2022

annual report

econocom

Chairman’s message

Dear Sir, Madam,

In 2022, Econocom aimed to return to growth. It is done. In a particularly unstable economic and geopolitical context, our Group demonstrated the strength of its model with a performance that met our ambitions.

Revenue for 2022 amounted to €2.718 billion, up 14.8% compared to 2021. With organic growth of 10% and external growth contributing nearly 5% to the total increase in revenue, Econocom demonstrated its ability to roll out balanced and sustainable growth. Recurring operating profit from continuing operations was also up by 9.2% to €139.4 million, resulting in an operating margin of 5.1%.

Over the year, the Group continued to control its net financial debt with a net book debt of €143 million compared to €67 million at the end of 2021. This change was mainly due to acquisitions and share buybacks. After deducting expected future inflows from self-funded leases within the Technology Management & Financing activity, Econocom posted a cash surplus of €141 million at the end of 2022 (as at the end of 2021).

2022 marked the continuation of the Group’s external growth with the completion of three acquisitions contributing approximately €100 million to 2022 revenue. The strategic value of these acquisitions lies in the reinforcement of our historical business lines, in the development of new high-potential business lines and in leveraging the experience acquired by our Group in the integration of companies.

While 2022 marked a return to growth for Econocom, we will confirm this momentum in 2023. Growth will notably be supported by the development of two new business lines, addressing the audiovisual sector and the reconditioning of smartphones and IT equipment. Lastly, our Group began to draw up its 2024-2028 Strategic Plan with the aim of reaching €5 billion in revenue by the end of this plan. Econocom's management team and all its employees are resolutely focused on the future.

Jean-Louis Bouchard

Representative of Econocom International BV,
Chairman of the Board of Directors

01

business model

1. One Digital Company

As the leading digital general contractor in Europe, Econocom conceives, finances and facilitates the digital transformation of large firms and public organisations.

With operations in 16 countries, we are among the rare European players to cover the entire digital business chain: from equipment to services and even financing.

managing complex demand

We can see on the field, that the requirements and needs of our customers are becoming increasingly complex: technological developments are permanent, projects are increasingly international, CSR issues must be taken into account. Supply is increasingly fragmented between software vendors, hardware manufacturers, banks, etc. But above all, end users (employees, customers, etc.) are increasingly demanding, mobile and connected. To guide companies in this hazy digital world, we have an easy answer: **One Digital Company.**

what we do

The Group is one of the few to be able to coordinate and take overall responsibility for the entire business chain of a digital project: from equipment, to services, to their customised financing with a pay-as-you-go solution… And it does so whether in one or several countries.

how we do it

For its customers, Econocom designs and implements digital services that are genuinely useful to them and create sustainable value. To this end, our teams design solutions based on their actual uses, always preparing the next step and placing responsible digital at the heart of our activities.

what makes us different

We complete our digital projects successfully by managing their complexity and sustainability. For this, we rely on specific features that are unique in the market:

- the mix of our three business lines;
- our organisation, which enables us to coordinate all digital business lines, including outsourcing;
- our locations in 16 countries.

The Econocom Galaxy

AN AGILE STRUCTURE SERVING SUSTAINABLE DIGITAL TRANSFORMATION

Econocom's original structure,**'the Galaxy',** helps it implement its growth strategy.

The Planet: the group's three long-standing business lines

At Econocom we work to serve our clients, independent of manufacturers, telecoms operators, software publishers and financial firms. We have been a pioneer in the digital sector for 50 years. The group is the only market player that combines technological and financial expertise through three business lines.

EQUIPMENT

We implement turnkey as-a-service solutions integrated into our clients' environments and tailored to their users: from installation advice and storage to maintenance and recycling for all digital equipment.

SERVICES

We support our clients' digital projects and meet their professional needs with agility. Our three main areas of expertise: user environment; cloud services, infrastructures and hybridisation; and modernisation of applications and data.

FINANCING

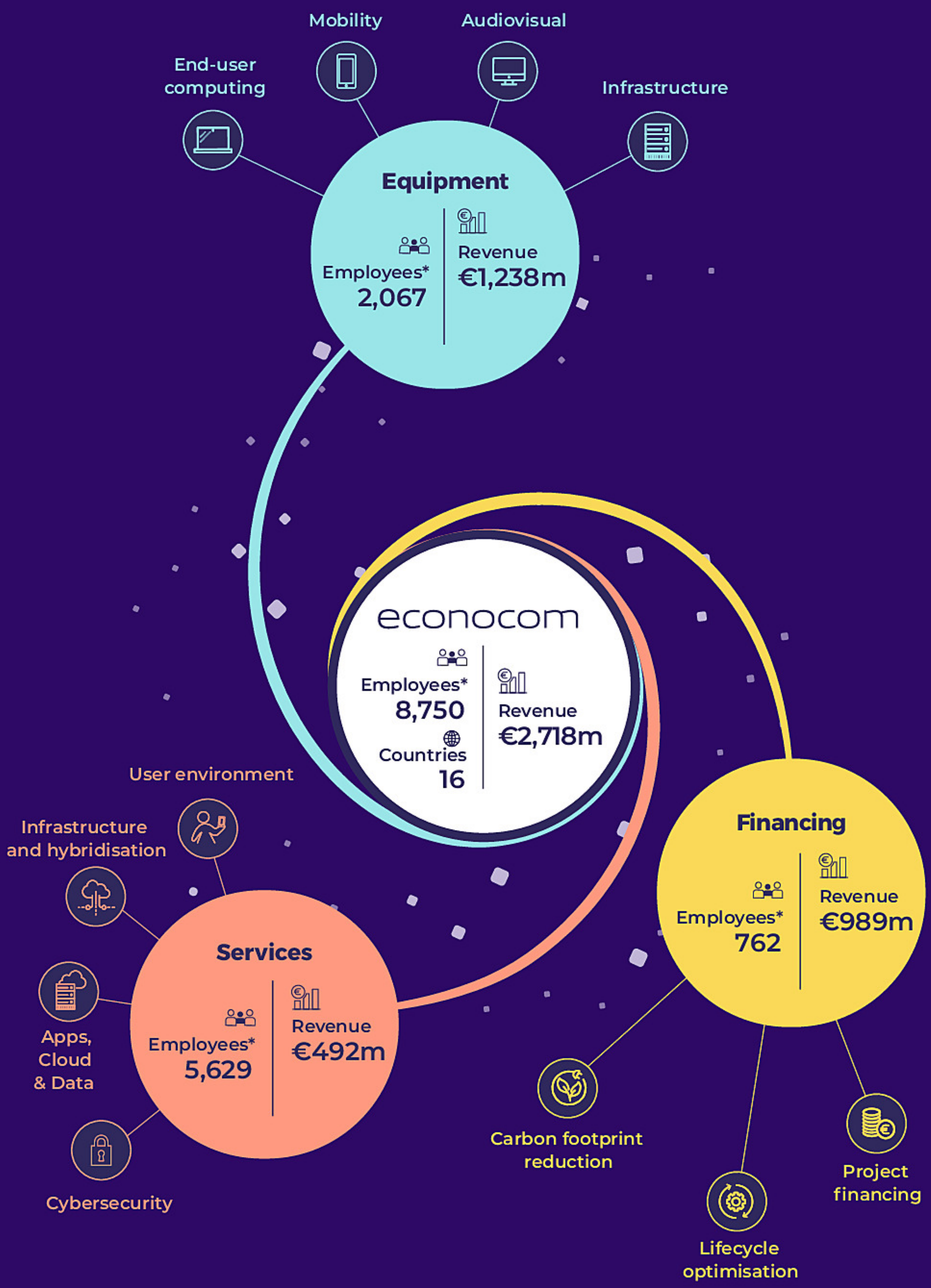
We are a pioneer and leader in financing digital transformation. We overcome financial barriers to firms' growth through agile, flexible solutions in financial leasing, while keeping their spending under control, as part of the circular economy.

The Satellites: a group of expert firms

The Satellites are self-governing, expert SMEs in the digital sector's most buoyant fields. They complement Econocom's long-standing solutions effectively and help speed up the group's growth.

Employees*1,885 Revenue*€624,7 M

*portion of Satellites' employees and revenue in group's employees and revenue in 2022



*See breakdown of teams on page 15

3. The Group's Satellites

Econocom has created an **innovating model with a network of expert companies known as Satellites.** These are small and medium-sized companies which are high-performing in their area of expertise and the heads and often founders of which retain a significant share of the share capital.

By combining Econocom's industrial power with the agility of its satellites, the Group offers its customers **comprehensive, tailor-made solutions and integrated throughout the digital value chain.** As their digital challenges evolve, Econocom offers them solutions that are made for them rather than solutions they will find everywhere.

CYBER SECURITY	ASYSTEL ITALIA • EXAPROBE • TRAMS
MICROSOFT	ASYSTEL ITALIA • TRAMS
APPLE	ASYSTEL ITALIA • TRAMS
APPS & CLOUD	ASYSTEL ITALIA • SYNERTRADE • TRAMS
INFRASTRUCTURE & NETWORKS	ASYSTEL ITALIA • BIZMATICA • EXAPROBE • TRAMS
MOBILITY	ASYSTEL ITALIA • BDF • BIZMATICA • ENERGY NET • TRAMS
DIGITAL SIGNAGE & MULTIMEDIA	ASYSTEL ITALIA • BDF • BIS|ECONOCOM
CONSULTING	BIZMATICA • HELIS • TRAMS

4. Responsible Digital Entrepreneur: our CSR manifesto

Digital technology is everywhere. Digital technology is made for everyone. Digital technology is a common good.

It constitutes a great means of communication, a chance that makes our life flow, for smoother interactions may they be personal or at work.

It is that hope we rely on to transform society, to make it more sustainable, fair and positive - a better place.

It is also that constant revolution, made of priorities which may be somewhat conflictual at times, because it must:

- **enable ecological and digital transformations, adapt to changes in the workplace, and more broadly in lifestyles, etc.** and at the same time, ensure a seamless control over its carbon footprint or the sudden emergence of new refurbishment channels;
- **build the future, together with the huge challenges that will no doubt trigger disruptive innovation** and new types of liberty... and at the same time put up walls to guard against new forms of attacks;
- **produce the societal transitions inherent to our era**, by unlocking value creation no matter where it comes from, through social or local initiatives, encouraging collaborative citizen approaches and at the same time ensure that the technology never excludes anyone, and always guarantee fairness through equality, inclusion and governance.

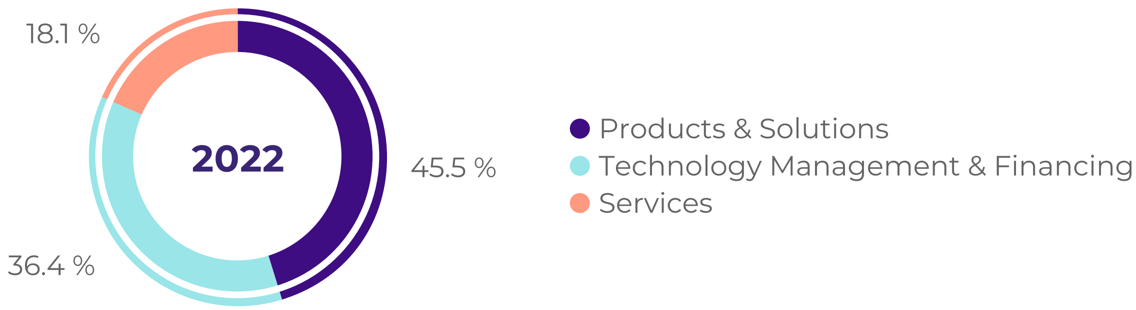
Anticipate and manage these complex requirements, transforming digital as it transforms society ultimately translates into taking action with the fierce determination of an entrepreneur:

- **because a winning and creative mindset** is part of our DNA and drives our expansion;
- **because the intellectual and human commitment of our talent** is matched only by our obsession with pragmatism, useful digital technology and sustainable value creation;
- **because we are the first European Digital General Contractor**, we integrate into our expertise all the worlds that hold the digital galaxy together;
- **because our ambition has always been to build the future**, we are now accelerating towards what will make it more impactful and responsible.

