have a material adverse effect on the company, its business, financial situation, results or development.

29.1 Liquidity risk

Summary table of debt at March 31, 2023 and March 31, 2022 :

Net indebtedness (in €)	**31/03/2023**	**31/03/2022**
Bank loans	**63 547**	**1 263 968**
Factoring	2 875 753	3 723 630
GIAC, VATEL, PPI BPIFRANCE, PGE Part Courante	1 234 778	933 176
IAS 17 finance lease (1)		
Accrued interest	24 834	14 426
Total current portion of borrowings	**4 135 365**	**4 671 232**
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Total non-current borrowings	**4 652 702**	**2 554 575**
Total borrowings - A	**8 851 614**	**8 489 775**
Cash flow - B	2 439 088	2 448 891
Associates' current accounts - C		
Total net debt (A-B+C)	**6 412 526**	**6 040 884**

The Loans for Innovation obtained from BPI France, the state-guaranteed loans and the bonds subscribed with GIAC and VATEL do not include covenants on financial ratios.
These items are described in notes 10 (cash assets) and 14 (borrowings) to the consolidated financial statements.

To finance its merchandise purchases, the Group uses CREDOC lines of credit and
"Stand-By Letter of Credit (SBLC). To date, the Group has always covered its CREDOC requirements and, more generally, the financing needs of its merchandise purchases.
This financing is provided by the parent company, LEXIBOOK France S.A., and by its Hong Kong subsidiary. Financing needs are essentially short-term requirements linked to the financing of working capital requirements.

The table below shows the credit lines, their maturities and guarantees. Amounts drawn are as at March 31, 2023.

Details of credit lines at March 31, 2023

LEXIBOOK France							
Nature line	**€line**	**USD line**	**Balance sheet use in financial liabilities**	**Balance sheet use in operating liabilities**	**Off-balance sheet use**	**Deadline**	**Special conditions**
Overdraft facilities and advances in foreign currencies	4,15 M€	0,69 M$	n/a	n/a	n/a	31/01/2024	Annual review clause
CREDOC	1,84 M€	N/a	None	None	None	31/01/2024	Annual review clause
Change	5,21 M€	6,1 M$	None	None	None	31/01/2024	Annual review clause
Change	17 M€		None	None	None	31/03/2024	Tacit renewal

Credoc line meets Lexibook's seasonal financing needs

LEXIBOOK Hong Kong							
Nature line	**€line**	**USD line**	**Balance sheet use in financial liabilities**	**Balance sheet use in operating liabilities**	**Off-balance sheet use**	**Deadline**	**Special conditions**
CREDOC and cash facilities		4,947 M$	n/a	0.64 million in credit notes	1.99 million in credit notes	31/01/2024	Annual review clause
CREDOC and cash facilities		0,535 M$	n/a			08/06/2023	Annual review clause
CREDOC and cash facilities		0,905 M$	n/a			31/08/2023	Annual review clause

Total balance sheet use of financial liabilities	**None**

Some of the lines granted to LEXIBOOK Hong Kong can be used as overdraft facilities or CREDOCS. LEXIBOOK Hong Kong's overdraft facilities can be drawn down in either USD or HKD.

To finance trade receivables, the Group has set up a European factoring solution (see note 3.5 of the financial statements at 03/31/23). This financing is linked to the seasonal nature of our business.

In €	-1 month	1 to 3 months	3 to 12 months	+1 year to 3 years	+3 years	TOTAL
Customers	4 180 575	508 915	351 871	78 273		5 119 633
Prepaid expenses	330 076	1 388 786	0	0		1 718 862
Advances and deposits paid	1 830 745	226 987	0	0		2 057 732
Operating receivables	**6 341 396**	**2 124 687**	**351 871**	**78 273**	**0**	**8 896 226**
Employee receivables and related accounts	60 256	0	0	0		60 256
Receivables from the State and other public bodies	647 477	0	0	0		647 477
Other current receivables	739	0	0	0		739
Other operating receivables	**708 472**	**0**	**0**	**0**	**0**	**708 472**
Suppliers	-2 806 071	-921 237	-177 786	-70 522		-3 975 616
Advances and deposits received	-1 257 457	-261 476	0	0		-1 518 933
Deferred income	0	0	0	0		0
Operating liabilities	**-4 063 528**	**-1 182 712**	**-177 786**	**-70 522**	**0**	**-5 494 548**
Employee-related liabilities	-101 138	0	-1 299 672	0		-1 400 810
Debts to the State and other public bodies	-80 079	-18 501	-2 032	0		-100 612
Fixed asset suppliers	0	0	0	-449 601		-449 601
Other operating liabilities	**-181 217**	**-18 501**	**-1 301 704**	**-449 601**	**0**	**-1 951 023**
Total operating working capital	**2 805 122**	**923 474**	**-1 127 619**	**-441 850**	**0**	**2 159 127**

In €	-1 month	1 to 3 months	3 to 12 months	+1 year to 3 years	+3 years	TOTAL
Banks, financial institutions and similar	**2 439 088**	**0**	**0**	**0**		**2 439 088**
Cash and cash equivalents	**2 439 088**	**0**	**0**	**0**	**0**	**2 439 088**
Bonds, Giac, PGE and BPI	*-123 474*	*-183 215*	*-930 204*	*-2 667 629*	*-1 982 959*	*-5 887 481*
Medium-term credit	*0*	*0*	*0*	*0*	*0*	*0*
Borrowings from credit institutions Accrued	**-123 474**	**-183 215**	**-930 204**	**-2 667 629**	**-1 982 959**	**-5 887 481**
interest on borrowings	**-24 834**	**0**		**0**	**0**	**-24 834**
Lease commitments IFRS16	*-25 801*	*-49 124*	*-120 212*	*-297 485*	*-90 363*	*-582 985*
Factoring	*-958 584*	*-1 917 169*	*0*	*0*	*0*	*-2 875 753*
Campaign credit	*0*	*0*	*0*	*0*	*0*	*0*
Overdraft facility	*-63 547*	*0*	*0*	*0*	*0*	*-63 547*
Overdraft facilities (Hong Kong)	*0*	*0*	*0*	*0*	*0*	*0*
Discounted bills (Hong Kong)	*0*	*0*	*0*	*0*	*0*	*0*
Other borrowings and similar liabilities	**-1 047 932**	**-1 966 293**	**-120 212**	**-297 485**	**-90 363**	**-3 522 285**
Financial liabilities	**-1 196 240**	**-2 149 508**	**-1 050 416**	**-2 965 114**	**-2 073 322**	**-9 434 600**
Total net financial debt	**1 242 848**	**-2 149 508**	**-1 050 416**	**-2 965 114**	**-2 073 322**	**-6 995 512**
Interest on borrowings	**-12 919**	**-23 366**	**-170 231**	**-301 318**	**-110 067**	**-617 901**

Commitments relating to credit lines

- LEXIBOOK acted as guarantor with its banking partners to open stand-by letters of credit in favor of the Hong Kong subsidiary, for a total of 6,387,566 US dollars converted at the closing rate of 1.0875 dollars per euro.

- The CREDOC, SBLC and campaign credit lines have been pledged to the historical banking pool for €6.15 million, from February 1, 2023 to January 31, 2024, until their full repayment.

29.2 Foreign exchange risk

Operating in an international context, the LEXIBOOK Group is exposed to currency risks arising from its various foreign currency exposures, mainly in US dollars. Foreign exchange risk relates in particular to future commercial transactions.
All purchases are made in US dollars, and 21.2% of 2022-2023 sales are also made in USD (compared with 20.4% of 2021-2022 sales), and are therefore naturally hedged in this currency. This natural hedge is achieved via the FOB distribution channel, for which invoicing is carried out in USD, and thus makes it possible to hedge part of the purchases made in USD. As explained in the paragraph on FOB business, the proportion of FOB sales in total sales is stable compared with the previous year. This share may vary according to the euro/dollar exchange rate and negotiations with customers.
Currency risk creates volatility in earnings, shareholders' equity and cash flows.

The LEXIBOOK Group uses derivatives in various hedging strategies to eliminate or limit the financial risks to which it is exposed. The main derivative instruments used are forward exchange contracts and options.

The accounting treatment of these hedging instruments is described in note 28 to the Group's consolidated financial statements.

As part of its risk management policy, the LEXIBOOK Group covers a budget for future purchases of goods payable in US dollars. To cover the purchase budget, we have divided it into sufficiently detailed time buckets.

The Group has reviewed its foreign exchange risk at March 31, 2023:

Foreign exchange risk	USD	GBP	HKD
Assets	2 179 277	503 765	6 381 692
Liabilities	1 913 232	7 768	3 860 588
Net position before management	266 046	495 997	2 521 104
Off-balance sheet	-6 387 566		
Covers	-1 016 200	0	
Total net position after management	-7 137 720	495 997	2 521 104

Off-balance sheet items include USD 6,388 million of SBLCs.

The sensitivity of a change in the exchange parities of the currencies used would vary as follows :

Sensitivity in euros	Impact on income			Impact on Capital own		
	1% increase		1% decrease	1% increase		1% decrease
USD	65 634	-	65 634 -	8 511		8 511
GBP -	5 641		5 641	-		-
HKD -	2 953		2 953	59 962	-	59 962
TOTAL	**57 039**	**-**	**57 039**	**51 451**	**-**	**51 451**

29.3 Interest rate risk

The Group has reviewed its interest rate risk at March 31, 2023:

Interest-rate risk	Within one year	One to five years	Over five years old
Financial liabilities	4 198 912	4 125 024	527 678
Financial assets	293 496		
Net position	3 905 416	4 125 024	527 678

At March 31, 2023, in the event of a 1-point increase in rates, the shortfall would be €85,581.
The Group regularly analyzes the financial opportunity of setting up interest-rate swaps (variable/fixed). At the date of this report, given the high cost of swaps, no hedges had been set up.

All financing, with the exception of the bond issue with VATEL, is at variable rates.

29.4 Epidemic or pandemic risks

The Group is exposed to crises linked to epidemics and pandemics, such as the one linked to Covid-19, and to their possible recurrence. Such crises can paralyze production and deliveries in China, depriving the Group of some or all of its sources of supply. If such a crisis were to occur rapidly, the Group, deprived of supplies, would be faced with a loss of business that could be partial or total if the epidemic spreads rapidly and lasts several weeks, and may be subject to increased logistics costs, penalties for delays from its customers, and order cancellations. In addition to the production risk, the Group may be faced with a commercial risk that would have a direct impact on business, particularly in the event of containment measures or store closures due to the epidemic. Direct effects may include order cancellations, payment delays, reduced or lost sales with certain customers, and the stocking of products that could be rendered obsolete if the crisis lasts several months. Epidemics of this kind can rapidly degrade a company's business, weighing heavily on cash flow, earnings and shareholders' equity.

29.5 Risks related to international conflicts

The Group is exposed to the risk of international conflicts in the territories in which it operates, both in terms of product design and manufacture, and sales. A conflict involving China and/or Taiwan, for example, could cause a break in the product manufacturing chain. Nevertheless, in the context of the war in Ukraine, the Lexibook Group specifies that it is not exposed to the Russian or Ukrainian markets, either in terms of supplies or sales.

Note 30 - Other operating income and expenses

Other operating income and expenses (€)	31/03/2023	31/03/2
Royalties	3 619 083	
Intangible fixed assets Tangible fixed assets Amortization of rights of use		
Other		
Total		

Note 31 - Leases

Rights to use assets

Change in rights to use assets

In euros	31/03/2023		
	Gross value	Depreciation	Net value
At 03/31/2022	**1 681 329**	**940 412**	**740 917**
Increases	53 495		
Decreases	- 52 676	- 52 676	
Translation adjustments	10 958	588	
Depreciation and amortization		305 507	
At 03/31/2023	**1 693 106**	**1 193 831**	**499 275**

Rental commitments by maturity

Rental commitments by maturity in euros	**31/03/2023**
Less than one year	197 849
Between 1 and 2 years	164 171
Between 2 and 5 years	203 732
Over 5 years	-
Total rental commitments	**565 752**

Note 32 - Fees paid to the Statutory Auditors

		GRANT THORNTON law firm			
		Amount excl.		%	
		2022-2023	2021-2022	2022-2023	2021-2022
Audit					
	Statutory audit, certification, review of financial statements individual and consolidated	77 502	78 774	98%	100%
	Other due diligence related to the statutory auditor's engagement accounts	1 508		2%	0%
Subtotal		**79 010**	**78 774**		
Other services					
	Legal, tax and social				
	Technology information				
	Other				
Subtotal		**-**	**-**		
TOTAL		**79 010**	**78 774**	**100%**	**100%**

Note 33 - Five-year financial summary

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
I- Capital at year-end					
a) Share capital	3 881 660	3 881 660	3 881 660	3 881 660	3
b) Number of shares issued	7 763 319	7 763 319	7 763 319	7 763 319	
c) Number of bonds convertible into shares	0	0	0	0	
II - Operations and results for the year					
a) Sales	41 655 022	36 873 646	22 367 240		
b) Income before tax, depreciation, amortization and provisions	845 744	1 571 629	1		
c) Corporate income tax	19 475	57 377			
d) Income after tax, depreciation, amortization and provisions	258 943	1 2			
e) Distributed earnings					
III - Earnings per share					
a) Income before tax, depreciation, amortization and provisions					
b) Income after tax, depreciation, amortization and provisions					
c) Dividends allocated to each tax group					
IV - Personnel					
a) Average number of employees					
b) Front mount					

XVIII2. Pro forma financial information

Not applicable

XVIII3. Parent company financial statements

Statutory auditors' report on the financial statements Financial statements for the year ended March 31, 2023

To the General Meeting of Lexibook Linguistic Electronic System S.A.,

Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Lexibook Linguistic Electronic System S.A. for the year ended March 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2009 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Basis of 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 these standards are set out in the section of this report entitled "Statutory Auditors' Responsibilities Relating to the Audit of the Financial Statements".

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 April [1,] 2022 to the date of issue of our report.

Justification of assessments

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters which, in our professional judgment, were the most significant for the audit of the annual financial statements.

We have assessed the various approaches adopted by the Company, as described in the notes to the consolidated financial statements entitled "Inventories" and "Trade receivables", paragraph "D) Accounting policies". We performed specific tests and procedures to verify, on a test basis and using analytical procedures, the application of these approaches.

As part of our assessment, we verified the reasonableness of these estimates.

These assessments were made in the context of our audit of the financial statements taken as a whole, and of the formation of our opinion expressed above. We do not express an opinion on any individual component of these financial statements.

Specific checks

In accordance with professional standards applicable in France, we have also performed the specific procedures required by law.

Information given in the management report and other documents on the financial situation and annual financial statements sent to shareholders

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Executive Board, and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

We hereby attest to the fair presentation and the conformity with the financial statements of the information relating to the payment periods mentioned in article D.441-6 of the French Commercial Code.

Report on corporate governance

We confirm that the Supervisory Board's report on corporate governance contains the disclosures required by Article L.225-37-4 of the French Commercial Code.

Other information

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders and holders of voting rights has been properly disclosed in the management report.

Responsibilities of management and those charged with governance in relation to the financial statements

It is the responsibility of management to prepare financial statements that give a true and fair view in accordance with French generally accepted accounting principles, and to implement such internal control procedures as it determines are necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern, to present in these statements, where appropriate, the necessary going concern information and to apply the going concern accounting policy, unless the company is to be wound up or cease trading.

The annual financial statements have been approved by the Executive Board.

Statutory auditors' responsibilities with regard to the audit of annual financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. Our objective is to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from material misstatement. Reasonable assurance refers to a high level of assurance, without however guaranteeing that an audit performed in accordance with professional standards would systematically detect any material misstatement. Misstatements may be the result of fraud or error and are considered material when it is reasonable to expect that they could, individually or in aggregate, influence the economic decisions made by users of the financial statements.

As stipulated by Article L.823-10-1 of the French Commercial Code, our role as statutory auditors does not include guaranteeing the viability or quality of your company's management.

In the context of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. In addition :

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and implements audit procedures to address these risks, and obtains audit evidence that it believes to be sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud may involve collusion, falsification, wilful omission, misrepresentation or circumvention of internal controls;

- it obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control ;
- it assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the related disclosures in the financial statements;
- it assesses the appropriateness of management's application of the going concern accounting policy and, based on the information gathered, whether or not there is any significant uncertainty linked to events or circumstances that could call into question the company's ability to continue as a going concern. This assessment is based on information gathered up to the date of his report, bearing in mind that subsequent events or circumstances could call into question the company's ability to continue as a going concern. If it concludes that there is a material uncertainty, it draws the attention of the readers of its report to the information provided in the annual financial statements concerning this uncertainty or, if this information is not provided or is not relevant, it issues a qualified opinion or a refusal to certify;
- assesses the overall presentation of the annual financial statements, and whether they give a true and fair view of the underlying transactions and events.

Statutory auditors,

Neuilly Sur Seine, June 30, 2023

GRANT THORNTON

Samuel CLOCHARD
Associate

Balance sheet assets in €	Note	03/31/2023 in Gross (12 months)	Amortissements, Provisions	03/31/2023 In Net (12 months)	03/31/2022 In Net (12 months)
Set-up costs	1&2	-	-	-	-
Research and development costs	1&2	-	-	-	-
Concess., patents	1&2	358 679	357 494	1 185	3 586
Fonds commercial	1&2	70 127	70 127	-	-
Other intangible assets	1&2	100 000	100 000	-	-
Intangible assets	**1&2**	**528 806**	**527 621**	**1 185**	**3 586**
Technical installations	1&2	168 905	168 905	-	-
Other property, plant and equipment	1&2	539 565	394 453	145 112	180 082
Assets under construction	1&2	-	-	-	-
Property, plant and equipment	**1&2**	**708 469**	**563 357**	**145 112**	**180 082**
Equity investments	3	389 753	398	389 354	236 341
Receivables from investments	3	20 502 426	851 112	19 651 314	2 358 195
Loans	3	100 815	-	100 815	102 895
Other long-term investments	3	1 921 720	80 000	1 841 720	2 686 358
Financial fixed assets	**3**	**22 914 713**	**931 511**	**21 983 202**	**5 383 788**
Fixed assets		***24 151 989***	***2 022 489***	***22 129 499***	***5 567 456***
Raw materials inventories	4	-	-	-	-
Merchandise inventories	4	15 813 058	737 397	15 075 661	11 383 290
Stocks	**4**	**15 813 058**	**737 397**	**15 075 661**	**11 383 290**
Advances and deposits paid	5	89 988	-	89 988	174 764
Accounts receivable	5	3 298 206	420 409	2 877 797	2 435 719
Social security receivables	5	60 256	-	60 256	45 930
Tax receivables	5	642 346	-	642 346	239 480
Operating receivables	**5**	**4 090 797**	**420 409**	**3 670 387**	**2 895 893**
Current accounts in debit		-	-	-	-
State and other local authorities		-	-	-	-
Sundry debtors		25 505	-	25 505	111 325
Sundry receivables		**25 505**	**-**	**25 505**	**111 325**
Securities		22 412	-	22 412	-
Availability		2 135 315	-	2 135 315	1 553 950
Treasury		**2 157 726**	**-**	**2 157 726**	**1 553 950**
Prepaid expenses	6	330 076	-	330 076	123 835
Current assets		***22 417 162***	***1 157 806***	***21 259 355***	***16 068 292***
Deferred charges	6	27 334	-	27 334	41 596
Cumulative translation adjustment	6	1 015 446	-	1 015 446	111 964
Accruals and deferred income	**6**	**1 042 781**	**-**	***1 042 781***	***153 560***
Total assets		**47 611 931**	**3 180 295**	**44 431 636**	**21 789 308**

Balance sheet liabilities in €	**Note**	**31/03/2023 (12 months)**	**31/03/2022 (12 months)**
Capital	7	3 881 660	3 881 660
Bonus	7	-	-
Legal reserve	7	148 322	148 322
Statutory reserve	7	0	0
Retained earnings	7	1 890 550	599 257
Capital and reserves	**7**	**5 920 533**	**4 629 239**
Net income for the year		**258 943**	**1 291 293**
Total shareholders' equity	***7***	***6 179 476***	***5 920 533***
Provisions for liabilities and charges		1 015 446	111 964
Provisions	***8***	***1 015 446***	***111 964***
Convertible bonds	9	-	-
Borrowings from credit institutions	9	5 263 458	2 569 902
Other bonds	9	662 107	960 973
Other financial liabilities	9	-	-
Bank overdrafts	9	63 547	849 763
Financial liabilities	***9***	***5 989 112***	***4 380 638***
Suppliers		27 372 767	8 469 660
Social debts		1 398 661	1 394 923
Tax liabilities		97 725	169 088
Operating liabilities		***28 869 153***	***10 033 671***
Suppliers of fixed assets		-	-
Current accounts in credit		-	-
Tax liabilities (corporate income tax)		-	-
Sundry liabilities		1 249 850	1 202 522
Sundry liabilities		**1 249 850**	**1 202 522**
Cumulative translation adjustment	10	1 128 598	139 980
Deferred income		-	-
Accruals and deferred income		**1 128 598**	**139 980**
Total liabilities		***44 431 636***	***21 789 308***

Income statement in € (Part I)	Note	31/03/2023 (12 months)	31/03/2022 (12 months)
Sales of merchandise		**40 349 202**	**35 771 262**
- France (vm)		17 015 217	13 082 129
- Foreign (vm)		23 333 985	22 689 133
Sales of services		**1 305 820**	**1 102 385**
- France (vs)		11 075	57 598
- Foreign (vs)		1 294 745	1 044 787
Total sales	**12**	**41 655 022**	**36 873 646**
Reversals of operating depreciation and provisions		130 080	520 900
Other operating income		91 993	86 545
Transfer of operating expenses		17 502	23 795
Total operating income		**41 894 598**	**37 504 886**
Purchases of raw materials & other supplies		253 949	128 549
Non-stock purchases, equipment and supplies		44 575	38 894
Purchase of merchandise		24 056 874	25 935 944
Change in merchandise inventories		3 689 587	- 6 936 391
Other external expenses		12 954 412	9 090 425
Taxes and similar payments		92 846	82 026
Employee compensation		2 191 087	2 149 272
Social security charges		922 922	815 728
Depreciation and operating provisions		58 909	553 100
Other operating expenses		3 633 709	3 300 922
Total operating expenses		**40 519 696**	**35 158 469**
Operating income		***1 374 901***	***2 346 417***