5. 2022 key figures

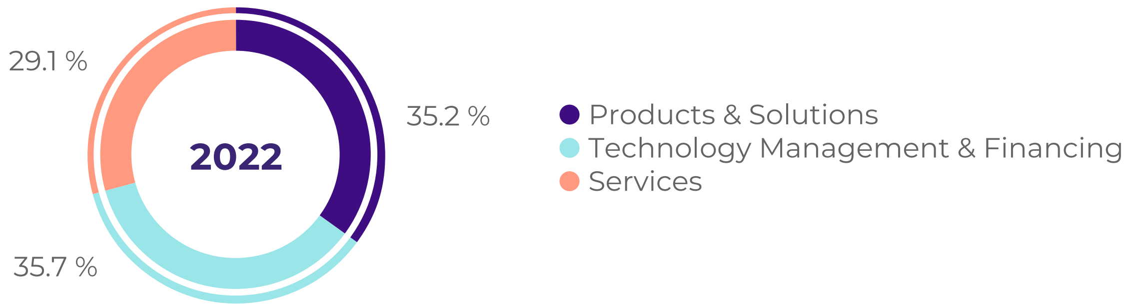
Consolidated revenue *(in € millions)*

Revenue by business



Recurring operating profit from continuing operations [1] *(in € millions)*

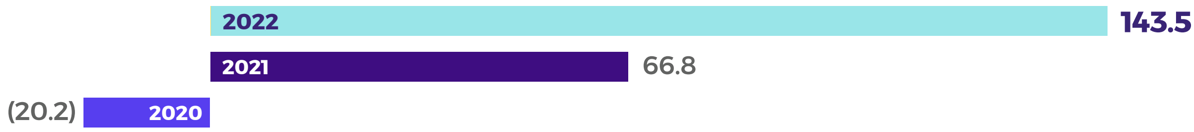
Recurring operating profit from continuing operations by business



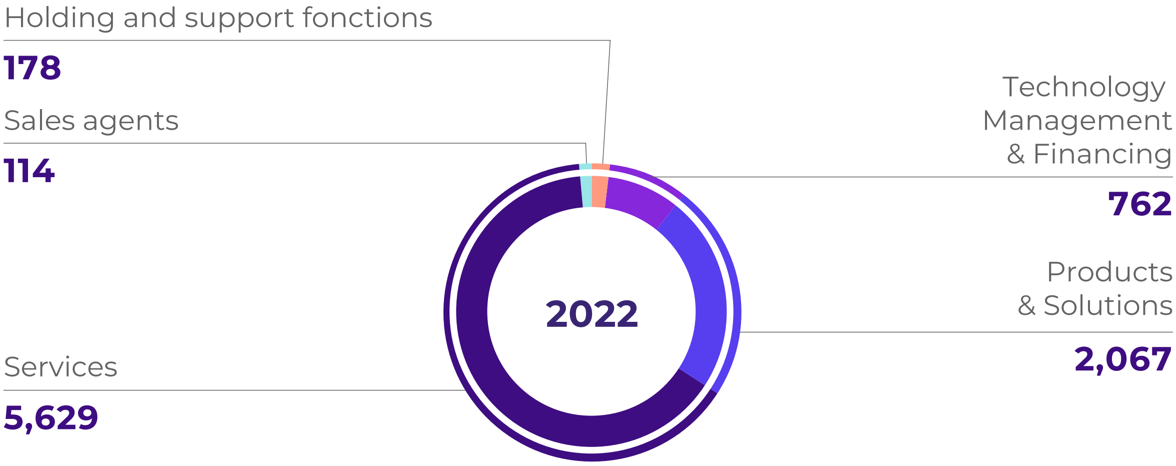
(1) In the future, the term "operating margin" will replace the term "Recurring operating profit from continuing operations".

Shareholders' equity *(in € millions)*

Net financial debt *(in € millions)*



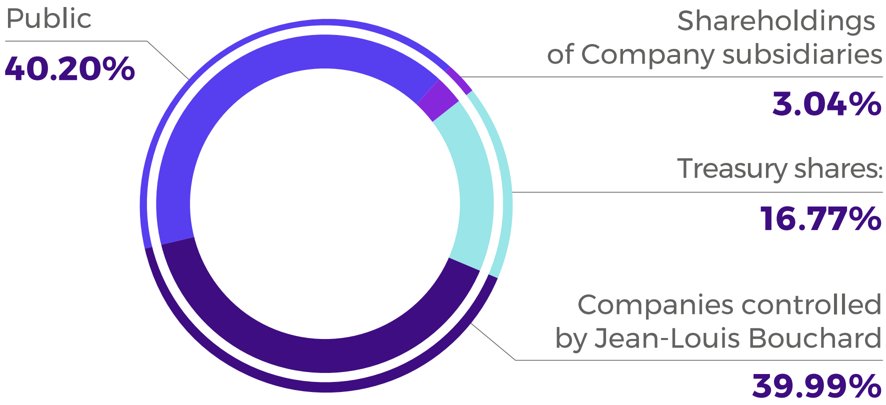
Breakdown of staff at 31 December 2022



8,750 employees in **16** countries

6. Performance and share capital

Ownership structure at 31 December 2022



Market Capitalisation at 31 December : €509M

Number of shares outstanding: 178,752,287

Basic earnings per share *(in €)*

Recurring earning per share *(in €)*

Refund per share *(in € cents)*

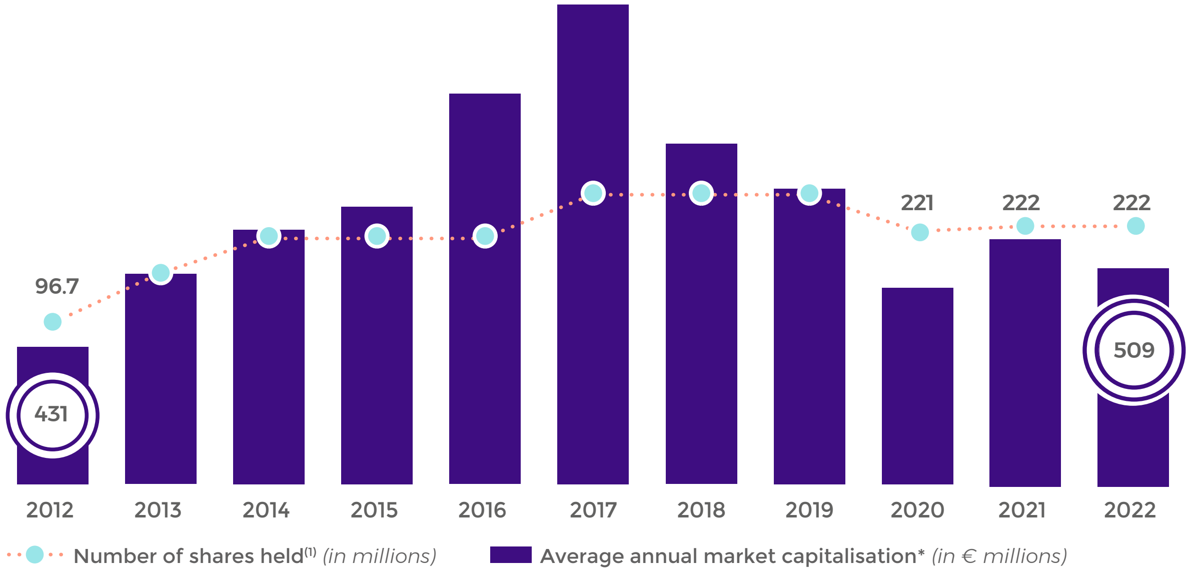
Refund of issue premium

The Board of Directors will ask the **General Meeting of 31 March 2023** to approve the repayment of the issue premium equivalent to paid-up share capital in the amount of **€0.16 per share.**

Change in the share price

Year	High (in €)	Low (in €)	Last (in €)	Average daily volume of shares traded
2020	2.88	1.37	2.46	254,437
2021	3.94	2.37	3.65	188,477
2022	**4.12**	**2.43**	**2.85**	**95,202**

Change in market capitalisation*



*Calculation: Number of shares held x Average share price

Shareholders' agenda

31-03-2023
Annual General Meeting

17-04-2023
Release of 2022 first quarter revenue after trading

25-07-2023
Release of 2022 half-year results after trading

19-10-2023
Release of 2022 third quarter revenue after trading

The Econocom Group share is listed on the **Eurolist market (Compartment B)** of Euronext Brussels and is included in the Bel Mid and **Family Business** indices

ISIN Code : BE0974313455

Real-time financial information:

www.econocom.com

7. Governance

At 31 December 2022

Board of Directors

Chairman and Managing Director

Econocom International BV represented by Jean-Louis Bouchard

Vice-Chairman

Robert Bouchard

Delegated Director

Samira Draoua

Non-executive Directors

Robert Bouchard

Véronique di Benedetto

Bruno Grossi

Jean-Philippe Roesch

Independent Directors

Adeline Challon-Kemoun

Marie-Christine Levet

Eric Boustouller

Jean-Louis Bouchard

Robert Bouchard

Samira Draoua

Véronique di Benedetto

Bruno Grossi

Jean-Philippe Roesch

Adeline Challon-Kemoun

Marie-Christine Levet

Éric Boustouller

Executive Committee

Econocom International BV represented by Jean-Louis Bouchard

Chairman, CEO and Managing Director

Angel Benguigui Diaz

Managing Director in charge
of international affairs
Director responsible for day-to-day management

Samira Draoua

Managing Director in charge of France
Director responsible for day-to-day management

Philippe Goullioud

General Manager Products & Solutions France

Long Le Xuan

Managing Director Services France

Patrick Van Den Berg

Managing Director Administration and Finance
General Manager Netherlands

Jean-Louis Bouchard

Angel Benguigui Diaz

Samira Draoua

Philippe Goullioud

Long Le Xuan

Patrick Van den Berg

Statutory Auditor

EY Réviseurs d'Entreprises SRL

represented by Marie-Laure Moreau

02

group overview

1. Group history

1974

Jean-Louis Bouchard founds the Group under the name Europe Computer Systèmes (ECS) in France.

1985

Jean-Louis Bouchard sells his stake in ECS France to Société Générale but buys back all the foreign subsidiaries. Meanwhile, he acquires Econocom, an American SME. The subsidiaries and Group are renamed “Econocom”.

1986

Econocom Belgium is listed on the Second Marché of the Brussels Stock Exchange.

1993

The acquisition of Asystel Belgium makes Econocom Distribution the leading IT distributor in Benelux.

1996

Econocom is listed on the *Premier Marché* of the Brussels Stock Exchange.

2000

Following the public exchange offer on Infopoint group, Econocom is listed on the *Second Marché* of the Paris Bourse. The Group diversifies by establishing Econocom Telecom, anticipating convergence between IT and telecoms.

2001

The Group employs 2,000 people.

2002

Acquisition of Comdisco-Promodata in France (administrative and financial management of IT assets).

2004/2007

The Group steps up the pace of its development in the telecoms market with the acquisition of Signal Service France, the corporate activity of Avenir Telecom, followed by the corporate division of The Phone House France.
In 2007, the Group doubles its capacity in Italy with the acquisition of Tecnolease, an Italian company specialising in computer hardware leasing.

2008

Acquisition of Databail, a French IT infrastructure financing company.

2009

Opening of a nearshore remote service facility in Rabat, Morocco.

2010

Econocom acquires ECS from Société Générale and becomes the number one company in Europe in administrative and financial management.

2013

Econocom merges with Osiatis group, thus making decisive headway in the digital services market. As a result of this acquisition, Econocom earns almost €2.0 billion in *proforma* revenue, including €650 million in business-to-business digital services. The Group now employs a workforce of more than 8,000 people in 20 countries.

2014

Econocom Group issues €175 million worth of bonds convertible into cash and/or new shares and/or exchangeable for existing shares (ORNANE), due to mature in 2019. The proceeds from this issue are used to strengthen Econocom’s financial resources, particularly in the context of its Mutation strategic plan.

2015

Econocom is included in the Tech 40 index, selected by EnterNext from among 320 listed European high-tech equities. Econocom Group becomes a European company (*societas europeae*) on 18 December 2015 to reflect its European identity and ambitions.

2016

Econocom now employs over 10,000 people. During the year, Econocom continued its original “Satellites” external growth strategy, acquiring either directly or through its subsidiary Digital Dimension.

2018

Econocom secures its financing by issuing a convertible bond debt (OCEANE) for €200 million in March and maturing in 2023. Two external growth operations are carried out in the first half of the year to supplement the existing positions in Services in Italy (BDF) and in Spain (Altabox). The new management’s focus in the second half of the year on reducing working capital requirements allows for cash generation to be bettered and net debt reduced.

2020

In line with the initiatives launched in 2019, the Group continued to streamline its business portfolio. The subsidiaries EBC (Econocom Business Continuity) and Econocom Digital Security were sold. The Group is also making progress in finalising the implementation of its cost savings plan begun in early 2019. At the same time, the Group continued its strong debt reduction strategy to reach a net cash position of €20 million at the end of 2020, in line with the target set two years ago.