Income statement in € (Part II)	Note	31/03/2023 (12 months)	31/03/2022 (12 months)
Income from other receivables and marketable securities		-	-
Foreign exchange gains		214 801	291 141
Net proceeds from disposal of marketable securities		-	-
Other financial income		6 545	1 082
Reversals of provisions and financial amortization		262 406	-
Total financial income		**483 752**	**292 223**
Provisions and amortization		920 377	248 136
Interest and financial expenses		260 111	200 272
Foreign exchange losses		268 712	150 566
Net expenses on disposal of marketable securities		-	-
Other financial expenses		86 306	32 583
Total financial expenses		**1 535 505**	**631 557**
Net financial income	*13*	***- 1 051 754***	***- 339 333***
Current income		***323 148***	***2 007 084***
Extraordinary income from capital operations		-	-
Other extraordinary income		-	-
Total non-recurring income		**-**	**-**
Exceptional expenses on management operations		44 729	337 468
Prior period expenses		-	-
VNC of intangible assets sold		-	320 946
Net book value of property, plant and equipment sold		-	-
NBV of financial assets sold		-	-
Provisions for intang. Intangible		-	-
Provisions for intangible assets Property, plant and equipment		-	-
Other exceptional expenses		-	-
Total non-recurring expenses		**44 729**	**658 414**
Net exceptional income	*14*	***-44 729***	***-658 414***
Income tax		19 475	57 377
Net income		***258 943***	***1 291 293***

Notes to the parent company financial statements

Environment

Fiscal year 2022-23 was a particularly satisfactory one for the Lexibook Group. Our strategic choices have paid off, enabling us to establish a positive dynamic of sustainable growth. The Group has thus achieved 15 consecutive quarters of growth between 2020 and 2022. Sales remained buoyant, thanks to new high-potential products, our portfolio of flagship licenses and the explosion of digital sales in France and abroad. Overall for the year, Group sales closed at an all-time high for Lexibook, at €51.2 million (+13.3%).

Despite a US$ vs € appreciation of around 18% in 1 year, and a very significant increase in freight costs, the Group succeeded in preserving its margins thanks to targeted rate increases. As a result, gross margin for the year came in at a very high level, close to 50.5% vs. 48.1% the previous year, an increase of €3.3 million vs. N-1.

Taking advantage of the positive momentum, Lexibook launched a major international digital advertising campaign, generating over a billion digital impressions in 1 year for its products in the EMEA zone, coupled with a TV advertising campaign in France. External services rose by €3.9m, mainly due to increased advertising expenditure and logistics services linked to growth in business volumes and inventory levels.
Personnel costs rose by €0.1m, mainly due to the provisioning of bonuses in view of the increase in business.
Other operating expenses rose slightly (0.3 M€) due to the increase in royalty expenses linked to the rise in activity, and to the net improvement in customer/supplier provisions this year.

Finally, despite the substantial advertising investment of over €2 million in 2022 and the exceptional rise in logistics costs, the Group's operating income held steady at €1.4 million vs. €2.3 million in N-1, thanks to the increase in sales volume and the maintenance of margin levels.

Net financial income was down by 713 K€, mainly due to the 849 K€ variation in net foreign exchange gains on changes in the USD/EUR exchange rate. The cost of debt rose by 60 K€ due to the increased use of short-term financing lines, mainly as a result of changes in working capital requirements and, in particular, higher inventory levels.

Finally, net income was €0.3 million at March 31, 2023, compared with €1.3 million at March 31, 2022.

The years 2020 and 2021 were marked by the global spread of the Covid-19 Coronavirus, which led to significant changes in the global economic environment, notably with the closure of certain business zones, the adjustment of production rhythms and a change in consumption patterns. The year 2023 marks the end of the pandemic and a return to a normal situation at the end of the fiscal year. Given the uncertainty surrounding the end of the pandemic, the Group has decided to secure its supplies, even if this means carrying higher-than-normal inventory levels for several months.

The Group is exposed to the risk of international conflicts in the territories in which it operates, both in terms of product design and manufacture, and sales. A conflict involving China and/or Taiwan, for example, could cause a break in the product manufacturing chain. Nevertheless, in the context of the war in Ukraine, the Lexibook Group specifies that it is not exposed to the Russian or Ukrainian markets, either in terms of supplies or sales.

Despite an increase in inventory levels of around 3.7 M€, net debt was nevertheless limited to 3.83 M€ at March 31, 2023, compared with 2.83 M€ at March 31, 2022. Group shareholders' equity continues to strengthen, reaching a high of €6.2 M compared with €5.9 M a year earlier.

The company has analyzed the valuation of its various asset classes and has not identified any indicators of impairment. Nor has it identified any liabilities to be recognized in connection with this crisis.

Upcoming trends :

The Group presented its 2023 collections to international retailers, and the response to the new products was very positive. Bookings for the 2023 Christmas campaign are excellent and point to a new 2023-24 fiscal year in line with 22-23. Fiscal Q1 22-23 was 36% up on fiscal Q1 21-22, itself 78% up on the previous year. The benchmark is therefore high for fiscal Q1 2023-24. Nevertheless, the order book suggests a similar level of activity to last year for Q1 2023-24, and the Group intends to continue its momentum of profitable growth this year.

Several license contract extensions are currently being finalized to extend existing contracts into new zones, which could have an accelerating effect on the Group over the next few years. Some have already been confirmed:

- Extension of the Paw Patrol contract to the USA and Canada in the main categories (Film scheduled for July 2023)
- New licensing agreement in EMEA with Mattel for Barbie, (film scheduled for July 2023), Monster High (film scheduled for 2024), and Hotwheels.
- Extension of Warner contract in the USA for Harry Potter (Chess) and Batman (Pinball).
- Miraculous contract extended to the USA and Canada.
- Extension of Disney and Marvel contracts to the USA and Canada in some segments.

The Group could also benefit from the current level of the US dollar, should it remain at this level for the rest of the year, and from improved international freight conditions, to improve its margins. The Group has updated its budget forecasts and does not foresee any cash flow difficulties over the next 12 months.

Accounting rules and methods

The parent company financial statements have been prepared, in particular, in accordance with the provisions of Articles L123-13 and L123-14 and L123-17 of the French Commercial Code and ANC regulation 2014-03 of June 05, 2014 et seq.

Application of the going concern principle

Following negotiations with our banking partners, the bank loans granted by our historical banks have been confirmed. Negotiations are underway to set up a RCF.
Banks outside the historic banking pool have also confirmed the renewal of a €1.23 million campaign credit line from 01/05/2023, an additional €250,000 campaign credit line, also available from 01/05/2023, and a €500,000 SBCL line, as well as a €750,000 overdraft facility.

Bank loans, new financing, efforts to manage and improve working capital, and the cash flow generated over the 2022-23 financial year mean that the Group considers that the necessary conditions are in place to operate as a going concern over the next twelve months.

Accounting principles

Tangible and intangible fixed assets

Purchased goodwill is not amortized, but may be written down if necessary.
Property, plant and equipment and intangible assets are carried at acquisition cost. Depreciation is calculated using the straight-line or declining-balance method, based on useful lives which take into account economic depreciation.
Depreciation is calculated using the straight-line or declining-balance method over the periods specified below:

· Software1 to 3 years
· Transport equipment2 years
· Machinery and equipment3 to 5 years
· Computer equipment3 to 5 years
· Office equipment3 to 10 years
· Fixtures and fittings 5 to 10 years

Equity interests

Investments in associates are carried at acquisition cost, and are written down where necessary to reflect their value in use. Value in use takes into account the net worth of the investment, adjusted for any unrealized capital gains, and its immediate or future capacity and contribution to shareholders' equity of the consolidating entity (if the investment is consolidated).
If, after examination of the various criteria set out above for monitoring the value of investments (long-term holding, contribution to consolidated shareholders' equity, immediate or future earnings capacity, market value of the company concerned), it emerges that the value in use is less than the acquisition cost of the investment, an impairment loss is recognized. This impairment corresponds to the difference between the acquisition cost and the net book value of the company concerned.

Lexibook France's investments in Lexibook USA are impaired to the extent of €399, due to their negative contribution to consolidated shareholders' equity, as shown in note 3 under "Provisions".
/ equity investments

When value in use once again exceeds or equals acquisition cost, any impairment losses recognized are reversed.

Receivables from investments

At year-end, the net worth of each investment is reviewed. If the net worth is negative, receivables from investments are written down accordingly. If receivables from investments are less than the negative net worth, the excess negative net worth is written down, where appropriate, against the trade receivables held on the investment concerned.
The following transactions relating to receivables from participating interests were carried out during the year:

- Total reversal of Lexibook Iberica's receivables from Lexibook SA for 109,392 €, included on the line "Change in financial provisions" in note 13.

- Partial provision for Lexibook USA's receivables from Lexibook SA amounting to €16,895, included on the line "Change in financial provisions" in note 13.

At year-end, receivables from Lexibook Iberica related to investments held by Lexibook France were not impaired.

At year-end, receivables from Lexibook Hong Kong relating to equity interests held by Lexibook France were not impaired.

At the year-end, Lexibook France's receivables from Lexibook USA were written down by €851,112.

Other investments, Marketable securities

Other investments and marketable securities are carried at acquisition cost, and are written down where necessary to reflect their value in use. Value in use mainly takes into account the company's net worth, adjusted for any unrealized capital gains, and its immediate or future earnings power.

Stocks

Inventories are valued at the lower of cost and estimated net realizable value; cost is calculated using the weighted average cost method. The valuation method includes the cost of purchasing goods from Lexibook Hong Kong, as well as approach costs.

In terms of depreciation, which is recognized if the realizable value is lower than cost, the method differs according to the type of inventory.

a) Defective inventories or inventories to be recycled: these inventories are grouped into different categories. These categories are used to determine the level of depreciation to be applied. Depreciation rates vary from 5% to 100%.

b) Slow-moving inventories: inventories of new products are subject to a detailed review to determine whether the value of products identified as "slow-moving" should be written down, and if so, how much.

The company records impairment losses on the basis of net realizable values, mainly based on sales prospects and expected margins.
A 100% provision may also be set aside if the product is no longer marketable, for specific reasons.
New products are never depreciated. A product is said to be new when it has been on the market for less than a year.

Operating receivables

Receivables are valued at their face value. An impairment loss is recognized when the inventory value is lower than the book value. Impairment is determined on the one hand on the basis of uncollectible receivables, and also on the basis of the age of receivables, and on the other hand on the basis of management's assessment of the collectibility risk.

In accordance with the provisions set out in the paragraph relating to receivables from investments, impairment losses and reversals were recognized on intra-group trade receivables during the year.

At year-end, Lexibook France's operating receivables from its subsidiaries were not impaired.

Currency translation adjustments

Payables and receivables denominated in foreign currencies are translated into euros at the year-end exchange rate.

Operating income

Revenue is generated when the service is rendered.

Non-recurring income and expenses

Only exceptional income and expenses of an unusual nature and of an exceptional occurrence are recorded as exceptional income or expense.

Pension commitments

Pensions and other benefits due to employees on retirement are recognized in the financial statements at the time of payment. Retirement commitments are valued at €303,277. No provision has been recognized in the parent company financial statements for the year ended March 31, 2023 in respect of this commitment. The valuation method used for employee benefit obligations is the projected unit credit method, as recommended by CNC recommendation no. 2003-R.01 of April 1, 2003 on the rules for valuing and accounting for retirement commitments and similar benefits.

This approach is equivalent to recognizing, at the calculation date, a commitment equal to the probable present value of estimated future benefits multiplied by the ratio between length of service at the calculation date and the retirement date. Implicitly, this means that the commitment is pro rata to the length of service. Consequently, future benefits are calculated on the basis of length of service and estimated salary at the date of payment of the benefit (end of career).

Salary is projected to the retirement date as follows:

Salary at end of career = Salary at calculation date * (1+ Salary revaluation rate) $^{\text{remaining period}}$ Then the rights at the end of the career are calculated and two probabilities are applied: one for survival and one for presence (i.e. not leaving through redundancy or resignation).

Finally, a prorata (seniority at calculation date / seniority at maturity) and a discount factor multiply the result obtained.

The main assumptions used are: retirement at age 67 (voluntary redundancy), inflation rate of 1.00%, turnover of 13.50% and discount rate of 5.60% (Bloomberg AA actuarial rate) - long term (15 years) + Index at March 31, 2023).

Earnings per share

Notes to the balance sheet and income statement at March

31, 2023 Note 1: Property, plant and equipment and

Intangible assets and property, plant and equipment (€)	31/03/2022	Augmen-tation	Dimin-ution	Other Variations	31/03/2023
Intangible assets					
Concessions, patents, licenses	357 494	1 185	-		358 679
Goodwill Other	70 127				70 127
intangible assets	100 000	-	-	-	100 000
TOTAL	**527 621**	**1 185**	**-**	**-**	**528 806**
Property, plant and equipment					
Industrial plant, equipment and tools	168 905	-		-	168 905
Other property, plant and equipment	533 473	6 092	-	-	539 565
Property, plant and equipment in progress	-	-	-		0
TOTAL	**702 378**	**6 092**	**-**	**-**	**708 470**

Other intangible assets" correspond to website costs incurred up to March 31, 2023 in the amount of €100,000.

Note 2: Depreciation, amortization and provisions for property, plant and equipment and intangible assets

Amortization of intangible assets and property, plant and equipment Property, plant and equipment in € (in ')	31/03/2022	Augmen-tation	Dimin-ution	Other Variations	31/03/2023
Amort / Intangible fixed assets					
Amort / Concessions, patents, licenses	312 487	3 586	-	-	316 073
Amort / Other intangible assets	100 000	-	-	-	100 000
TOTAL I	**412 487**	**3 586**	**-**	**-**	**416 073**
Amort / Property, plant and equipment					
Amort / Industrial plant, equipment	168 905	-	-	-	168 905
and tools Amort / Other tangible fixed assets	353 391	41 061	-	-	394 452
TOTAL II	**522 296**	**41 061**	**-**	**-**	**563 357**
Impairment / Intangible assets					
Impairment / Concessions, patents, licenses	41 421	-	-	-	41 421
Impairment / Goodwill	70 127	-	-	-	70 127
Impairment / Other intangible assets	0	-	-	-	0
TOTAL III	**111 548**	**-**	**-**	**-**	**111 548**

Note 3: Long-term investments

Financial assets in € (in ')	Gross amount	Due within 1 year	Maturities over 1 year
Long-term investments			
Equity investments	389 753	0	389 753
Receivables from investments	20 502 426	20 502 426	0
Equity interests Banks	50	0	50
Giac and Mainbot titles	20 007	0	20 007
Loans	100 815	1 680	99 135
Deposits and guarantees	1 901 663	1 801 213	100 450
Other	0		0
TOTAL	**22 914 713**	**22 305 320**	**609 394**

Note 4: Inventories

Inventories in € (in ')	Gross value 31/03/23	Depreciation	Net value 31/03/23	Net value 31/03/22
Merchandise inventories	15 813 058	737 397	15 075 661	11 383 290
TOTAL	**15 813 058**	**737 397**	**15 075 661**	**11 383 290**

Note 5: Operating receivables

Operating receivables (€)	Value gross 03/31/23	Depreciation	Value net 03/31/23	Value net 03/31/22
Advances and deposits paid	89 988	-	89 988	174 764
Accounts receivable	3 298 206	420 409	2 877 797	2 435 719
Social security receivables	60 256	-	60 256	45 930
Tax receivables	642 346	-	642 346	239 480
TOTAL	**4 090 797**	**420 409**	**3 670 387**	**2 895 893**

Operating receivables	Total	1 year or more	1 to 5 years
Advances and deposits paid	89 988	89 988	
Accounts receivable	2 877 797	2 877 797	
Social security receivables	60 256	60 256	
Tax receivables	642 346	642 346	-
Total	**3 670 387**	**3 670 387**	**-**

Note 6: Prepayments and accrued income

This item comprises prepaid expenses of €330,076 and foreign currency translation adjustments of €1,095.
1,015,446, and deferred charges on loan issuance costs of €27,334.

Prepaid expenses at 31 03 2023	Operation	Financial	Exceptional	Total
Prepaid expenses	241 135			241 135
Prepaid expenses Royalties	88 941			88 941
	330 076	**-**	**-**	**330 076**

Conversion difference Assets at 03 31 2023	Operation	Financial	Exceptional	Total
Cumulative translation adjustment Assets	37 023	978 424	-	1 015 446
	37 023	**978 424**	**-**	**1 015 446**

Deferred charges at 31 03 2023	Operation	Financial	Exceptional	Total
Issuance costs of deferred borrowings	-	27 334		27 334
	-	**27 334**	**-**	**27 334**

Note 7: Shareholders' equity

At March 31, 2023, share capital comprised 7,763,319 fully paid-up ordinary shares with a par value of €0.5 each. Changes in shareholders' equity can be analyzed as follows:

Shareholders' equity in € (in ')	Capital	Bonus emission	Reserves	Deferral to new	Results	Other variations	Total
At April 1, 2022	3 881 660	-	148 323	599 257	1 291 293		5 920 533
Appropriation of profit 2021-2022				1 291 293	- 1 291 293	-	-
Decision Allocation	-	-	-	-			-
Net income at 03/31/2023					258 943		258 943
At March 31, 2023	**3 881 660**	**-**	**148 323**	**1 890 550**	**258 943**	**-**	**6 179 476**

Note 8: Provisions for liabilities and charges

Provisions for contingencies and charges in €	31/03/2022	Increase on	Decreases used	Decreases unused	31/03/2023
Provisions for commercial and labor disputes	-	-	-	-	-
Warranty provisions	-	-	-	-	-
Provisions for bond redemption premiums	-	-	-	-	-
Provision for taxes	-	-	-	-	-
Other provisions	111 964	903 483	-	-	1 015 446
Deferred tax liabilities	-	-	-	-	-
Total	**111 964**	**903 483**	**-**	**-**	**1 015 446**

Other provisions include provisions for foreign exchange losses

The Group has not considered it necessary to set aside a provision for product warranties due to the following factors:

- The Group has warranty contracts with all its assembly subcontractors, and has transferred the risk of an epidemic default to them.
- Quality standards have been tightened up over the last few years, making products more reliable, reducing breakdowns on unpacking and improving Lexibook's brand image.
- With some of its customers, the Group buys back warranties instead of returning defective products, in order to limit flows.
- The Group has replaced tablets (which generate a lot of after-sales processing) with less technological products (musical instruments, lighting, toys, etc.) that are less likely to break down and require after-sales returns.

Overall, the ratio of products handled by the after-sales service reached a low point in FY 2022-23 at 0.17% of volumes.

Note 9: Maturity schedule of borrowings

Borrowings in € at 03/31/2023	Total	1 year or more	1 to 5 years	+ over 5 years
Convertible bonds	-	-	-	-
Other bonds	662 107	319 834	342 273	-
Borrowings from credit institutions	5 263 458	939 779	3 796 003	527 676
Other financial liabilities	-	-		-
Bank overdrafts	63 547	63 547		-
Total	**5 989 112**	**1 323 160**	**4 138 276**	**527 676**

Note 10: Accruals and deferred income

This item comprises €1,128,598 in translation adjustments.

Note 11: Off-balance sheet commitments

Commitments given

At its meeting on January 25, 2022, the Supervisory Board authorized the Executive Board to act as guarantor for the banks and to sign the documents required to set up a line of standard letters of credit (SBLC) for Lexibook Hong Kong, a 100% subsidiary of Lexibook France. The SBLCs are granted by HSBC (USD 1,336 million), BNPP (USD 1,781 million) and SG (USD 1,830 million). This amount of 4,947,316 US dollars is converted at the closing rate of 1.0875 dollars per euro.

At March 31, 2023, Lexibook had USD forward purchase commitments amounting to 1,016,200 US dollars, also converted at the closing rate of 1.0875 dollars per euro.

The contracts signed with Factofrance and Cofacrédit, for domestic and export financing respectively, provide for :

Features	FACTOFRANCE	COFACREDIT
Reserves	8%	6%
Retention period	15%	15%
Minimum Guarantee Fund	230 000	100 000
Com mission d'affacturage	0,24%	0,34%
Com mission d'anticipation	Monthly average 3-month EURIBOR + 0.75	Monthly average 3-month EURIBOR + 0.75

At March 31, 2023, gross receivables assigned to the factor amounted to €2,875,753 (€739,124 from Factofrance and €2,136,629 with Cofacrédit).

There are no unmatured discounted notes at March 31, 2023.

Lexibook SA has no commitment at March 31, 2023 on the "CREDOC" lines granted by banks and used to finance merchandise purchases. (Line commitment given for 1.84 M€, with no drawdown at March 31, 2023).

The CREDOC and SBLC lines have been pledged to the historical banking pool, in the amount of 6.155 M from February 1, 2023 to January 31, 2024.

On March 19, 2013, the Supervisory Board authorized the agreement between LEXIBOOK-L.E.S. and its wholly-owned subsidiary, LEXIBOOK HK Limited, headquartered in HONG-KONG, and Citibank, under the terms of which LEXIBOOK France acts as guarantor ("Guarantor"), up to the amount of 3,000,000 US Dollars, for the commitments entered into by its wholly-owned subsidiary, LEXIBOOK HK Limited. It is hereby specified that according to CitiBank's Letter dated October 29, 2019 "Facility Letter", the credit facility, from this date, is up to an overall limit of US$1.3 million with the following sub-limits:

a. US$500,000 for the issuance of letters of credit and trust receipt loans; and
b. 800,000 US dollars to negotiate export invoices.

Commitments received

The Supervisory Board minutes drawn up on 02/07/2018 note the commitment received from our subsidiary LEXIBOOK Hong Kong concerning the waiver of €1,400,000 in its favor, this being subject to a Better Fortune Clause.

Note 12: Sales by region and segment

France-Export sales break down as follows:

France-Export sales in € (in €)	31/03/2023 12 months	31/03/2022 12 months
France	17 026 292	13 139 726
Export	24 628 730	23 733 920
Total	**41 655 022**	**36 873 646**

Electronics-Toys sales in €	31/03/2023 12 months	31/03/2022 12 months
Electronics	13 083 369	13 481 055
Toys	26 579 814	21 970 479
Other	1 991 839	1 422 113
Total	**41 655 022**	**36 873 646**

Note 13: Net financial expense

Net financial income breaks down as follows

Changes in financial provisions include :

- - 903,483 net allocation to provisions for exchange losses.
- +92,497 net charge to provisions on receivables from equity interests.