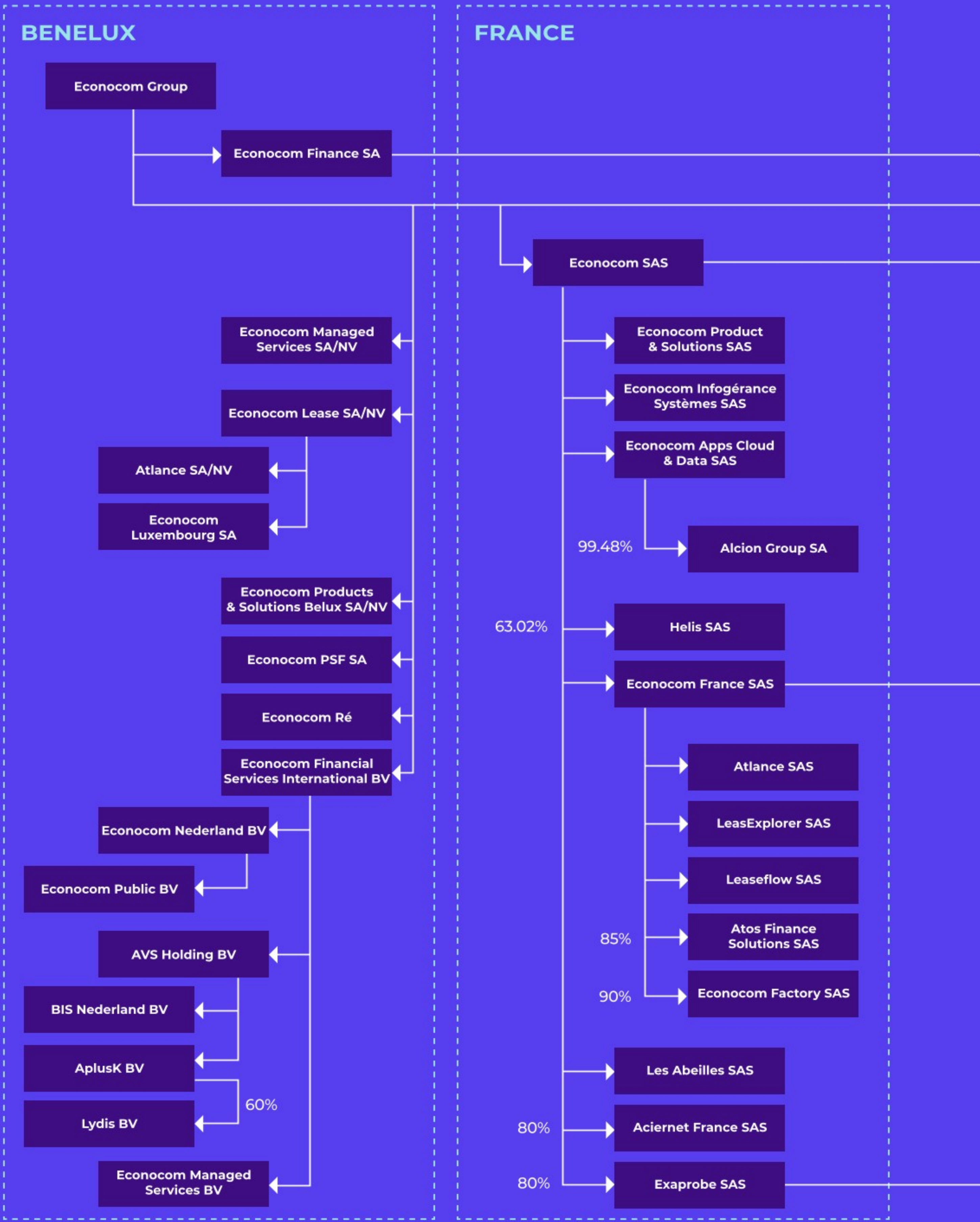
2021

Bolstered by a strengthened financial structure and sharply lower operating costs, the Econocom Group has, in 2021, resumed a strategic segment- and country-based acquisition policy: Econocom acquired a majority stake in Trams Ltd in the United Kingdom, a recognised player in IT distribution across the Channel.

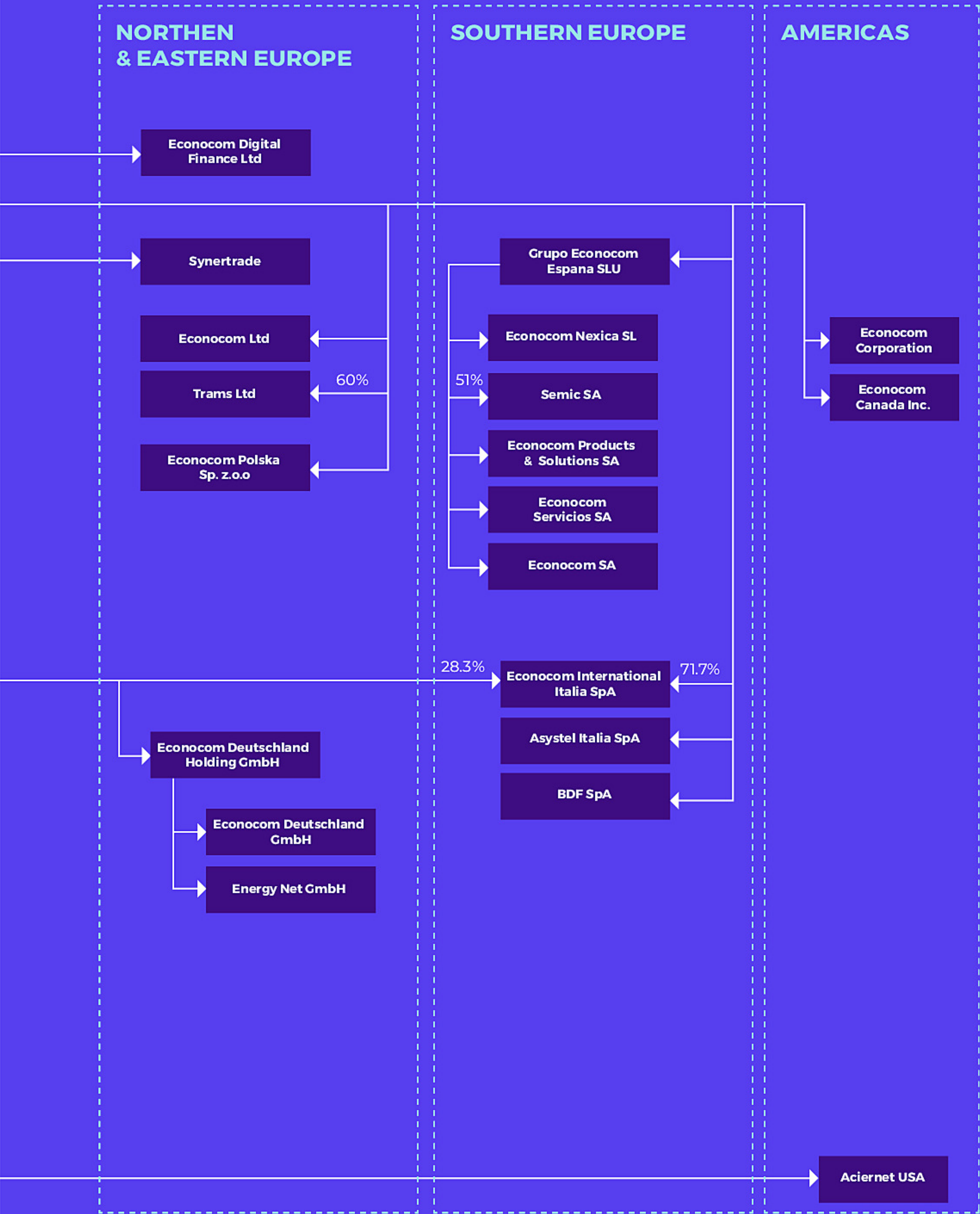
2022

Econocom issues a *Schuldschein*-type bond (private placement under German law) in the amount of €200 million and continues its acquisitions with the completion of three transactions in Spain, the Netherlands and France. This latest acquisition enables the Group to acquire digital equipment reconditioning capabilities in France.

2. Econocom Group Structure



Percentage are not given for wholly owned subsidiaries. Subsidiaries with little or no actiity are not included


NORTHEN
& EASTERN EUROPE
SOUTHERN EUROPE
AMERICAS
Econocom Digital Finance Ltd
Synertrade
Econocom Ltd
60%
Trams Ltd
Econocom Polska Sp. z.o.o
Grupo Econocom Espana SLU
Econocom Nexica SL
51%
Semic SA
Econocom Products & Solutions SA
Econocom Servicios SA
Econocom SA
Econocom Corporation
Econocom Canada Inc.
28.3%
Econocom International Italia SpA
71.7%
Asystel Italia SpA
BDF SpA
Econocom Deutschland Holding GmbH
Econocom Deutschland GmbH
Energy Net GmbH
Acienet USA

3. Group positioning

Econocom is the "One Digital Company"

As the leading European digital general contractor, Econocom conceives, finances and facilitates the digital transformation of large firms and public organisations.

With operations in 16 countries, Econocom is the only European company to cover all of the core business lines of digital: equipment, services and financing.

Whatever the scope of the project (France/ international), Econocom provides its clients with end-to-end assistance and coordinates all aspects of their digital transformation.

As digital jobs are becoming increasingly complex, our goal is to help them make the right technological, financial and organisational choices. Sustainable choices that meet the needs of their end users.

The strengths of the Group

Econocom Group stands out from its competitors thanks to:

- 50 years' experience in business infrastructure management;
- a unique combination of expertise coupling financial innovation with technological expertise;
- its independence from IT hardware manufacturers, telecom operators, software vendors and financial companies;
- its presence in 16 countries, mainly in Europe.

A unique development model

In addition, its unique development model, the Galaxy (made up of the Econocom "Planet" with its three historic and complementary business lines and its "Satellites", with advanced skills embodied by expert and autonomous SMEs), helps put Econocom at the forefront of key areas such as security, digital solutions, cloud, network infrastructure, etc.

This relational and organisational system addresses the challenges of the digital revolution. This revolution forces organisations to operate in a different way, with collaborative and transversal organisations that take priority over hierarchical and vertical structures.

The four pillars of the Econocom offer derived from this unique model are:

- Technology Management & Financing activity (see chapter 3.1);
- Products & Solutions activity (see chapter 3.2);
- the Services activity (see chapter 3.3);
- the digital solutions of the Satellites (Cybersecurity, Microsoft, Apple, SaaS & Cloud, Infrastructure & Networks, Mobility, Digital Signage & Multimedia, Consulting) (see chapter 3.4).

3.1. The Technology Management & Financing activity

3.1.1. A RENTAL MARKET THAT CONTINUES TO GROW

After the economic difficulties related to Covid-19, 2021 marked the resumption of investments and consumption. Since then, raw material price tensions and supply difficulties have gradually emerged, in line with the strong economic recovery. These difficulties were clearly accentuated in early 2022 with the outbreak of the war in Ukraine and new lockdowns in China. The improvement in activity in industry and construction was hampered by supply difficulties and rising production costs. These unfavourable factors, reinforced by the high level of uncertainties, undermined investor confidence and weighed on growth in 2022.

Moreover, in 2022, the ECB decided to gradually increase its key rates to stem the inflationary trend in Europe. This increase in interest rates impacted the commercial momentum of the market and represents an opportunity for lease financing products.

The IT rental market is still growing, although this sector is relatively less dynamic compared to other rental markets.

The leasing business remains attractive for the following reasons:

1) A cash flow requirement

The financial lease model helps to preserve cash flow and stagger expenses over time. Sales & Leaseback offers generate immediate cash inflows.

2) An enhanced range of services

The actions undertaken by leasing companies to provide an enhanced range of services (including financing, distribution, maintenance in operational conditions, end-of-life management, etc.) enable companies to focus on their core business.

3) Leasing boosted by environmental stakes

Climate and environmental stakes are central to customer concerns. This implies the development of the leasing model, which is part of the circular economy relies on an organised and structured reuse and recycling channel. This model allows companies to rely on specialists for the responsible and sustainable management of their equipment.

A unique position in the market

Econocom has a unique position in its market, with no directly comparable competitors. Econocom's competitors are, for the most part, either general or independent leasing companies, or specialist subsidiaries of hardware manufacturers or bank subsidiary leasing companies. These companies do not share Econocom Group’s same characteristics of independence or technological specialisation, while independent competitors do not have distribution and service activities. Finally, Econocom is large enough to guarantee sustainability and a balanced force to its customers, compared with major hardware manufacturers and players in the digital sector.

3.1.2. END-TO-END MANAGEMENT OF THE LIFE CYCLE OF TECHNOLOGICAL ASSETS FOR A VIRTUOUS APPROACH

A pioneer in responsible digital transformation for years, Econocom's mission, through its three activities (financing, distribution and services), is to support its customers in pursuing the virtuous approach of the circular economy. Econocom provides its customers with concrete solutions and tools to reduce their digital impact on the environment while guaranteeing execution quality and compliance in a short supply chains, as part of an inclusive approach.