-+ 153,014 net increase in provisions for investments in subsidiaries and affiliates.

Note 14: Non-recurring items

Exceptional items at March 31, 2023 totaled €44,729.

Net exceptional items in €	31/03/2023 12 months	31/03/2022 12 months
Extraordinary income from management operations	-	-
Extraordinary income from capital transactions	-	-
Liquidation surplus on subsidiaries	-	-
Other extraordinary income	-	-
Total non-recurring income	**-**	**-**
Exceptional expenses on management operations	44 729	337 468
Exceptional expenses on capital transactions	-	-
VNC of intangible assets sold	-	320 946
Other exceptional expenses	-	-
Total non-recurring expenses	**44 729**	**658 414**
Change in exceptional provisions	-	-
Exceptional items	**44 729**	**- 658 414**

Extraordinary expenses mainly comprise :

-+ 98,453 for a reversal of a risk related to an audit of the license section.

- - 142,863 for contract penalties.

Note 15: Workforce

Lexibook SA's workforce breaks down as follows:

Note 16: Subsidiaries and affiliates

List of subsidiaries and affiliates in euros	% owned	Shareholders' equity (excl. capital)	Gross value of shares at 31/03/2023	Net value of securities at 31/03/2023	Loans / debts Net	Guarantees and endorsements granted (1)	Sales 03/31/2023	Net income 03/31/2023	Dividends paid (-), received (+)
A. Subsidiaries over 50%-owned									
Lexibook Hong Kong Limited	99,9%	5 934 565	236 340	236 340	19 298 976	4 549 240	30 792 557	2 378 545	-
Lexibook Iberica SL	99,9% -	120 777	153 014	153 014	101 434		543 358	141 719	
Lexibook USA	100,0% -	851 112	399		1 102 016		1 717 913	461	

(1) 4,947,300 USD converted at the closing rate of 1.0875.
NB: Foreign currency amounts expressed in euros in this table have been translated at the closing rate for balance sheet items and at the average rate for the year for income statement items.

Note 17: Interest rate and currency risks

Interest rate risk	Unless a an	From one to five years	More than five years	Total
Financial liabilities	1 259 612	4 138 276	527 677	5 925 565
Financial assets	-21 983 203			- 21 983 203
Net position before management	**-20 723 591**	**4 138 276**	**527 677**	**- 16 057 638**
Off-balance sheet				
Net position after management	**-20 723 591**	**4 138 276**	**527 677**	**- 16 057 638**

In the event of a one-point increase in interest rates, the potential loss would be €160,576.

Foreign exchange risk	USD	GBP	HKD
Assets	23 716 430	462 757	-
Liabilities	- 27 544 192	- 7 768	
Net position before management	**- 3 827 762**	**454 989**	**-**
Off-balance sheet	- 7 403 766	-	-
Net position after management	**- 11 231 528**	**454 989**	**-**

NB: The USD 7,404m off-balance sheet position comprises USD 5,888m in SBLCs and USD 1,016k in currency hedges.
On the basis of this net position and in the event of a 1% appreciation of the euro against these currencies, the loss of earnings for the company would be USD 112,315 and GBP 4,550.

Note 18: Inventory of securities

Nature	Name	Number of securities	Gross value Com ptable	Depreciations	Net value Com ptable
Equity investments (1)	Lexibook HK	49 999	236 340	-	236 340
Equity investments (1)	Lexibook Iberica	24 694	153 014	-	153 014
Equity investments (1)	Lexibook Usa	500	399	- 399	-
Treasury stock (2)	Lexibook SA	-	22 412	-	22 412

(1) Securities held are written down on the basis of the subsidiaries' negative net worth.

(2) Lexibook SA shares are depreciated on the basis of the share price on March 31, 2023.

Note 19: Affiliated or related companies

Type	Amounts totals	Related companies	Company with
Long-term investments	21,983,202		
Borrowings	5,989		
1 Operating receivables			
Operating liabilities			
Operating expenses			
Produ			

Note 20: Breakdown of operating receivables and payables

Operating receivables and sundry receivables	Total	1 year or more	1 to 5 years
Advances and deposits paid	89 988	89 988	-
Accounts receivable	3 298 206	3 298 206	-
Social security receivables	60 256	60 256	-
Tax receivables	642 346	642 346	-
Other receivables	25 505	25 505	
Total	**4 116 302**	**4 116 302**	**-**

Operating and other liabilities	Total	1 year or more	1 to 5 years
Trade accounts payable	27 372 767	27 372 767	-
Advance payments received / com.	-	-	-
Social debts	1 398 661	1 398 661	-
Tax liabilities	97 725	97 725	-
Other liabilities	1 249 850	1 249 850	-
Total	**30 119 003**	**30 119 003**	**-**

NB: Other receivables include trade debtors in the amount of €25,505.
NB: Other liabilities include accounts receivable of €661,427, and accounts payable of €588,423.

Note 21: Total compensation paid to members of management bodies

For the period from April [1], 2022 to March 31, 2023, executive compensation totaled €1,020,800.62.

Note 22: Increases and reductions in future tax liabilities

22-1 Income tax expense

LEXIBOOK's corporate income tax liability for the year ended March 31, 2023, including contributions, amounts to €19,475.

Taxable income for the year ended March 31, 2023 amounted to €1,155,798. An amount of €1,077,899 was allocated to previous tax losses. The remaining balance of €77,899 generated a net tax charge of €19,475.

22-2 Tax breakdown

The breakdown of corporate income tax between ordinary income and extraordinary income is as follows:

	Results Current	Results Exceptional	CICE	TOTAL
Profit before tax	323 148	- 44 729	-	278 418
Tax	- 19 475	-	-	- 19 475
Net income	**303 673**	**- 44 729**	**-**	**258 943**

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22-3 Change in future tax liability

Change in future tax liability (€)	Opening 31/03/2022	Increases	Decreases	Cloture 31/03/2023
Base Deferred tax assets				
Organic	-	-	-	-
Construction effort	-	-	-	-
Tax loss	12 322 102	-	1 077	11 244 203
carryforwards	939 621	-	899	786 607
Net long-term capital losses			153 014	
Total deferred tax assets	**13 261 723**	**-**	**1 230 913**	**12 030 810**

Net long-term capital losses represent forecast or actual losses on equity investments.

Note 23: Accrued expenses and accrued income

Payables		Amount
Total accrued expenses		**3 455 304**
Other financial liabilities		**31 348**
Accrued interest on borrowings Accrued	24 834	
interest on borrowings	6 514	
Bank loans		**-**
bank loans	-	
Trade accounts payable		**1 512 168**
Unpaid invoices	1 512 168	
Advances and deposits received on orders		**588 423**
Credit notes to be established	588 423	
Social debts		**1 299 673**
Paid vacations	135 163	
Other social debts	1 164 510	
Tax liabilities		**23 693**
Other tax liabilities	23 693	
Other liabilities		**-**
Sundry liabilities	-	

Receivables		Amount
Total accrued income		**522 689**
Financial receivables		**-**
Accrued interest receivable	-	
Advances and deposits paid		**89 988**
Advances paid Credit	89 988	
notes receivable	-	
Tax receivables		**432 701**
Other tax receivables	432 701	
Social security receivables		**-**
Accrued income	-	
Sundry receivables		**-**
Miscellaneous	-	

Note 24: Post-balance sheet events

The Supervisory Board meeting of July 2, 2018 had authorized the waiver, in favor of the Chinese subsidiary, Lexibook Hong Kong Limited, of the receivable it held on the latter amounting to €1,400,000 at March 31, 2018 in order to restore its net book position. This waiver was subject to a ten-year financial recovery clause effective from July 2, 2018.
In May 2023, Lexibook ratified the definitive waiver of the better fortunes clause concerning the €1,400,000 debt waiver in its favor.

XVIII4. Verification of annual historical information

Not applicable

XVIII5.latest financial information

Not applicable

XVIII6.interim and other financial information

Not applicable

XVIII7. Dividends

Years	Number of shares remunerated	Dividend paid for the year					
		Net		Tax credit		Total	
		FF	€	FF	€	FF	€
1994	2 300	100,00	15,24	50,00	7,62	150,00	22,86
1995	2 300	500,00	76,22	250,00	38,11	750,00	114,33
1996	800 000	6,25	0,95	3,125	0,48	9,375	1,43
1997	940 000	3,20	0,49	1,60	0,24	4,80	0,73

No dividends were paid in the years from 1998 to the year ending March 31, 2023.
Since 1998, the company has decided that no dividend can be distributed. Until now, the main criterion has been to keep "net gearing (adjusted for factoring)" below 80%. Strictly speaking, this was not a "policy", since this issue is discussed each year by management, and the main criterion is likely to change, notably under the influence of a favourable trend in "financial leverage", which would make it possible to distribute with different gearing constraints, taking into account other criteria such as the Group's growth and associated financing requirements.

To the best of the company's knowledge, all dividends distributed to date have been paid out.

XVIII8. Legal proceedings and arbitration

There are no material governmental, legal or arbitration proceedings, including any proceedings of which the company is aware, which are pending or threatened, that are likely to have or have had in the past 12 months a material impact on the financial position or profitability of the company and/or the Group.

XVIII9. Changes changes fromthe situation financial or commercial situation

As of the date of this universal registration document, LEXIBOOK has not experienced any significant change in its financial or commercial situation since March 31, 2023.

XVIII10. Auditors' fees for the year ended March 31, 2023

		GRANT THORNTON law firm			
		Amount excl.		%	
		2022-2023	2021-2022	2022-2023	2021-2022
Audit					
	Statutory audit, certification, review of financial statements individual and consolidated	77 502	78 774	98%	100%
	Other due diligence related to the statutory auditor's engagement accounts	1 508		2%	0%
Subtotal		**79 010**	**78 774**		
Other services					
	Legal, tax and social				
	Technology information				
	Other				
Subtotal		-	-		
TOTAL		**79 010**	**78 774**	**100%**	**100%**

XIX. ADDITIONAL INFORMATION

XIX1 Share capital

XIX11. Issued capital

At March 31, 2023, the share capital stood at 3,881,659.50 euros, divided into 7,763,319 fully paid-up shares. Registered shares registered in the name of the same holder for at least two years (2,321,202 at the date of this universal registration document and to the best of our knowledge) carry double voting rights.

At March 31, 2022, share capital stood at 3,881,659.50 euros, divided into 7,763,319 fully paid-up shares.

The par value of each share is 0.5 euros. There is

only one class of shares.

XIX12. Number and main characteristics of shares not representing capital

Not applicable

XIX13. Shares held by the company or its subsidiaries

At March 31, 2023, the company held 10,050 of its own shares.

XIX14. Earnings over the last 5 years and table of customer and supplier payment terms

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
I- Capital at year-end					
a) Share capital	3 881 660	3 881 660	3 881 660	3 881 660	3
b) Number of shares issued	7 763 319	7 763 319	7 763 319	7 763 319	
c) Number of bonds convertible into shares	0	0	0	0	
II - Operations and results for the year					
a) Sales	41 655 022	36 873 646	22 367 240		
b) Income before tax, depreciation, amortization and provisions	845 744	1 571 629	1		
c) Corporate income tax	19 475	57 377			
d) Income after tax, depreciation, amortization and provisions	258 943	1 2			
e) Distributed earnings					
III - Earnings per share					
a) Income before tax, depreciation, amortization and provisions					
b) Income after tax, depreciation, amortization and provisions					
c) Dividends allocated to each tax group					
IV - Personnel					
a) Average number of employees					
b) Front mount					

Purchases incl. VAT for the period 42 736 584
Sales incl. VAT for the period 43 237 964

	Article D.441 I. -1°: Invoices received but not paid by the end of the financial year when due						Article D.441 I. -2°: Invoices issued but not paid by the end of the financial year when due					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day or more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day or more)
(A) Late payment brackets												
Number of invoices concerned	175	110	56	56	1 324	1 546	392	966	308	1 630	1 038	3 942
Total amount of invoices concerned INCL. VAT	1 190 943	- 199 074	488 509	- 128 222	24 518 722	24 679 936	1 282 493	386 749	- 7 098	63 010	1 573 854	2 016 515
Percentage of total purchases including VAT of the exercise	2,79%	-0,47%	1,14%	-0,30%	57,37%	57,75%						
Percentage of sales including VAT for the year							2,97%	0,89%	-0,02%	0,15%	3,64%	4,66%
(B) Invoices excluded from (A) relating to disputed or unrecorded payables and receivables												
Number of invoices excluding VAT					-	-						
Total amount of invoices excluding VAT					-	-						

(C) Reference payment terms used (contractual or legal - article L.441-6 or article L443-1 of the French Commercial Code)

Payment periods used to calculate late payments	- Contractual lead time: 60 days - Legal deadline: 60 days	- Contractual lead time: 60 days - Legal deadline: 60 days

XIX15. Convertible, exchangeable or warrant securities

AGM date	Nature of delegation	Maximum nominal the AK	Duration of delegation	Use	Decisio n-making meeting date the emissi the red
14/09/2022 16th resolution	Authorization for the Executive Board to trade in the Company's shares	Max 10% of ti tres	18 months		
14/09/2022 17th resolution	Delegation of authority to the Executive Board to decide on the issue of preferential subscription rights ~~shares and/or securities~~	20 000 000 of €uros	26 months		
	giving access to the Company's capital or its subsidiaries and/or securities securities granting entitlement				
14/09/2022 18th resolution	Delegation of authority to the Executive Board to decide the issue with cancellation of preferential subscription rights subscription of shares and/or securities securities giving access to the capital of the Company or its subsidiaries and/or securities giving right to	20 000 000 of €uros	26 months		
14/09/2022 19th century resolution	Delegation of authority to the Executive Board to decide the issue with cancellation of preferential subscription rights subscription of shares and/or securities securities giving access to the capital of the Company and/or securities giving entitlement to the allocation of ti tres debt, by private placement under	20 000 000 of €uros			
14/09/2022 21st resolution	Delegation of authority to the Executive Board to increase the number of ti t to be issued in the event of a share issue and/or securities giving access to the capital of the S any fi l l and/or any company with or without				
14/09/2022 22nd resolution	Delegation of authority for the purpose of issuing securities giving access to with the characteristics underwriting acti exercise at the will be issued in quotitié du c				
14/09/2022 24th resolution	Authorisati the manda opti a				
14/09/2022 25th resolution					
14/09/2 26th res					

XIX16. Information on acquisition rights and/or obligations attached to unpaid subscribed capital

Non-Applicable

XIX17. Information on the capital of any member of the Group under option or under a conditional or unconditional agreement to place it under option and details of such options, including the identity of the persons to whom they relate

Not applicable

XIX18. History of capital

A GE	N ature of Operation	Capital increase		N o minal	N u m b e r o f T itres Issued		C umulated M o ntant of C apital So cial	
		in FF	in €		Nbr	Val	in €	in shares
01/10/1981	Creation of SA RL ELVECO	100 000,00	15 244,90		1 000	152,45	15 244,90	1 000
28/09/1984	Capital increase through no minal raised to 290 FF	190 000,00	28 965,31				44 210,21	1 000
31/03/1987	Capital increase through inco rpo ratio ns of reserves, bringing the no minal to 500FF	210 000,00	32 014,29				76 224,50	1 000
31/03/1988	Capital increase following the merger with SA RL GEP RIM	500 000,00	76 224,50		1 000	500,00	152 449,00	2 000
31/03/1988	Capital increase through the inco rpo ration of reserves, making increase the no minal to 950 FF	900 000,00	137 204,11				289 653,11	2 000
31/03/1988	Capital increase through inco rpo ratio ns of reserves, raising the no minal to 1,150 F	400 000,00	60 979,61				350 632,72	2 000
30/11/1991	Transfo rmatio n of SA RL ELVECO into SA Linguistic Electro nic System (LES)						350 632,72	2 000
30/12/1996	Capital increase through inco rpo ratio n of reserves	5 980 000,00	911 645,12			8 280 000	1 262 277,86	2 000
	Divisio n of no minal by 400					8 280 000	1 262 277,86	800 000
	Capital increase through the issuance of new shares on the occasion of the introduction of the euro in the United States. Bo urse	1 449 000,00	220 898,63		140 000	9 729 000	1 483 176,49	940 000
31/12/2003	Capital increase continued co nversio n 57 o bligatio ns	590,36	90,00		57	90,00	1 483 266,00	940 057
12/12/2005	Capital increase with public offering	15 742 968,00	2 400 000,00	3,44	188 011	646 757,84	3 883 266,00	1 128 068
20/09/2010	Capital reduction by reduction of the no minal value			0,50			564 034,00	1 128 068
20/09/2010	Reserved capital increase			0,50	36 201	18 100,50	582 134,50	1 164 269
24/02/2011	Capital increase with DPS maintenance		1 338 909,00	0,50	2 677 818	1 338 909,00	1 921 043,50	3 842 087
16/01/2012	A nnulatio n of treasury shares		-21 020,00	0,50	42 040	-21 020,00	1 900 023,50	3 800 047
22/02/2012	Co nversio n 1st tranche loan o bligataire Turenne Capital (€1M)		120 482,50	0,50	240 965	120 482,50	2 020 506,00	4 041 012
12/05/2014	Co nversio n 2nd tranche o bligataire Turenne Capital loan (€0.5M)		46 186,50	0,50	92 373	46 186,50	2 066 692,50	4 133 385
03/08/2015	Reserved capital increase through the issue of new shares, with cancellation of the right to subscribe for new shares preferential so uscriptio n		413 338,50	0,50	826 677	413 338,50	2 480 031,00	4 960 062
26/05/2016	Capital increase through the issue of new shares, with pre-emptive rights maintained so uscriptio n		644 893,50	0,50	1 289 787	644 893,50	3 124 924,50	6 249 849
30/11/2017	Capital increase by B SA R		287 985,00	0,50	575 970	287 985,00	3 412 909,50	6 825 819
11/12/2019	Reserved capital increase through the issue of new shares, with cancellation of the right to subscribe for new shares. preferential so uscriptio n		468 750,00	0,50	937 500	468 750,00	3 881 659,50	7 763 319

XIX2.memorandum and articles of association

The Articles of Association were recast at the Annual General Meeting on September 2, 2011, and updated at the Annual General Meetings of December 20, 2011, May 12, 2014, July 24, 2015, May 26, 2016, December 7, 2017, December 17, 2008 and December 18, 2009.
December 14, 2019, September 14, 2020 and September 14, 2021.

Shareholders' Meetings are convened and deliberate under the conditions and within the timeframes laid down by legal and regulatory provisions.

XIX21. Corporate purpose (article 2)

The company's corporate purpose, directly or indirectly, in France or abroad, is as follows:

- the importation from all countries and distribution in all forms of all raw materials, semi-finished or finished products that can be resold as is or processed,
- trade in all forms, including the purchase, sale, export, representation, repair, maintenance and installation of all industrial and consumer products,
- taking an interest or participating in any form whatsoever in any similar undertaking, in particular by way of contribution, subscription to the purchase of bonds, shares or other securities, limited partnership, creation of a new company, merger or otherwise.

And, more generally, any economic, legal, financial, civil or commercial transactions of any kind whatsoever that may be directly or indirectly related to this corporate purpose or to any similar, related or complementary purposes. The direct or indirect participation of the Company in any industrial, commercial or financial activities or transactions, whether in movable or immovable property, in France or abroad, in any form whatsoever, insofar as these activities or transactions may relate directly or indirectly to the corporate purpose or to any similar, related or complementary purposes.

XIX22. Provisions concerning members of the company's administrative, management and supervisory bodies

The company is managed by an Executive Board under the supervision of the Supervisory Board.

Executive Board members are appointed by the Supervisory Board for a six-year term, and may be re-elected at any time, provided they are not over 80.

Their dismissal is decided by the Annual General Meeting.

The Chairman of the Managing Board is appointed by the Supervisory Board. The Executive Board meets as often as the company's interests require.

The Executive Board is vested with the broadest powers to act on behalf of the Company in all circumstances, within the limits of the corporate purpose and subject to the powers expressly granted by law to the Supervisory Board and to Shareholders' Meetings.

The Supervisory Board comprises between 3 and 18 members, who are appointed by the Annual General Meeting, which may dismiss them at any time.

Members are appointed for a six-year term, and may be re-elected, provided they do not exceed the age of 85.

The Board elects a Chairman and Vice-Chairman from among its members. The Board meets as often as the company's interests require.

The Supervisory Board exercises ongoing control over the management of the Company by the Executive Board.

XIX23. Rights, privileges and restrictions attaching to each class of existing shares

There are double voting rights for people who have declared their shares for more than 2 years. See § XVI1 (current breakdown of share capital and voting rights)

XIX24. Actions required to modify shareholders' rights

Article 37 of the Articles of Association, the G.E.A. alone is empowered to amend the Articles of Association.

XIX25. General meetings

The procedures for Annual General Meetings are set out in Articles 33 to 39 of the Articles of Association. The Annual General Meeting called to approve the financial statements for the year ending March 31, 2023 will be held on September 13, 2023.
A notice of meeting will be published in the BALO. The draft resolutions are set out below:

DRAFT RESOLUTIONS TO BE SUBMITTED TO THE ANNUAL GENERAL MEETING OF SEPTEMBER 13,

A ORDINARY TITLE

FIRST RESOLUTION: APPROVAL OF THE PARENT COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Annual General Meeting, having reviewed the reports of the Executive Board, the Supervisory Board and the Statutory Auditors on the parent company financial statements for the year ended March 31, 2023, approves the parent company financial statements, i.e. the balance sheet, income statement and notes, for the year ended March 31, 2023 as presented, together with the transactions reflected in these financial statements and summarized in these reports.

RESOLUTION TWO: APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The Annual General Meeting, having reviewed the reports of the Executive Board, the Supervisory Board and the Statutory Auditors on the consolidated financial statements for the year ended March 31, 2023, approves the consolidated financial statements, comprising the balance sheet, income statement and notes, for the year ended March 31, 2023, as presented, together with the transactions reflected in these financial statements and summarized in these reports.

RESOLUTION THREE: APPROPRIATION OF NET INCOME FOR THE YEAR ENDED MARCH 31, 2023

The Annual General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the Management Board's report, resolves to appropriate net income for the year of 258,943 euros as follows:

- Legal reserve: 19,421 Euros ;
- Retained earnings: 239,522 euros, which will therefore be a credit of 2,130,072 euros.

In accordance with the provisions of article 243 bis of the French General Tax Code, the Annual General Meeting also notes that no dividend has been paid in respect of the previous three years.