Integration of the reconditioning value chain: creation of Econocom Factory

With the acquisition of SOFI Groupe in 2022, Econocom is further improving its integrated industrial process in order to guarantee its customers control of the complete value chain of the circular economy and to offer a committed and integrated solution that meets the ecological, societal and economic pillars that underpin responsible digital technology.

SOFI Groupe, the industrial leader in the “made in France” reconditioning of smartphones and tablets, is an ISO 14001-certified "company with a mission", with more than 75% of employees recruited under POEI contracts (operational preparation for individual employment).

Optimising the life cycle

In this era of the digital revolution, technological innovations are ever more frequent and nearly a constant renewal of companies' digital resources in order to remain competitive by offering the best features to customers/users.

In addition, the uses of employees and customers are evolving with increased requirements in terms of responsiveness, ergonomics and simplicity: users become the genuine decision makers in the adoption of a technology and how it impacts their day-to-day work. In this context, companies are under pressure to find the right balance between technological choices, operational efficiency and cost control.

Econocom addresses this issue by offering a complete range of modular solutions that meet the technological needs of its customers.

- **Lifecycle management:** an interactive portfolio management portal to manage the entire life cycle of assets, to process administrative flows, financial flows and operational flows.
- **EcoTwice:** the solution to give employees the opportunity to buy their own professional equipment.
- **BuyBack:** the service for managing end-of-life equipment by collecting, up-cycling and reusing equipment.

Reducing the environmental footprint

The energy transition is one of the short- and medium-term ambitions of all companies and local authorities, while governments adopt an increasing number of measures to combat global warming.

The objectives of companies and local authorities in the energy transition remain the same: to reduce the energy consumption of their buildings, contribute to the reduction of greenhouse gas emissions, find new overall solutions to control energy and contribute to the production of renewable energies. For if the objective to be attained is vital for the future, there is also another more immediate challenge: that of making savings.

The lease model is by definition a circular economy and environmental footprint reduction model with shared use of equipment. Equipment is returned at the end of the lease by a user and then reused by another user. The environmental impact of leased digital equipment is allocated to each user pro rata to their time of usage. For 50 years, Econocom, as a responsible digital entrepreneur, collects and recovers nearly 300,000 pieces of IT equipment to give them a second life.

- **Green & Energy:** the consulting service and financial lease solution to roll out energy performance projects and reduce energy consumption.
- **EcoBuilding:** the energy management service for buildings to accelerate the transition through data intelligence.
- **EcoCarbon:** the solution to support IT & Digital Departments in measuring, reducing and offsetting the environmental footprint for a fully Responsible Digital approach.

3.1.3. CHOOSING DIVERSIFICATION BY FINANCING STRATEGIC ASSETS AND THE ENERGY TRANSITION

Historically, the TMF activity has mainly focused on leasing IT assets.

On the strength of its financial expertise, in recent years TMF has developed a strategic asset financing offer that covers the scope of companies' equipment assets and mainly the equipment necessary for their activity: industrial equipment, medical devices, vehicles, maritime equipment, etc.

The financing of these assets represented nearly 15% of TMF's revenue in 2022, in a market driven by the renewal of company equipment for more responsible materials.

For example, the rolling stock sector is currently undergoing a transformation and the market will be driven by rolling assets with low CO_2 emissions. Thus, the market anticipates an increase in the volumes of accessories such as charging stations, hydrogen storage stations, as well as pedelec. Most of these assets are subject to rapid technological obsolescence and are therefore conducive to leasing.

The FAST activity represents Econocom's diversification axis to support its customers with new ranges of equipment and their energy transition.

More generally, this activity enables Econocom to provide its customers with relevant financial responses that enable them to tackle both digital and environmental transitions, while preserving their financial base.

This area of development complements the Group's historical offerings and is a true area of diversification.

EDFL: the solution for financing the most complex transformation projects

In order to fast-track the roll-out of its most advanced digital solutions, Econocom set up a specialised unit in 2014 that gives it the capacity for financial innovation. Econocom Digital Finance Limited (EDFL) is a dedicated, centralised unit specialising in risk management and financing solutions. It offers specific expertise in transaction security and non-standard contract financing. Through EDFL, Econocom has been able to boost its independence and refinancing capacity.

3.2. Products & Solutions

3.2.1. A PARTICULARLY UNSTABLE GEOPOLITICAL CONTEXT

2022 was marked by a particularly unstable geopolitical and economic context. Repeated crises, political uncertainties and economic upheavals are now part of a new normal impacting the life of companies. However, IT players have developed a capacity to adapt and a certain resilience.

Significant improvement in deliveries

The IT market benefited this year from the improvements in production and deliveries due to the measures associated with Covid since January 2020. The availability and price of containers, transport, logistical capacities for freight and production made it possible to provide a good level of delivery.

The war in Ukraine severely disrupted the supply routes of deliveries; trains and aircraft previously put in place were reoriented. Deliveries of goods transiting through Ukraine and Russia, or over them, had to be diverted. In a few weeks, shipping flows were put back in place to the benefit of prices and to the detriment of delays. Despite a disrupted supply chain, accompanied by many geopolitical challenges, and pandemics, delivery volumes were ensured to the point of making up for the delay in order deliveries in 2021.

Inflation and currency fluctuations

Pricing conditions were once again subject to strong fluctuations, mainly upwards. The costs of production, components and transport as well as conversion rates contributed to regular and consecutive increases over 2022, slowing down at the end of the year.

A resumption of IT investments

CIOs are accelerating IT investments; the importance of flexibility and agility is visible in these disruptive situations. Purchasing and investment preferences are concentrated in the Education segment of the private and public sectors, analytics, cloud computing, customer experiences and security. Markets emerge where demand was neglected in the early stages of the pandemic. Demand from high-end users also held up. Despite slowdowns due to the saturation of demand and rising costs, according to studies by IDC, Gartner, Context and Canalys, whose sales figures vary, the market has reached an inflection point towards a slower growth rate. Global IT spend is expected to increase by 4% compared to 2021, according to the latest Gartner forecast.

New marketing models

Marketing models have emerged in terms of both billing and consumption methods.

Subscriptions, memberships, and short- and long-term rental arrangements are booming. Invoicing ownership methods are changing, and owning a product throughout its life cycle is no longer a priority. Flexibility and agility are also key success factors; Laptops, smartphones, tablets but also infrastructures or second-life licenses are sought by CIOs.

Reinforcing services around the circular economy

The recovery, reuse and recycling of products to extend the useful life of equipment is a growing expectation of customers, as is refurbishment, which has experienced a marked boom due to product availability, costs and environmental commitment. Upgrading a machine, to extend its life or offer an additional service guarantee, also reinforces its CSR commitment.

In this respect, Econocom Products & Solutions France strengthened its offer on the take-back of end-of-use equipment from customers (Buy Back) and expanded its network of wholesalers specialising in reconditioned equipment.

2022 was also marked by several major events for the **"Product Care"** repair centre in the Paris region, whose mission is to repair digital equipment in order to extend its life:

- the creation of the Product Care Academy, which trains people removed from employment in the maintenance and repair of smartphones and laptops;
- the visit of Jean-Noel Barrot, French Deputy Minister for the Digital Transition and Telecommunications;
- the award of the QualiRepar label, which rewards the professionalism of the teams and the mastery of the repair processes for IT mobility equipment.

3.2.2. FIRST TRENDS FOR 2023

The supply chain constraints are set to last in the current geopolitical context. Manufacturers and their subcontractors will continue to make efforts to ensure local production in stable and structured areas. Intel sets up two new plants in Germany.

According to Gartner, inflation rates, geopolitical disruptions and talent shortages are not expected to slow the IT market.

While volume markets remain stable, value-added solution projects impact a large number of products, leading to new strategic rebounds:

- managed smartphones, secured "for all";
- multi-hybrid infrastructure solutions;
- Smart office Audio-Video solutions;
- tablets adapted to customer experiences;
- second-life products, appraised and guaranteed.

Tactical offers for Opex-type subscriptions will be developed around multi-brand, multi-product platforms.

The IT market will remain dynamic in 2023 to face all these new challenges of the Modern Workplace. The recruitment of new talent to strengthen teams and accelerate development will be a success factor.

3.2.3. ECONOCOM, A PRODUCT SERVICE COMPANY

The equipment made available to users influences the efficiency and comfort of employees. The performance of teleworking or collaborative tools in the office is essential to maintain ties and develop creativity.

The keys to success with our customers

- **Impartial advice**

  We support our customers in their digital transformation with a simplified supply of their products and their technological choices while meeting the requirements of their users.

- **Controlled financing in use**

  We co-build turnkey, as a service, customised solutions with our customers, which are adapted to their changing needs and budget constraints.

- **A powerful logistics organisation**

  We take into account logistics specificities by offering tailor-made solutions regardless of the volume of orders and projects.

- **Premium after-sales service**

  We guarantee the continuity of services and allow users to always remain operational. We have a dedicated organisation for product after-sales service.

- **An eco-responsible approach**

  We take care of the end-of-life of your IT equipment through an eco-responsible approach that promotes the circular economy and a cost-cutting approach for companies and administrations.

3.2.4. MAJOR PLAYER IN DISTRIBUTION

The IT market is still dynamic and competitive, and Econocom maintained its position among the leaders in the distribution market in 2022.

On the French market, competition is varied, with 13,000 resellers for 13,000 end customers, and is exacerbated by direct sales from manufacturers and software vendors, corporate resellers of SCC, Computacenter, Bechtle, Axians, Insight, Softwareone, but also local, proximity resellers.

In this complex context, Econocom Products & Solutions acts as a "one-stop shop", assisting its customers from end-to-end and working to develop digital uses to emphasise their importance and make them more attractive while keeping up with increasing needs and with the increasingly complete life cycle of computer and telecom equipment.

Econocom certified as a channel partner for Lenovo Platinum Plus International

In 2022; Lenovo and Econocom sign an agreement to expand their shared ambitions with regard to key markets in Europe. As a result, Lenovo certifies Econocom as a Platinum Plus International channel partner. To date, only six partners have obtained this level of certification, in Europe, the Middle East and Africa.

In the French market, Econocom has already achieved exceptional commercial results with Lenovo and aims to replicate this success in other European markets, in particular Germany, Italy, Spain and the United Kingdom.

Econocom will leverage the Lenovo 360 partner programme to sell the full range of Lenovo products, solutions and services - including both PCs and infrastructure - and will benefit from new business opportunities that will be provided by the entire Lenovo portfolio.

3.3. Services

3.3.1. GLOBAL MARKET REBOUND OF 5.7%

According to IDC, the global IT services market grew 5.7% in 2022 [1] despite the recession and after a rebound of more than 3.4% in 2021. Market growth in 2022 represented a slight increase of 12 points compared to IDC's April 2022 guidance.

IDC estimates that the market will continue to grow over the next few years at a rate of between 4% and 5%, which represents an overall increase of 40 to 80 basis points each year, enough to boost the market's long-term growth rate to 4.6%.

Unsurprisingly, the cloud is one of the most popular IT areas. It has now widely penetrated most companies. In the IT and business services markets and across all regions, spending on cloud services has been the main growth driver since 2020. IDC forecasts that they will continue to grow between 15% and 20% over the next three years.

As for the job market, hiring and retaining talent has never been so strategic to support this strong activity. With a structurally insufficient number of graduate students, it is absolutely essential to show initiative and innovation to stand out from the crowd.

3.3.2. THE THREE PILLARS OF THE GROUP'S SERVICE OFFERING

The Services activity of the Econocom Group is developing personalised services to complement its customers' digital projects and quickly meet their business needs.

Our 5,629 employees in Services, present in ten countries, operate in three main areas: the user environment, cloud services, infrastructure and hybridisation, and the modernisation of applications and data.

User environment

To meet this challenge, Econocom offers consulting services to its customers, the implementation, support for adoption and ensures the availability of collaborative environments, as part of continuous improvement and innovation approach.

To do this, Econocom designs, integrates and manages the entire digital user work environment, typically known as Digital Workplace, and covering the following areas:

- cloud-based collaboration and productivity solutions;
- managed user devices;
- digitalised service desk;
- reinvented convenience services.

Moreover, in 2022 Econocom remained leading player in the users' outsourcing market in France (Teknowlogy/PAC 2022 ranking) for the fourth straight year and continues to support large French and global companies in the transformation of their digital environment. Also according to PAC, Econocom is also a leader in France in all services dedicated to the Digital Workplace: consulting, integration, managed services and user support.

(1) Sources : https://solutions-entreprise.developpez.com/actu/337936/Le-chiffre-d-affaires-mondial-des-services-informatiques-et-des-services-aux-entreprises-devrait-augmenter-en-monnaie-constante-de-5-7-pourcent-cette-annee-et-de-5-2-pourcent-en-2023-selon-IDC/

In 2022, Econocom also announced the **launch of its new Workplace Infra Innovation brand**. The offer places the user experience at the heart of its model and stands out for its end-to-end mastery of services and its transformation approach. Workplace Infra Innovation aims to provide the market with a new integrated and innovative approach, aimed at supporting technological, environmental, economic and social changes in companies and organisations.

Cloud, infrastructure and hybridisation

Companies therefore favour the cloud in all its forms, whether IaaS, PaaS or SaaS or whether private or public. The main trend is the multi-cloud and the hybrid cloud, which consists of choosing several cloud suppliers (AWS, Microsoft or Google) and several types of cloud.

However, they have to deal with their current work environment, including so-called "legacy" applications and infrastructures that are often installed locally in their own area datacentre. The ability to manage local infrastructure and multi-cloud at the same time is called hybridisation.

The key to success for transformation therefore lies in the ability of the IT Department to implement a global and effective governance for the migration project towards the cloud while keeping its Legacy applications operational and/or by upgrading them.

To best manage its customers' infrastructures with a high level of security, Econocom's service centres have adopted a major management tool called Azure Arc from Microsoft.

Econocom transforms, implements and optimises the IT services of its customers by complying with the new market trends, particularly hyper-automation and the hybrid cloud:

- the Move to Cloud;
- Cloud Managed Services;
- security and compliance;
- governance.

Thanks to strong partnerships with Microsoft and AWS and also with Google, our cloud architects assist our clients in the definition and implementation of cloud, hybrid or multi-cloud environments that are secure, reliable and efficient.

The proximity of Econocom experts with software vendors allows us to access new or innovative functionalities from beta versions, test them and acquire all the skills necessary to offer them to our customers at the right time and with confidence.

Econocom Apps, Cloud & Data

At the heart of the information system, the application represents much more than a lever for development, it is a driver for innovation, differentiation and even disruption for the Company in its market.

Today when we talk about applications, the issue is no longer availability but the performance and quality of the user experience.

In fact, it is no longer sufficient to approach these projects from the sole perspective of development. It is also necessary consider the choice of the underlying platform, the valuation of the data, security and integrity. Not to mention that the applications are interdependent with information systems, whether those of the Company or third parties.

To support CIOs in their application portfolio development projects, Econocom has designed an offer based on three complementary pillars:

- modern applications;
- modern platforms;
- data valuation.

To guarantee the efficiency of this model, Econocom adopts a structuring methodological approach, called DevOps (Development/Operation). It consists in designing and managing the development of the application, its integration, deployment, operation and maintenance of the infrastructures as an overall project. The principles of DevOps advocate shorter development cycles and an increase in the frequency of deployments and continuous automated deliveries.

In addition, Econocom assists its customers in the valuation of data, enabling them to generate economic and competitive advantages. This involves collecting, storing, transforming and then reproducing in the form of *ad hoc* representations that provide recipients an optimal understanding of the information required for decision-making in their respective businesses.

Through its Services activity, Econocom provides its customers with solutions tailored to their transformation projects, covering infrastructure, data and applications, across the entire value chain (consulting, implementation and management, and continuing improvement).

3.3.3. ECONOCOM: FRANCE'S 7TH LARGEST DIGITAL SERVICES COMPANY

Ranked as France's 7th largest digital services company in 2022 (1), Econocom competes with companies like Capgemini, Orange, IBM, Atos and Accenture on the services market. But unlike these competitors the Econocom Group is the only one to combine distribution, management and associated financing services as well as the digital solutions of its other brands.

3.3.4. ECONOCOM: ISO 27001 CERTIFIED

IT security is a major challenge for Econocom and the Group continues to make progress in this area. The Group has been ISO 27001 certified (2) since 2016. This certification is the world's most widely recognised information systems security standard. This certification mainly covers service centres services provided at our premises and telecoms, transport, banking and insurance services also provided at our premises. The actions and measures taken to combat cybercrime in 2017 were extended across all the Group's business lines, with the blanket rollout of a series of security measures to protect workstations, the strengthening of Information Systems Department security expertise within the IT Department, and the creation of mandatory awareness training for Services employees via MOOCs (Massive Open Online Courses).

(1) Source: https://www.channelnews.fr/kpmg-et-numeum-devoilent-leur-classement-2022-des-esn-et-ict-118354

(2) The ISO 27001 standard relates to Information Security Management Systems and helps organisations to ensure the security of their information. More information is available here: https://www.iso.org/isoiec-27001-information-security.html

3.4. Digital solutions offered by Econocom Satellites

Launched in 2014, the Satellite model enables Econocom to rapidly take up a position on buoyant markets, (cybersecurity, cloud, mobility, etc.). Econocom Satellites are innovative SMEs, whose areas of expertise correspond to the strategic challenges of digital transformation today. In 2022, they accounted for 23% of the Group's revenue.

3.4.1. CYBERSECURITY

3.4.1.1. A critical issue, a dynamic market

In its strategic cybersecurity trends report, Gartner highlighted three key trend silos: Responding to Threats, Rethinking Technology and Reviewing Practices.

Responding to Threats

Increasing attack surface

Increasing use of cloud and SaaS platforms

The growing interconnection of infrastructures with cloud contexts is increasing, in parallel with the risks of sideways movements from these contexts.

Several sources of vulnerabilities or weaknesses are identified on the platforms: patch management, which is not always the responsibility of customers, and tool configuration errors.

The rise of teleworking

The health context greatly democratised the practice of teleworking. This led to a significant need for equipment for mobile users, sometimes at the expense of quality security.

New attacks are identified because the terminals and connections used are not fully controlled by their users.

DevOPS

The need for dynamism in the publication and updating of applications requires developers to use codes from third-party sources which are themselves partially coded from other ancillary sources (e.g.: Github, GitLab, SourceForge, etc.).

This source telescoping raises new challenges in terms of securing CI/CD pipelines.

Moreover, continuous development and publication can be the source of zero-day vulnerabilities.

Social networks and public communication platform

Increasing interactions with customers or users on public channels increase the risks related to social engineering and, at the same time, spear phishing attacks or other campaigns targeted at identified users.

Identity Threat Detection and Response

In their Cost of a Data Breach report of 2022, IBM analysts were able to highlight, from data collected from 550 companies that suffered cyberattacks causing financial losses, that the main attack vector, responsible for 19% of breaches, related to compromised or stolen credentials.

Furthermore, the study shows that the detection and response time of an attack by such a vector was 243 days on average for detection and 84 days for mitigation. This type of attack takes the longest to identify and seal without the appropriate tools.

In order to have a strategic guideline focusing on the protection of identity management solutions, the **ITDR** concept designed by Gartner aims to deploy solutions with the following functionalities:

- monitor and detect malicious authentication and elevation of privilege activities;
- detect bad practices in terms of configuration of infrastructure equipment relating to authentication and identity management (Active directory, MFA server, etc.);
- detect malicious behaviour based on identity and context, for example: User with an HR profile connecting to the R&D servers;
- the solution must also be able to mitigate the malicious events detected through playbooks: Reduce the privileges of a user with malicious behaviour.

Digital supply chain risk

The growing interconnection of infrastructures with partners through common tools or decentralised management via outsourcing means that the infrastructure border is increasingly shrinking, thereby expanding the joint attack surface.

Through major categories, Gartner highlights the risks related to the supply chain:

- leaking confidential information shared with partners;
- the compromise of infrastructure or common tools (networks, SaaS tools, MSSP, etc.);
- flaws or vulnerabilities in open source or commercially licensed tools used in the Information System or even published among users/customers.

These risks are significant enough to legitimise and democratise the rating and/or ranking practices of partners according to their Information System Security strategy.

The compliance of its organisation and its partners with certifications and regulations relating to data management or best security practices (GDPR, ISO 27001, etc.) will be increasingly essential and will potentially become a determining criterion for the validation of a collaboration.

Rethinking technology

Vendor consolidation

The reduction in the variety of solution software vendors within the Information System is aimed at reducing the complexity of the interaction between the various security bricks.

In addition, converging equipment and solutions to a single software vendor saves time and enhances efficiency in terms of operating through centralised management consoles.

According to Gartner, by 2024, 30% of companies will adopt CASB (Cloud Access Security Broker), ZTNA (Zero Trust Network Access), SWG (Secure Web Gateway) and FWaaS (Firewall As A Service) solutions from the same software vendor.

Cybersecurity Mesh

The CSMA concept (CyberSecurity Mesh Architecture), proposed by Gartner involves the interoperability of heterogeneous security solutions in order to implement a common security policy.

The challenge becomes, however, the interconnection of solutions from various software vendors, and the use of common languages and protocols should facilitate these exchanges: API, SAML, STIX (Structured Threat Information eXpression), TAXII (Trusted Automated eXchange of Intelligence Information), etc.

Indeed, the emergence of new languages in this regard is already on the agenda: for example, IDQL (IDentity Query Language) coupled with Hexa, which may become a new standard for identity and access management on multicloud platforms.

Reviewing practices

Distribution of decision-making

Apart from the purely technical or operational dimensions, a governance trend is highlighted by Gartner. Notably, due to the expansion of the risks and strategies to be implemented, the concept of the centralisation of decisions by the RSSI is to be reviewed.

Additional strategic positions must be considered in order to redistribute and facilitate decision-making, but also to bring them closer to the realities of operations: Risk Manager or Resilience Manager for example.

Going beyond awareness-raising

In their 2022 Data Breach Investigations Report (DBIR), Verizon highlighted a confirmed and growing trend: the human factor is the most targeted vulnerability by attackers.

The most frequent attack vectors are linked to identifiers or phishing:

"There are four key vectors that lead to your domain: identification information, phishing, vulnerability exploitation and botnets. These four vectors are ubiquitous in all areas covered by the DBIR and no organisation is safe without a strategy to address them."

At the same time, the human factor is responsible for 82% of the attacks suffered:

"The human factor remains an element conducive to breaches. This year, 82% of these breaches involved the human factor.

Whether it is the use of stolen identification information, phishing, misconfiguration or usage error, users continue to play a very important role in incidents and breaches"

In this context, Gartner highlights the need to review user awareness on cybersecurity risks.

Awareness-raising campaigns should no longer be *ad hoc* or generic, but reviewed in an ongoing format and relate as far as possible to the entity's usual activities to the point of occupying a role in the corporate culture.

3.4.1.2. The Econocom offer

Asystel Italia, Exaprobe, Trams

Asystel Italia (Italy) oversees IT security through consulting, inventory, monitoring, vulnerability assessment and penetration testing, and remediation activities.

Its range of offerings, called EclipsOut, consists of a set of products and platforms (Advanced Threat Defense, Endpoint Detect & Response, Beyond DLP), based on market-leading technologies, and support services (CTI - Cyber Threat Intelligence, Advanced Threat Defense, Vulnerability Assessment & Management, Enterprise Data Protection, Endpoint Sanitization, Network/App/Web Penetration Tests, Digital Forensics, Phishing Campaigns, etc.) in a Managed Security Service Provider approach, provided by the SOC of Milan, which ensures high and constant levels of security.

However, monitoring and managing systems is not enough. One of the major vulnerabilities in companies remains the human factor. This is why Asystel Italia has designed an e-learning solution (called SecurE-Learning to promote the creation of awareness and culture among users using customised, user-friendly and dynamic tools.

To complement and integrate the SecurE-Learning solution, we provide two dynamic tools with a monthly output: a) the Security Tips collection to provide employees and workers with dynamic information on risks and vulnerabilities in a language understandable to non-experts; b) the Vulnerability Bulletin, where we select and rank vulnerabilities at different levels of severity, grouping them in different fields (applications, databases, operating systems, browsers, etc.) and indicating CVEs, issues, and the remediation available in order to provide IT staff with a tool that accelerates choices and remedial actions.

The Cybersecurity team also has partnerships and expertise regarding implementation and support with the main suppliers in this market such as: Darktrace, Palo Alto, Checkpoint, Fortinet, Cisco, HPE-Aruba, Trellix (McAfee & FireEye), Crowdstrike, Bitdefender, Kaspersky, Carbon Black-VMware, It's Mine, Ekahu. However, the monitoring and management of information systems is not enough.

Focus on Asystel Italia's offering in terms of defence against advanced threats and vulnerability management.

To address the ever-increasing number of data breaches, Asystel Italia designed and implemented a modular cyber defence and vulnerability management platform. It monitors server and endpoint traffic in near real time, even outside the company's scope, to identify security leaks and respond automatically and quickly to threats using artificial intelligence and machine learning technologies, which train systems and enable companies to simplify their security management.