FOURTH RESOLUTION: APPROVAL OF NON-TAX-DEDUCTIBLE CHARGES AND EXPENSES

In accordance with the provisions of article 223 quater of the C.G.I., the Annual General Meeting approves the non-deductible expenses and charges amounting to 33,173 euros corresponding to excess depreciation, with a corresponding potential tax charge of 8,293 euros.

FIFTH RESOLUTION: APPROVAL OF THE STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

The Annual General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Statutory Auditors' Special Report on agreements governed by Articles L.225-86 et seq. of the French Commercial Code, approves the conclusions of said report and each of the agreements and commitments mentioned therein.

RESOLUTION SIX: APPROVAL OF THE REMUNERATION POLICY FOR THE CHAIRMAN OF THE SUPERVISORY BOARD AND MEMBERS OF THE SUPERVISORY BOARD, PURSUANT TO ARTICLE L.22-10-26 OF THE FRENCH COMMERCIAL CODE.

The Annual General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance governed by Article L.225-68 of the French Commercial Code, which describes the remuneration policy for corporate officers, approves, pursuant to Article L.22-10-26 of the French Commercial Code, the remuneration policy for the Chairman of the Supervisory Board and members of the Supervisory Board, as presented in Universal Registration Document 2022/2023, Section XIII 1 entitled *"Remuneration of corporate officers"*.

SEVENTH RESOLUTION: APPROVAL OF THE REMUNERATION POLICY FOR THE CHAIRMAN OF THE MANAGEMENT BOARD, PURSUANT TO ARTICLE L.22-10-26 OF THE FRENCH COMMERCIAL CODE.

The Annual General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance governed by Article L.225-68 of the French Commercial Code, which describes the remuneration policy for corporate officers, approves, pursuant to Article L.22-10-26 of the French Commercial Code, the remuneration policy for the Chairman of the Executive Board, as set out in the Universal Registration Document 2022/2023, Section XIII 1 *entitled "Remuneration of corporate officers"*.

EIGHTH RESOLUTION: APPROVAL OF THE REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT BOARD, PURSUANT TO ARTICLE L.22-10-26 OF THE FRENCH COMMERCIAL CODE.

The Annual General Meeting, voting on the quorum and majority conditions for Ordinary General Meetings, having reviewed the report on corporate governance governed by Article L.225-68 of the French Commercial Code, which describes the remuneration policy for corporate officers, approves, pursuant to Article L.22-10-26 of the French Commercial Code, the remuneration policy for members of the Executive Board, as set out in the Universal Registration Document 2022/2023, Section XIII 1 entitled *"Remuneration of corporate officers"*.

NINTH RESOLUTION: APPROVAL OF THE INFORMATION CONCERNING THE REMUNERATION OF EACH CORPORATE OFFICER REQUIRED BY ARTICLE L.22-10-9 I OF THE FRENCH COMMERCIAL CODE

The Annual General Meeting, deliberating under the conditions of quorum and majoritý required for ordinary general meetings, having reviewed the report on corporate governance, approves the information mentioned pursuant to Article L.22-10-34 I of the French Commercial Code, the information mentioned in I of Article L.22-10-9 of the same Code, as presented in the companý s corporate governance report referred to in Article L.225-68 of the same Code and which appear in the Universal Registration Document 2022/2023, Section XIII 1 entitled *"Remuneration of corporate officers"*.

RESOLUTION TEN: APPROVAL OF THE COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE 2022/2023 FINANCIAL YEAR OR GRANTED IN RESPECT OF THE SAME FINANCIAL YEAR TO MR LUC LE COTTIER, CHAIRMAN OF THE SUPERVISORY BOARD, PURSUANT TO ARTICLE L.22- 10-34 II OF THE FRENCH COMMERCIAL CODE.

The Shareholders' Meeting, deliberating in accordance with the quorum and majoritý requirements for ordinary general meetings, having reviewed the report on corporate governance, pursuant to Article L.22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the year ended March 31, 2023 or awarded in respect of the same year to the Chairman of the Supervisory Board as presented in the Universal Registration Document 2022/2023 Section XIII 1 entitled *"Remuneration of corporate officers".*

ELEVENTH RESOLUTION: APPROVAL OF THE COMPONENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID DURING THE 2022/2023 FINANCIAL YEAR OR GRANTED IN RESPECT OF THE SAME YEAR TO MR AYMERIC LE COTTIER, CHAIRMAN OF THE EXECUTIVE BOARD, PURSUANT TO ARTICLE L.22-10-34 II OF THE FRENCH COMMERCIAL CODE.

The Shareholders' Meeting, deliberating in accordance with the quorum and majoritý requirements for ordinary general meetings, having reviewed the report on corporate governance, pursuant to Article L.22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the year ended March 31, 2023 or awarded in respect of the same year to the Chairman of the Executive Board as presented in the Universal Registration Document 2022/2023 Section XIII 1 entitled *"Remuneration of corporate officers"*.

TWELFTH RESOLUTION: APPROVAL OF THE COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ANY KIND PAID DURING THE 2022/2023 FINANCIAL YEAR OR GRANTED IN RESPECT OF THE SAME YEAR EXERCISE OF POWERS CONFERRED ON MR EMMANUEL LE COTTIER, MEMBER OF THE EXECUTIVE BOARD, PURSUANT TO ARTICLE L.22-10-34 II OF THE FRENCH COMMERCIAL CODE.

The Annual General Meeting, voting under the quorum and majoritý conditions required for ordinary general meetings, after taking due note of the corporate governance report, pursuant to Article L.22-10-34 II of the French Commercial Code, approves the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid during the previous financial year or awarded in respect of the same financial year to the Chief Executive Officer, member of the Executive Board as presented in the Universal Registration Document 2022/2023 Section XIII 1 entitled *"Remuneration of corporate officers"*.

RESOLUTION THIRTEEN: REMUNERATION OF THE SUPERVISORY BOARD

The Shareholders' Meeting, deliberating in accordance with the quorum and majoritý requirements for ordinary general meetings, and pursuant to Article L.225-83 of the French Commercial Code, resolves to allocate to Supervisory Board members, as remuneration for their activity (the term *"attendance fees"* no longer existing and being replaced by *"remuneration"*), a fixed annual sum of €20,000 (twenty thousand) for the current and subsequent financial years.

Its allocation among Supervisory Board members is determined by the Supervisory Board, in accordance with Article L.225-83 of the French Commercial Code and Article L.22-10-26 of the same Code.

FOURTEENTH RESOLUTION: APPOINTMENT OF MRS VALERIE GUIARD-SCHMID AS MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, appoints

Mrs Valérie GUIARD-SCHMID
Born January 31, 1973 in PARIS 16ème (75)
French nationality
Residing at 31 avenue Pierre Grenier, 92100 BOULOGNE-BILLANCOURT,

as a member of the Supervisory Board for a term of six years, expiring at the close of the Annual General Meeting to be called to approve the financial statements for the year ending March 31, 2029.

RESOLUTION FIFTEEN: DISCHARGE OF THE MEMBERS OF THE EXECUTIVE BOARD, THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MEMBERS OF THE SUPERVISORY BOARD.
SUPERVISORY BOARD AND STATUTORY AUDITORS

The Annual General Meeting, voting under the quorum and majority conditions required for ordinary general meetings, having approved the parent company and consolidated financial statements for the year ended March 31, 2023, grants the members of the Executive Board discharge in respect of their management for the period from April [1,] 2022 to March 31, 2023.

For the period from April [1,] 2022 to March 31, 2023, it also discharges the members of the Supervisory Board in respect of the performance of their duties.

Lastly, for the period from April [1,] 2022 to March 31, 2023, it discharges the Statutory Auditors in respect of the performance of their engagement.

RESOLUTION SIXTEEN: AUTHORIZATION FOR THE EXECUTIVE BOARD TO TRADE IN THE COMPANY'S SHARES.
COMPANY

The Shareholders' Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, having considered the Management Board's report, resolves to authorize the Management Board, with the option of sub-delegation, in accordance with the provisions of Articles L.22-10-62 et seq. and L.225-210 et seq. et seq. of the French Commercial Code, European Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014, Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016 and any other applicable laws and regulations, to acquire or arrange for the acquisition of shares in the Company in order to:

- provide liquidity and stimulate the market for the Company's shares through an independent investment services provider, under a liquidity contract that complies with Autorité des Marchés Financiers decision no. 2021-01 of June 22, 2021 or with the market practice accepted by the Autorité des Marchés Financiers;

- the allocation of free shares in the Company under the provisions of Articles L.225-197-1 et seq. and L.22-10-59 et seq. of the French Commercial Code or any similar plan; or

- any free allocation of shares within the framework of any company or group savings plan in accordance with the provisions of Articles L.3332-1 et seq. of the French Labor Code, any allocation of shares within the framework of the company's profit-sharing scheme, and to carry out any hedging transactions relating to these transactions, under the conditions stipulated by the market authorities and at the times when the Executive Board or the person acting on behalf of the Executive Board acts;

- retaining shares and subsequently delivering them in exchange or as consideration for acquisitions, mergers, demergers or asset-for-share exchanges, in accordance with recognized market practices and applicable regulations;

- the implementation of any Company stock option plan pursuant to the provisions of Articles L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code or any similar plan; or

- in general, to meet obligations relating to stock option programs or other allocations of shares to employees or officers of the Company or an associated company; or

- the delivery of shares in the Company upon the exercise of rights attached to securities giving immediate or future access to shares in the Company by any means;

- cancel some or all of the shares repurchased, provided that the Executive Board has a valid authorization from the Extraordinary Shareholders' Meeting to reduce capital by canceling shares acquired under a share buyback program;

The Shareholders' Meeting resolves that this program is also intended to enable the implementation of any market practice that may be permitted or recognized by law or by the Autorité des Marchés Financiers, and more generally, the completion of any transaction that complies with current or future legislation and regulations. In such a case, the Company will inform its shareholders by means of a press release.

The purchase, sale or transfer of shares may be carried out or paid for by any means, on the over-the-counter market, including by means of block trades or public offerings, option mechanisms, derivatives, the purchase of options or securities in compliance with applicable regulatory conditions. The portion of the program carried out in the form of blocks of shares may amount to the entire share buyback program.

This authorization may be used under the following conditions:

- the total number of shares purchased by the Company since the start of the buyback program (including those purchased under the buyback program) does not exceed 10% of the shares comprising the Company's share capital at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting it subsequent to this General Meeting, it being specified (i) that the number of shares acquired by the Company with a view to their retention and subsequent remittance in payment or exchange within the scope of a merger, demerger or contribution transaction may not exceed 5% of the share capital, and (ii) that in accordance with the provisions of article L. 22-10-62 of the French Commercial Code, when shares are bought back to promote liquidity under the conditions defined by the General Regulations of the Autorité des Marchés Financiers, the number of shares taken into account for the calculation of the 10% limit provided for above corresponds to the number of shares purchased, less the number of shares resold during the term of the authorization;
- the number of shares held by the Company at any time does not exceed 10% of the shares comprising the Company's share capital at the relevant date.
- the maximum purchase price per Company share is set at €50, it being specified that in the event of a capital transaction, notably the capitalization of reserves and the allocation of bonus shares, stock split or reverse stock split, this maximum purchase price will be adjusted accordingly by a multiplying coefficient equal to the ratio between the number of shares making up the capital before the transaction in question and the number of shares after said transaction.