Exaprobe (France) is a benchmark for securing companies' infrastructure and digital territories

Acquired in 2013, and now housing Cap Synergy (2012), Comiris (2014), Aciernet (2017) and So-IT (2021), Exaprobe is a security systems integrator. It operates in the areas of IT security, network infrastructures and platforms for unified communication and the digitisation of workspaces. Its current business model is based on the provision of technical solutions, integration services in project mode, as well as a range of managed services.

Today, with its 235 employees and a revenue of €268 million (€200 million in France and €68 million internationally), Exaprobe has established itself thanks to its technological expertise and innovative offers. Following the acquisition of Aciernet in 2017, Exaprobe has specific expertise in designing and equipping large datacentres. The acquisition of So-IT in 2021 enabled Exaprobe to strengthen its presence in the South-West region and to supplement and enhance its Network and Security skills with strategic partners such as Palo Alto, Arista, etc.

The Company benefits from high-level partnerships with leading manufacturers and software vendors (Cisco, Arista, Fortinet, Palo Alto, Trend Micro, etc.).

Focus on Exaprobe's Go4Secu offer

Exaprobe offers a range of managed services operated 24/7 to maintain operational condition standards, and ensure the operation, supervision and governance of cybersecurity solutions.

In order to meet the demands of its customers and address the multiplication of threats, Exaprobe has focused for several years on the development of its SOC and turnkey service offerings, called Go4Secu, which make it possible to benefit from the expertise of a dedicated team of cyber analysts providing both analysis and remediation of security threats.

These offers consist of:

- a 100% Cloud technological brick backed by market leaders (Cisco, CrowdStrike, Palo Alto) to ensure the protection of workstations and servers, mail flows and web browsing;
- services ranging from the implementation to the operation of the solution in place to ensure the detection of and response to security incidents 24/7.

These services make it possible to quickly process and block several thousand threats detected each year while limiting their impact on the customer information system as much as possible.

Trams (United Kingdom): in 2022, Trams expanded its security offerings by partnering with carefully selected cybersecurity and phishing prevention companies. These companies include DarkTrace, Phished, Barracuda and CrowdStrike.

Pioneers in their field, these various partners enable Trams to offer its customers complete visibility of their ecosystem and protection of all their devices, exchanges, data and identities.

As a result, Trams was able to win a certain number of safety contracts in 2022.

3.4.2. MICROSOFT TECHNOLOGIES

3.4.2.1. Market: new business models are changing the game

The French market for Microsoft technologies has been transformed by the arrival of new business models, notably including the subscription model, that are imposing a change of approach for partners distributing the brand.

The market experienced a high degree of concentration, with the acquisition of pure players by major DSCs. It should be noted for example, the acquisition of vNext by Insight, Azeo by Avanade, AI3 by Talan and Neos-SDI by Open group.

3.4.2.2. The Econocom offer

Asystel Italia, Trams

Asystel Italia (Italy): using a WaaS (Windows as a Service) methodology to manage patch distribution, software centre distribution and installation, also through a software centre catalogue, Asystel Italia designs innovative solutions to address the needs of new workplace management. Asystel Italia is also an authorised Microsoft HoloLens reseller, offering a complete and value-added proposition in the field of digital and multimedia area.

Trams (United Kingdom): has decades of experience in dealing with Microsoft products and services. Trams provides licences on MO365 and CSP to companies of all sizes. These partners helped Trams obtain a number of security contracts in 2022.

3.4.3. APPLE TECHNOLOGIES

3.4.3.1. Market

The UK corporate market is key for Apple

With a current market capitalisation of $2,700 billion and annual revenue up 8% year-on-year in 2022, Apple remains the best-valued company in the world.

iOS holds the largest share of the mobile operating system market in the UK, with the iPhone remaining the preferred device for consumers and businesses.

While all major PC brands saw their shipments decline in the third quarter of 2022, Apple reported that Mac shipments increased by more than 40% year-on-year.

In the UK, the Mac enterprise market share is estimated at 8% and is expected to exceed 20% by 2025. The growing demand for Macs (driven in part by the need for a better user experience and the improved affordability of the MacBook Air thanks to Apple's Silicon) represents a significant opportunity for businesses and the public sector.

As the need for specialised technical staff in the Mac field is greater than the available talent, organisations will increasingly rely on professional services, such as those offered by the Econocom Group satellites, to successfully introduce the Mac at the workplace.

3.4.3.2. The Econocom offer:

Asystel Italia, Energy Net, Trams

Asystel Italia (Italy): the ideal partner for customers who want to adopt an agile and intelligent work paradigm through Apple technologies, Asystel Italia takes care of all aspects of the project: from the choice of the best devices according to the needs of the users in a mobile or desktop environment, to collaboration applications and platforms and value-added services from Asystel Italia (for example, training, modern device management with leading UEM/MDM vendors, Service Desk 2.0, the installation and logistics of contactless enrolment programmes, cybersecurity protection services). Econocom International Italia, with its associated company Asystel Italia, is an Apple Authorised Reseller (AAR) whose team includes ACSP (Apple Certified Support Professional).

Trams (United Kingdom): Founded in 1990, Trams has been an Apple Authorised Reseller and Apple Authorised Service Provider for a few decades. Since 2023, Trams has been part of the Apple Consultants Network, which helps more organisations identify the best Apple technology for their business needs, as well as to implement and support IT solutions.

As an authorised reseller, Trams continues to add value to its customers through new service offerings developed in partnership with Apple to help customers successfully roll out and manage Macs at scale. This translates into improved customer satisfaction, customer loyalty and a significant additional margin compared to traditional and transactional activities.

Focus on Trams

- Apple Authorised Reseller
- Certified Apple Repair Centre
- Network of Apple consultants
- Owners of the first contactless auto enrolment system integrated by Apple in the United Kingdom for end-user devices
- 12 Apple Educated Sales Personnel
- 8 certified Apple Technicians
- JAMF Gold Reseller & MSP

In 1987, **Energy Net** was one of the first Apple partners in Germany. In 2005, Energy Net became an Apple Premium Reseller. Then, starting in 2015, Energy Net became a solid partner for professional customers in its capacity of Apple Authorised Reseller. Today, Energy Net supports companies of all sizes in the integration of Apple technologies. Companies from various business sectors, such as publishing houses, financial services, aeronautical industries or industrial companies are among Energy Net's clients. Energy Net offers them the full range of Apple technologies, including Apple Business Management (ABM) and Zero Touch deployment.

Focus on Energy Net

- Apple Authorised Reseller
- Apple Authorised Service Provider
- 7 certified Apple Technicians
- Apple MDM Reseller
- GOLD JAMF partner

3.4.4. APPS & CLOUD

3.4.4.1. The cloud is driving the market

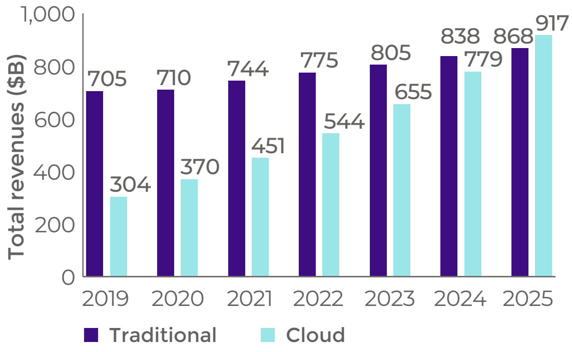
According to a Gartner study, the migration of applications and infrastructure software, business process services and system infrastructure to the cloud will accelerate. In 2025, cloud spending is expected to reach $1,800 billion.

According to Gartner, cloud spend accounted for almost all of the 11% growth in the enterprise software segment in 2022. (credit: akitada31/Pixabay)

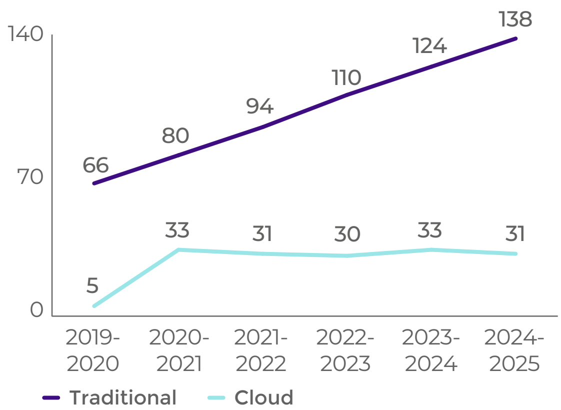
According to Gartner, by 2025, 51% of the IT spend of corporate IT departments that can migrate to the cloud will be dedicated to the cloud. This migration mainly concerns application and infrastructure software, business process management and system infrastructure services. According to Michael Warrilow, Vice President of Research at Gartner, levels of cloud adoption are expected to accelerate as companies adapt to new business and social dynamics, and the rate of transition to the cloud is faster than foreseen by the forecasts made before the Covid-19 pandemic. For example, by 2025, 51% of IT spend on applications software and infrastructure, business process management services and system infrastructure will shift from traditional solutions to the public cloud, compared to 41% in 2022. Also in 2025, nearly two-thirds (65.9%) of application software spending will be focused on cloud technologies, compared to 57.7% in 2022.

In addition, cloud spend accounted for almost all of the 11% growth in the enterprise software segment in 2022, as companies turn to software as a service (SaaS) to gain flexibility and agility. "The adoption by companies of the distributed cloud can accelerate the transition to the cloud, because it provides access to public cloud services in areas previously absent from the cloud, which expands the addressable market", added Michael Warrilow. Businesses are interested in the distributed cloud because it enables them to address location-specific requirements such as data sovereignty, low latency and network bandwidth. According to Gartner, the distributed cloud is the provision of public cloud services to different physical locations, while the operation, governance and evolution of services remains the responsibility of the public cloud provider. It offers an agile environment for scenarios requiring low latency, and meets data cost reduction needs and data residency requirements. The cloud also makes it possible to bring IT resources closer to the physical location where data is consumed and where business activities take place.

Change in the size of the *cloud* market worldwide 2019-2025 (Source: Gartner).



Revenue growth ($bn)



Edge, the future of the cloud

The impact of distributed cloud services has been on Gartner's list of top strategic technology trends for several years. According to the research firm, in 2022, more than $1,300 billion in corporate IT spending was linked to the transition to the cloud, and this figure will reach nearly $1,800 billion in 2025 (+39%). This continued disruption of IT markets by the cloud will be further amplified by the introduction of new technologies, including the distributed cloud.

Many of them will further blur the boundaries between traditional offerings and cloud offerings. Also according to Gartner, by 2025, most cloud services platforms will offer at least some distributed cloud services. The distributed cloud can replace the private cloud and power the edge cloud and respond to new use cases of IT in the cloud. "This is the future of the cloud," according to Gartner. "Other cloud technologies that are gaining ground include the increased use of cloud-native platforms," added Gartner. "The idea of moving existing applications to cloud environments does not really work well in the real world," said the research firm. In contrast, in a cloud-native architecture, applications can deliver highly automated cloud services and deliver digital capabilities anywhere, in any setting. Cloud-native platforms leverage the fundamental potential of the cloud to deliver scalable and resilient IT-as-a-service capabilities to technology creators. As a result, Gartner predicts that cloud-native platforms will drive more than 95% of new digital initiatives by 2025, compared to less than 40% in 2021.

3.4.4.2. The Econocom offer

Asystel Italia, Bizmatica, Synertrade, Trams

Applications

At the heart of the user experience, applications are the most visible part of the daily lives of the Company's customers and employees. Today, every company must have powerful business-oriented applications, developed within shorter and shorter deadlines and adapted to rapid changes in the market, uses and technologies.

To meet the needs of companies regardless of the sector of activity or business line, **three Satellites operate in this application market:**

- **Asystel Italia (Italy):** offers an internally developed service portal, as part of the tool called Arte, to enable customers to communicate effectively with the service desk and to manage and track quickly and securely (through tickets) incidents or support requests, giving customers complete visibility and governance. Thanks to its intrinsic attribute, it can be easily integrated with third-party tools/ applications and fully customised. Arte's "Smart Refresh" feature is another feature that makes it possible to prepare an efficient inventory of IT assets, a fundamental condition for understanding and managing information related to IT equipment usage;
- **Bizmatica (Italy):** supports companies in the complex shift-2-cloud journey. It supports the customer engagement process, starting from omnichannel to data-as-a-service solutions, leveraging both an agile BizOps and DevOps approach and on an extensive use of AI technology. Bizmatica relies on its onStage API management to federate both cloud and on-premise technologies and on BizPro, a leading transaction monitoring tool for commodity market surveillance. onStage offers the possibility of addressing a variety of cases of use: API implementation, cloud service integration, mobile app integration, SOA governance, legacy gateway replacement and API security and threat protection; BizPro detects suspected market abuse and provides an "end-to-end" automated process from data source to reports and case management flows. Bizmatica also helps companies to develop customised web/mobile applications able to solve business problems, increase sales, retain customers and/or employees, and to accelerate and automate internal business processes through a logic agreed with the client;
- **Synertrade (France)** offers a SaaS solution dedicated to purchasing, covering the entire purchasing chain: from supplier qualification to negotiations, including legal agreements, orders, and invoicing up to the end of the cycle, by assessing supplier performance and by planning continuous improvement actions. The Accelerate platform covers the needs of direct or indirect purchasing departments, and offers purchasing decision-makers the possibility of truly managing their purchasing strategy thanks to a reliable and orchestrated Source to Pay platform, facilitating end-to-end collaboration between all functions. Synertrade has more than 250 clients worldwide, from all business sectors (Industry, Health & Pharma, Energy, Retail, Agri-food, Insurance, Media, etc.). Our SaaS solution meets the strategic challenges of large Fortune 500 groups as well as large international SMEs/SMIs.

Hosting and cloud offers

For Econocom, infrastructure performance is a key success factor to ensure a successful user experience. The Group supports CIOs in maintaining very high levels of performance, integrating more efficient and flexible cloud offers and enhancing security. As a leading player in the cloud and datacentre outsourcing market in France, Econocom is positioned, with its “Satellites”, as a genuine partner of businesses and governments.

In the cloud market:

- **Trams (United Kingdom):** TramsCloud is a JAMF MDM solution hosted on AWS infrastructure offering a global footprint. As an MSP they offer JAMF instances (JAMF on-prem functionality) in an easily accessible cloud environment without the need for customers to implement or manage their own platform. Customers can choose between managing and configuring their own JAMF instance. Trams can also provide a fully managed service.

3.4.5. INFRASTRUCTURE & NETWORKS

3.4.5.1. A market undergoing major structural changes

Security and the ever-closer network

The emergence of the cloud and teleworking has changed the landscape of network access, which must no longer be content to provide a service, but also to secure it. An increasing number of solutions encompass both the network and security components. The approach of lesser privilege as well as restricting to only the default users' needs, defined as "Zero-trust", has brought the two areas even closer together. Solutions such as ZTNA and SASE include both a network component and a security component.

Expanding wireless and IOT technologies

The amount of TO/IOT equipment has grown exponentially in recent years. Driven by the emergence of 5G and the digitisation of companies, Smart Devices have become ubiquitous. The market is becoming more mature with the emergence of standards such as Matter, adopted in October 2022 for home automation, and with increasingly varied uses. Networks must adapt by meeting the connectivity challenges for its equipment, by providing optimal signal coverage or, in wired cases, by ensuring the growing power needs. In addition, networks must have the ability to segment and identify equipment in an automated manner to better secure it and control access.

Wireless networks (WIFI and Radio) are being transformed, they are no longer just a means of connecting equipment. The data they hold has become a source of information to improve the business. By their very nature, they are able to track and correlate the movements of equipment, as well as transactions carried out on the network. The first uses appeared in the fields of supply chains, localisation and targeted marketing, but many other areas of application are expected to emerge in the coming years.

The user experience at the heart of demand

Users, accustomed to using services such as Uber, Amazon or Netflix, expect services that are always available, fluid and accessible from anywhere. Networks must be able to route all requests as quickly as possible without any incidents. Listed by Gartner in the 10 strategic technologies of 2023, Applied Observability is one of the keys to measuring the user experience. Network monitoring tools have moved towards application uses, integrating measurements related to users and the various components of applications. They have integrated AI and Machine Learning mechanisms and are able to identify the causes of incidents but, above all, are be able to anticipate them as well as to measure and monitor the quality of the user experience.

The impact of geopolitics on the network market

In 2022, the year was marked by many events, most of them as a direct result of the war in Ukraine, strongly influencing the network and infrastructure market. The conflict between Russia and Ukraine has highlighted the limits of a global economy and of dependence on producing countries. The discontinuation of the production of Ukrainian semiconductors had a global impact on the IT market. The direct consequence was the worsening of the shortages of components leading to new schedules and delays in the supply of network equipment and IT in general.

The strain on components drove companies to accelerate cloud adoption. Driven by their need for growth and attracted by the agility of the Cloud, applications massively migrated to the Cloud. This migration has led to new interconnectivity needs. The rapid adoption of several Clouds with on-premise infrastructures brings complexity in the management and operation of networks. The market is meeting these needs by moving towards automated roll-out solutions extended among Clouds, and AIOps using artificial intelligence and machine learning to predict and manage flows. DevOps practices are applied to network infrastructures, making it possible to standardise configurations on heterogeneous environments and to make infrastructures more reliable by reducing the risk of human error. Gartner estimates that by 2024, 30% of “day-to-day” IT operations will be able to be automated, notably using AI technologies.

CSR at the heart of discussions

By 2025, Gartner predicts that 50% of CIOs will have performance indicators related to the sustainable development of IT infrastructures. CSR is no longer an option but an obligation for companies and CIOs are increasingly attentive to this subject. The consumption of equipment but also its recycling are now part of the criteria in the choice of equipment.

3.4.5.2. The Econocom offer:

Asystel Italia, Bizmatica, Exaprobe, Trams

To help its customers transform their infrastructures, Econocom offers consulting, transformation engineering, optimisation and technological innovation services. Econocom also offers maintenance services in operational conditions throughout the life cycle of these infrastructures, thereby guaranteeing end-to-end support for its customers.

Designing scalable infrastructures capable of integrating the innovations of tomorrow

Developing flexibly to improve support: Econocom's approach. The Group advocates traditional IT solutions together with the most innovative digital solutions (hybrid cloud solutions, etc.). This "mix" facilitates the digital transition and its adoption by users. This flexibility also makes possible the design of scalable infrastructures capable of integrating technological innovations as they occur over time.

Four Satellites operate in this market:

- **Asystel Italia (Italy)** designs, builds, integrates, secures and maintains network infrastructures and digital innovation solutions for medium and large companies. Its Datacentre offer is based on an On Demand approach, which allows customers to benefit from a scalable model which meets their actual needs. It is also installed with a Tier 3 supplier that possesses certifications in terms of quality and energy efficiency. Asystel Italia also helps its clients choose the best cloud computing strategy with dedicated cloud transition and management services, including infrastructure deployment, IT operations and optimisation, as well as cloud cost tracking and analysis to enable companies to leverage spending optimisation opportunities;
- **Bizmatica (Italy)** is able to support companies in an end to end approach in the digital transformation process. It provides from the initial consultancy to the development and management of complex IoT & Service Assurance platforms leveraging on AI and Machine Learning solutions. In terms of infrastructure's governance and data access, Bizmatica solutions are focused on Cloud Management, Back Up and Recovery, Data Virtualisation and Consolidation;
- **Trams (United Kingdom)** has trained and qualified engineers to deploy, manage and support customer networks regardless of the vendor or size. Trams| Econocom is a multiple award winning and highly regarded Quantum partner, with over 15 years of experience in the installation and project management of complex cloud, hybrid-cloud and on-premise projects in the UK and the EMEA region.

  Their in-house knowledge of hybrid storage workflows, backup and archiving solutions, combined with leading partnerships with vendors such as Dell, Veeam, Pure Storage and HP, make them an ideal partner to build and install a first-rate work infrastructure.
- **Exaprobe:** see chapter 3.4.1.2.

3.4.6. MOBILITY

3.4.6.1. A dynamic market driven by the growth of software solutions and service

The enterprise mobility market is divided into four main segments:

- **Connectivity:** 3/4/5G mobile networks and WiFi;
- **Hardware:** consumer and professional devices and accessories;
- **Software:** off-the-shelf mobile applications, development platforms, mobility management solutions such as EMM/UEM (Enterprise Mobility Management/Unified End-Point Management, etc.) and mobile security (Mobile Threat Defence);
- **Services:** deployment and management of a mobile business fleet, user services, mobile application development, EMM services, etc.

The mobility market is a dynamic market driven particularly by the adoption by users in the private sphere, and the need to speed up the transformation to meet the constraints of the health crisis.

Thus, according to Gartner [(1)] today the overall market share of mobile platforms is nearly three times larger than the share of the historic platform Windows (almost 5 billion mobile devices – Google Android and Apple iOS – compared with 1.7 billion for Windows).

On a business scope, growth is largely driven by mobile phones with more than 200 million mobile handsets purchased by businesses in 2024, compared to 160 million in 2020, while traditional telephones are stagnant with around 144 million units sold per year (between 2020 and 2024).

Gartner [(2)] predicts annual growth of 7.5% in managed services related to mobility to $8.9 billion in 2024.

3.4.6.2. The Econocom offer:

Asystel Italia, BDF, Bizmatica, Energy Net, Trams

Econocom has several brands that enable it to extend its expertise in corporate mobility on a European scale:

- **Asystel Italia (Italy)** provides its customers with all the cutting-edge technological solutions and services necessary for a comprehensive, modern, secure and efficient management of terminals, guaranteeing quality of service, compliance with policies and security, increased productivity and flexibility to enable hybrid or fully teleworking methods, and providing customers' IT with unified and centralised management. Pursuant to a BYOD approach, Asystel Italia has in-depth knowledge of Microsoft Windows and Apple MacOS environments, on the one hand, and of the Android and iOS operating systems and related device management platforms, on the other, thus compromising management practices that cover a wide range of user devices as well as remote companies assets in the world of IoT, OT and IoMT;

(1) Gartner, Forecast: PCs, Ultramobiles and Mobile Phones, Worldwide, 2018-2024, 3Q20 Update.
(2) Gartner, Forecast: IT Services, Worldwide, 2018-2024, 3Q20 Update.

- **BDF (Italy):** BDF's mission is to maximise technological use by assuming the complete management of logistic aspect, assistance, maintenance and recycling of digital products. From staging to roll out and help desk, BDF's services are highly customisable and modular. They are focused on management and security of about 200,000 workstations and 20,000 printing solutions based on a pay per use business model. In the field, BDF has a warehouse for products and spare parts of over 12,000 m^2. BDF is becoming the reference point of Econocom in Italy for the management of end of life of the digital product according to modern principles of sustainability;
- **Bizmatica (Italy)** provides solutions and guidance that enable organisations to adopt smart (or agile) ways of working with a focus on maximising employee productivity while meeting the growing need for corporate mobility management and business continuity of their activities;
- **Energy Net (Germany):** Econocom strengthened its presence in Germany with the acquisition of Energy Net in 2017. This Satellite, specialised in the B2B distribution and integration of Apple products, allows Econocom to strengthen its historic partnership with Apple. Energy Net enables Econocom to develop innovative solutions combining hardware, applications and services, charged as a fee;
- **Trams (United Kingdom)** offers complete Enterprise Device Management for both Apple and Windows based IT estates. This management covers the full device life cycle from subscriptions to zero-touch deployment, App development, self-service, security, and recycling.

3.4.7. DIGITAL SIGNAGE & MULTIMEDIA

3.4.7.1. A growing market driven by the expansion of retail

According to Technavio's global digital signage market research report, the market will record a CAGR (compound annual growth rate) of nearly 7% by 2025. This dynamism is largely due to the strong growth in the retail segment, itself boosted by the increase in the demand for consumer goods and the rise in household income. Other factors such as urban growth and the increase in the demand for quality products also help explain the excellent performance of the market.

3.4.7.2. The Econocom offer:

Asystel Italia, BDF, BIS|Econocom

Digital signage solutions can be an excellent lever for new business, for example to enrich omnichannel retail experiences, or to better capture user attention and generate additional advertising revenue.

In order to help its customers put in place the business models of tomorrow, the Econocom Group works in collaboration with them to create the right digital solutions, whatever their business universe. It provides end-to-end support, from the consulting phase up to the creation of an industrial model for their innovative projects. The Group aims to offer its customers integrated digital solutions, together with financing offers.

The following are positioned in this market:

- **Asystel Italia (Italy)** is a leading player in the new multimedia communication solutions: smart collaboration solutions, implementation of environments for new-generation multimedia communication. Asystel Italia designs complete turnkey solutions that integrate monitors, projectors, touchframes, IWBs, video walls, NUCs, digital signage platforms, microphones, amplifiers, interactive furniture items, reservation and biometric recognition systems, and home automation interfaces and connectors in order to create functional multimedia environments, which are extremely innovative, in harmony with overall interior design and capable of guaranteeing simple use with added value in terms of experience, productivity and promotion of the brand and products;

- **BDF (Italy):** BDF's approach to a complete management of hardware and relative services is also valid for multimedia device and digital signage solutions such as integration and set up of meeting room systems, video walls and Digital Signage;
- **BIS|Econocom (Benelux):** specialist in audiovisual & IT solutions, video collaboration and unified communications. BIS|Econocom speeds up digital transformations, brings people together and makes organisations more decisive and agile. Digital technologies are adopted at lightning speed and Audiovisual & IT technology plays a crucial role in this process. BIS|Econocom is a market leader in the Netherlands. It initiates user friendly innovations to enhance collaboration, unified communications and other Audiovisual & IT solutions, inside and outside the office environment. Its solutions include:

Collaboration solutions without borders

Through online (video) collaboration solutions, BIS|Econocom enables professionals to work together in virtual environments and exchange information quickly and cost effectively. In addition to reducing costs, video collaboration also translates into sustainability (less travel) but also increased productivity and efficiency.