Shares bought back and held by the Company will be stripped of voting rights and will not be entitled to dividend payments.

In the event of a public offer for the Company's shares settled entirely in cash, the Company may continue to implement its share buyback program, in compliance with the applicable legal and regulatory provisions.

The Annual Shareholders' Meeting delegates to the Executive Board, with powers to subdelegate as permitted by law, the authority to adjust the maximum purchase price in the event of a change in the par value of the shares, a capital increase through the capitalization of reserves, the allotment of bonus shares, a stock split or reverse stock split, the distribution of reserves or any other assets, a capital redemption, or any other transaction affecting shareholders' equity, in order to take account of the impact of such transactions on the value of the shares.

Full powers are granted to the Executive Board, with the option to delegate these powers to any person in accordance with the law, to carry out this share buyback program, and in particular to place stock market orders, enter into agreements for the keeping of share purchase and sale registers, make declarations to the AMF and other bodies, draw up all documents, in particular for information purposes, and allocate and, where appropriate, reallocate shares in accordance with the conditions laid down by law.

by law, of the shares acquired for the various purposes pursued, complete all formalities and generally do all that is necessary.

This authorization is granted for a period of 18 months from the date of this Annual Shareholders' Meeting, thereby superseding any previous delegation of authority for the same purpose.

In accordance with Article L.225-211 of the French Commercial Code, the Executive Board will report annually to the Annual General Meeting on the transactions carried out under this resolution.

RESOLUTION SEVENTEEN: POWERS FOR FILINGS AND FORMALITIES

Full powers are granted to the bearer of an original or a copy of the present document to carry out or arrange for the carrying out of any necessary formalities, publications or advertising.

XIX26. Provisions having the effect of delaying, deferring or preventing a change in its control

Not applicable.

XIX27. Provisions setting thresholds above which shareholdings must be disclosed

Article 14 of the bylaws: legal and regulatory provisions.

XIX28. Conditions governing changes in capital

Under Article 37 of the Articles of Association, the G.M.E. alone is empowered to modify the capital.

XX. MAJOR CONTRACTS (TO WHICH ANY MEMBER OF THE GROUP IS A PARTY)

Not applicable.

XXI. AVAILABLE DOCUMENTS

Copies of the universal registration document are available free of charge at LEXIBOOK's head office, 6 Avenue des Andes Bâtiment 11 - 91940 LES ULIS, on the company's website (www.LEXIBOOK.com), and on the AMF website (www.amf-france.org). The company's various press releases are also available on its website.

The following is a list of press releases published on our website since our last Registration Document:

- Press Release Extensions of US Licensing Agreements 07/06/2023
- Press release Sales Q4 2022-2023 11/05/2023
- Press release Organization of a Webinar 03/05/2023
- Press release CIC Market liquidity contract 14/03/2023
- Press release Sales Q3 2022-2023 31/01/2023
- Communiqué JG610GG 13/12/2022
- Crosslander press release 12/12/2022
- RL800FO press release 09/12/2022
- SPIDER01 press release 08/12/2022
- Press release JC798i1 06/12/2022
- BTD80series press release 02/12/2022
- Press release JCMAT10DP JCMAT10PA 05/12/2022
- Press release K704FZ 01/12/2022
- TL70FR press release 01/12/2022
- H1 2022-2023 results press release 30/11/2022

- Crosslander Press Release 29/11/2022
- ROB16 Press Release 28/11/2022
- CG3000HP Press Release 25/11/2022
- EDU250i1 Press Release 24/11/2022
- Press release DINO01 24/11/2022
- Press release JGW150 22/11/2022
- UNI01 Press Release 22/11/2022
- SHUNI Press Release 18/11/2022
- ROB28 Press Release 17/11/2022
- Press release LTC100PA 16/11/2022
- Press release CA Q2 2022-2023 15/11/2022
- BTS500Z Press Release 15/11/2022
- Press Release RL800BAT NLJ01BAT 10/11/2022
- ROBD10 Press Release 21/09/2022
- Press release Sales Q1 2022-2023 29/07/2022

XXII. RECONCILIATION TABLES

XXII1. Reconciliation table for the annual financial report (article 222-3 of the AMF General Regulation)

Financial statements of LEXIBOOK SA	108
LEXIBOOK Group consolidated financial statements	69
Management's Discussion and Analysis	refer to the Reconciliation table in the Management Report
Certification by the person responsible for the annual financial report	06
Statutory Auditors' Report on the Financial Statements	105
Statutory Auditors' report on the consolidated financial statements	66
Fees paid to the Statutory Auditors	129
Report of the Chairman of the Supervisory Board on	corporate governancerefer to the

Reconciliation table in the report on corporate governance

XXII2.Management report reconciliation table

Presentation of the company's situation during the year just ended (Article L. 232-1 II)	30 à 37
Foreseeable changes in the company's situation (article L. 232-1 II)	N/A
Significant events occurring between the balance sheet date and the date of preparation of the management report (article L. 232-1 II)	38
Research and development activities (article L. 232-1 II)	26
Activity and results of subsidiaries and controlled companies by business segment (article L. 233-6 al. 2)	110, 111,122, 123
Objective, exhaustive analysis of business trends - Financial and, where applicable, non-financial Key Performance Indicators (KPIs). Description of main risks and uncertainties - Information on the use of financial instruments (article L. 225-100-1 1° to 3° and 6°)	8 à 14, 30, 99
Main features of internal control and risk management procedures relating to the preparation and processing of financial statements accounting and financial information (article L.225-100-1 5°)	52 à 55
Mention of existing branches (article L. 232-1 II)	N/A
Adjustments in the event of the issue of securities giving access to the capital (article L. 228-99)	N/A
Share disposals (reciprocal shareholdings) (article R.233-19 al. 2)	N/A
Allocation of bonus shares (article L. 225-197-1 II al. 4)	N/A
Allocation of stock options (article L. 225-185 al. 4)	58
Self-checking (article L. 233-13)	N/A
Works council opinion on changes in economic or legal organization (article L. 225-105 al.5)	N/A
Non-deductible expenses for tax purposes and expenses reinstated following a tax reassessment (articles 223 quater and 223 quinquies of the French General Tax Code) taxes)	N/A
Holders of capital or voting rights (article L. 233-13)	58, 59
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Employee share ownership (article L.225-102)	N/A
Anti-competitive practices (article L. 464-2 al.5)	N/A
Acquisitions of equity interests or controlling interests (article L. 233-6 al. 1)	N/A
Five-year financial summary (article R. 225-102 al. 2)	130
Information on how the company takes into account the social and environmental consequences of its activity (article L. 225-102-1 al. 5)	38, 56
Information relating to hazardous activities (article L. 225-102-2)	N/A
Information on the financial risks related to the effects of climate change and presentation of the measures taken to reduce them by implementing implement a low-carbon strategy (article L.225-100-1 4°)	N/A
Customer and supplier payment terms (article L. 441-6-1 al1)	131
Inter-company loans granted under article L. 511-6 3 bis of the French Monetary and Financial Code	N/A

XXII3. Table of reconciliation at report on the corporate governance

List of all offices and positions held in any company by each corporate officer during the year	40 à 49
Agreements entered into, directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other hand, another company in which the former directly or indirectly holds more than half of the capital, with the exception of agreements relating to current transactions and entered into at a later date. normal conditions.	60 à 65
Summary of current delegations of authority granted by the Annual Shareholders' Meeting in the area of corporate governance capital increases, pursuant to Articles L. 225-129-1 and L. 225-129-2, and showing the use made of these delegations during the year	132
At the time of the first report, or in the event of a change, the choice of one of the two methods of exercising general management provided for in the bylaws is made. article L.225-51-1.	N/A
Composition, preparation and organization of the Board's work	40 à 43, 50
Application of the principle of balanced representation of men and women on the Board of Directors	50
Limitations placed by the Supervisory Board on the powers of the Executive Board	55
Where a company voluntarily refers to a corporate governance code drawn up by organizations representing companies, the provisions that have been disregarded and the reasons why, as well as the place where this code can be consulted, or, in the absence of such a reference to a code, the reasons why the company has decided not to refer to it, as well as, where applicable, the rules that apply. in addition to legal requirements	52
The specific arrangements for shareholder participation in the Annual General Meeting, or the provisions of the Articles of Association which provide for such arrangements, are subject to the approval of the Board of Directors. terms and conditions	137
For each corporate officer	
a) the total remuneration and benefits of any kind paid by the company during the year, including in the form of shares, debt securities or securities giving access to the capital or entitling the holder to the allotment of debt securities of the company or of the companies referred to in Articles L. 228-13 and L. 228-93. The remuneration and benefits in question include, where applicable, those received from companies controlled, within the meaning of Article L. 233-16, by the company in which the mandate is held, as well as from the company which has granted the mandate. controls the company in which the mandate is held ;	43 à 48
b) a description of the fixed, variable and exceptional components of such compensation and benefits, together with the criteria used to calculate them and the circumstances in which they were granted, with reference, where applicable, to the resolutions passed in accordance with the provisions of Article L. 225-82-2. It mentions, where applicable, the application of the following provisions of the second paragraph of article L. 225-83 ;	47
c) commitments of any kind made by the company for the benefit of its corporate officers, corresponding to remuneration, indemnities or benefits due or likely to be due as a result of the assumption, termination or change of their duties or subsequent to the exercise thereof, in particular pension commitments and other life-long benefits. In accordance with the conditions and procedures laid down by decree, the information provided must include details of how these commitments are determined. and an estimate of the sums likely to be paid in this respect.	47
Exposure and, where applicable, explanation of the following items where they are likely to have an impact in the event of an offer (article L. 225-37-5) :	58
a) the company's capital structure ;	58
b) statutory restrictions on the exercise of voting rights and transfers of shares, or clauses in agreements brought to the Company's attention. of the company pursuant to Article L. 233-11 ;	58
c) direct or indirect shareholdings in the company's capital of which it is aware pursuant to Articles L. 233-7 and L. 233-12;	58
d) a list and description of the holders of any securities with special control rights;	59
e) the control mechanisms provided for in any employee share ownership scheme, when control rights are not exercised by the latter;	N/A
f) shareholder agreements of which the Company is aware and which may entail restrictions on the transfer of shares and on the exercise of voting rights. of voting rights ;	N/A
g) the rules applicable to the appointment and replacement of Supervisory Board members and to the amendment of the company's articles of association. company ;	134
h) the powers of the Supervisory Board, in particular as regards the issue or repurchase of shares;	132
i) agreements entered into by the company that are modified or terminated in the event of a change of control of the company, unless such disclosure, except where disclosure is required by law, would seriously harm its interests;	N/A
j) agreements providing for indemnities for members of the Board of Directors or employees, if they resign or are made redundant without cause or if their employment is terminated as a result of a takeover bid or public exchange offer.	N/A
The presentation of draft resolutions relating to the principles and criteria for determining, allocating and granting compensation and benefits. fixed, variable and exceptional components of the total compensation and benefits of any kind, attributable to the Chairman, Chief Executive Officers or Chief Operating Officers, by virtue of their office.	N/A
For each of the SA/SCA's corporate officers who hold at least one directorship in a company whose shares are admitted to trading on a regulated market, the information provided for i n Article L. 225-37-3 of the French Commercial Code (see above) on the following is disclosed compensation and benefits of all kinds are disclosed.	N/A