Workplace management in one click

The rise of remote working and the Covid-19 pandemic have forever changed the way we work. It also automatically changes the management of workplaces, meeting rooms and visitors, for both large and small organisations.

BIS|Econocom's workplace management solutions make it possible to reserve a (safe) workplace at any time: check the occupancy rate and book an available office or secure meeting room in just a click.

Narrowcasting, beyond communication

Narrowcasting is designed to "change" the behaviour of people, to encourage them to do something beyond the information displayed on the screen. Targeted broadcasting can be used to inspire (persuade through entertainment), advertise (increase purchases) or as signage (direct you to go somewhere). Digital signage is 63% more convincing than static image formats.

3.4.8. CONSULTING

3.4.8.1. The Econocom offer

Bizmatica, Helis, Trams

Three Satellites are specifically positioned in the consulting market:

- **Bizmatica (Italy)** collaborates with its clients, defining the best digital transformation strategy according to specific innovation needs in relation to the transition to the cloud, to the alignment of the company's information technologies, to the BizOps approach, to change management, to process optimisation and to DevOps; Bizmatica has a dedicated functional and technological consulting and project management offering, which follows appropriate governance and DevOps models according to an agile methodology. In this way, Bizmatica is able to respond directly to the transformation and innovation needs of companies, by analysing the current situation, studying areas for improvement and supporting the client on the path to optimal transformation;
- **Helis (France)** is a consulting firm specialising in mission critical infrastructure consulting and engineering. With a team of over 100 consultants on assignment, Helis experts assist companies in their respective fields, in areas as specialised as IP and network infrastructure, GDPR compliance and cybersecurity and Big Data, and thus providing a bespoke solution to their transformation projects;
- **Trams (United Kingdom)** has in house technical expertise backed by experienced and long-standing technical consultants, to provide skilled presales, installation and post-sales support on solutions including EUC, Storage Workflows, Network Infrastructure, Cloud (AWS, Azure & Google) & Security.

4. Financial position and results

4.1. Highlights of the past three years

2022 was notable for:

- revenue from continuing operations of €2,718 million, representing organic growth of 10.0% compared to 2021;
- recurring operating profit from continuing operations (operating margin) up 9.2% at constant standards to €139.4 million on continuing operations,
- three acquisitions: Sofi group in France, Semic in Spain and Lydis in the Netherlands;
- net financial debt [(1)] amounted to €143 million compared to €67 million in 2021. This change was due to share buybacks and acquisitions made in 2022;
- as at 31 December 2022, treasury shares totalled 19.81% of the share capital.

2021 was notable for:

- revenue from continuing operations of €2,505 million, stable compared to 2020;
- recurring operating profit from continuing operations (operating margin) up 16% to €135.7 million on continuing operations;
- Alter Way was sold and the acquisition of Trams Ltd was completed in the UK;
- non-recurring net operating expenses were down sharply to €14.3 million due to the completion of the transformation plan;
- net financial debt [(2)] amounted to €67 million compared to a net cash position of €20 million in 2020. This change is attributable to the share buybacks carried out in 2021 in the amount of €83 million and the increase in volumes of operations to be refinanced and own account activities within the TMF activity;
- as at 31 December 2021, treasury shares totalled 16.78% of the share capital.

2020 was notable for:

- revenue from continuing operations of €2,559 million at constant standards, down 11.3% compared to 2019;
- recurring operating profit from continuing operations (operating margin) slightly up, totalling €122.5 million on continuing operations;
- EBC (Econocom Business Continuity) and digital.security were sold;
- the implementation of the plan to reduce direct and indirect expenses by €96.5 mllion (gross) initiated in 2019 is being finalised;
- 2020 posted a significant decline in net financial debt, with a net cash position of €20 million at the end of the year. This achievement was made possible through a significant improvement in operating cash flow, proceeds from the divestiture of non-strategic assets for around €125 million, while maintaining an interim dividend payment and treasury share buybacks;
- as at 31 December 2020, treasury shares totalled 4.43% of the share capital.

(1) Before recognition of the debt resulting from the application of IFRS 16 to leases (offices, vehicles, etc.) for which Econocom is the lessee.

(2) Before recognition of the debt resulting from the application of IFRS 16 to leases (offices, vehicles, etc.) for which Econocom is the lessee.

4.2. Annual consolidated data for 2022, and comparison to 2021 and 2020

4.2.1. KEY FIGURES

in € millions	2022	2021 restated*	2020 restated**
Revenue from continuing operations	2,718	2,367	2,521
Recurring operating profit from continuing operations (operating margin)	139.4	127.7	117.5
Operating profit	109.8	109.2	81.7
Shareholders' equity (including non-controlling interests)	456.8	438.8	472.9
Net cash surplus/(Net financial debt)	(143.5)	(66.8)	+20.2

* In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as corrections for the purpose of comparability for certain sale & leaseback contracts and on certain services included in TMF contracts.

** In accordance with IFRS 5, 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring costs which are now recognised in recurring operating profit from continuing operations (operating margin).

4.2.2. REVENUE

in € millions	2022	2021 restated*	2020 restated**
Products & Solutions	1,238	970	1,073
Services	492	516	554
Technology Management & Financing	1015	881	894
Total revenue	**2,718**	**2,367**	**2,521**

* In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by corrections for the purpose of comparability for certain sale and leaseback contracts and on certain services included in the TMF contracts.

** In accordance with IFRS 5, 2020 income and expenses of operations considered as discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement.

In FY 2022, the Econocom Group generated, from its continuing operations, annual consolidated revenue of €2,718 million, representing organic growth of 10% compared to the previous year.

Products & Solutions

In 2022, Products & Solutions posted revenue of €1,238 million compared with €970 million in 2021, or an increase of 27.6%, of which 15.5% on an organic basis. After a slight decline in 2021, due notably to supply tensions, growth was sustained across all of the Group's regions.

Services

Services generated €492 million in revenue in 2022, representing an organic decrease of 1.9%. This decline was reduced throughout 2022, with the last quarter even marking a return to growth.

In 2021, this activity posted a decline of 3.1% due notably to the desire to favour contracts with higher added value.

Technology Management & Financing

In 2022, Technology Management & Financing recorded revenue of €989 million compared to €881 million one year earlier, representing an increase of 12.3%, of which 10.2% on an organic basis. This growth was mainly observed in France, Spain and Germany.

This activity had already posted organic revenue growth of 4.0% in 2021.

4.2.3. RECURRING OPERATING PROFIT FROM CONTINUING OPERATIONS (OPERATING MARGIN)

in € millions	2022	2021 restated*	2020 restated**
Products & Solutions	49.0	45.0	46.6
Services	40.6	42.4	35.2
Technology Management & Financing	49.8	40.2	37.8
Recurring operating profit from continuing operations (operating margin)	**139.4**	**127.7**	**119.6**

* In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as corrections for the purpose of comparability for certain sale & leaseback contracts and on certain services included in TMF contracts.

** In accordance with IFRS 5, 2020 income and expenses of operations considered discontinued in 2021 are reclassified to "Profit (loss) from discontinued operations" in the 2020 income statement. In addition, the 2020 consolidated income statement is impacted by the reclassification of factoring costs which are now recognised in recurring operating profit from continuing operations.

The Group's recurring operating profit from continuing operations (operating margin) amounted to €139.4 million, or 5.1% of revenue. Year-on-year, it increased by 9.2% compared to the €127.7 million generated in 2021 despite an economic context marked by higher supply costs.

In 2020, the Group's recurring operating profit from continuing operations (operating margin) amounted to €119.6 million, and represented 4.7% of revenue.

4.2.4. OPERATING PROFIT

The Group's operating profit amounted to €109.8 million in 2022, compared with €109.2 million the previous year. Non-recurring expenses amounted to €27.5 million, slightly up from €23.6 million in 2021. Moreover, this year, the Group did not record any capital gains on disposals, whereas they represented €7.2 million in 2021.

In 2020, non-recurring expenses amounted to €26.8 million mainly as a result of new organisation measures and costs associated with the closure of sites.

4.2.5. FINANCIAL POSITION

The Group boasted a sound financial position at 31 December 2022, with net cash of €348 million and net financial debt of €143 million.

At 31 December 2021, the Group had net financial debt in the amount of €67 million compared to a net cash surplus of €20 million at 31 December 2020.

4.3. Equity restrictions

The Group is subject to one single covenant in relation to these loans. It is calculated as of 31 December of each year, and corresponds to the ratio of net debt to *pro-forma* EBITDA. It may not exceed three over two consecutive years. A breach would not result in early redemption, but it would force the Group to pay a higher interest rate until the ratio is brought back within the relevant bounds. At 31 December 2022, this covenant was respected.

Credit lines do not contain covenants in respect of maximum debt, financial ratios or credit ratings that, if breached, would trigger immediate repayment.

Econocom is not subject to any legal or economic restrictions liable to limit or significantly restrict cash flows within the Group in the foreseeable future.

5. Corporate governance

5.1 Board of Directors and Advisory Committees

The composition and functioning of the Board of Directors and the Board's Committees are governed by:

- articles 7:85 *et seq.* of the Belgian Companies and Associations Code;
- articles 14 *et seq.* of the Bylaws;
- the Corporate Governance Charter, available on Econocom's website (www.econocom.com);
- the internal rules of the respective Committees, available on the Econocom website (www.econocom.com), i.e.:

(i) the internal rules of the Board of Directors' meeting of 20 October 2022 (the "Board of Directors' internal rules"),

(iii) the internal rules of the Executive Committee of 20 October 2022 (the "Executive Committee's internal rules"),

(iii) the internal rules of the Audit Committee of 23 January 2020 (the "Audit Committee's internal rules"), and

(iv) the internal rules of the Compensation and Appointments Committee of 23 January 2020 (the "Compensation and Appointments Committee's internal rules").

For more details on corporate governance, please refer to section 5, chapter 5 of this report, which contains the Management Report of the Board of Directors on the financial statements for the year ended 31 December 2022.

5.1.1. BOARD OF DIRECTORS

5.1.1.1. Composition of the Board of Directors

5.1.1.1.1. Appointment (article 14 of the Bylaws and article 4 of the Board of Directors' internal rules)

The Company is governed by a Board comprising at least three members, whether or not shareholders or legal persons. Members are appointed to the Board for a maximum term of four years by the General Meeting, which may remove them at any time. They may be re-elected. The term of office of outgoing Directors ends immediately after the General Meeting that decides on re-election.

The composition of the Board includes mostly non-executive Directors and an appropriate number of independent non-executive Directors. If the number of Directors so permits, at least three Directors shall be independent within the meaning of Principle 3.5 of the 2020 Belgian Corporate Governance Code. The aim is that at least half of Board members should be non-executive Directors, and that at least one-third of Board members should be of a different gender than the other members.

Directors are appointed by the General Meeting from the candidates put forward by the Board.

Directors undertake to act in Econocom Group's interest and to maintain independence of judgement, decision-making and action in all circumstances. They participate in the work of the Board in a wholly impartial manner. Even if Directors know Econocom Group's business sector well, they should continue to build on their knowledge and expand their expertise.

The Board regularly reviews its composition, functioning and interaction with the managing Director(s), Chief Executive Officer(s), who are in charge of day-to-day management, and with the Executive Committee.

5.1.1.1.2. Vacancy (article 15 of the Bylaws)

If a seat on the Board becomes vacant, the remaining Directors are entitled to fill it temporarily. In this case, the first General Meeting after the seat becomes vacant appoints a Director to fill the vacancy on a long-term basis. The Director nominated in the conditions described above is appointed for the remaining term of office of the Director he/she is replacing.

5.1.1.1.3. Chair, Vice-Chair and Secretariat (article 16 of the Bylaws and articles 4.6, 5 and 6 of the Board of Directors' internal rules)

The Board of Directors elects a Chairman and Vice-Chairman from among its members.

The Chairman of the Board is responsible for:

1. ensuring the management by the Board, and in particular see to it that the Board is well organised, operates efficiently and performs its obligations and responsibilities, namely:
   - preparing, convening, presiding and managing the sessions of the Board and making certain that in the meetings, sufficient time is reserved for a serious in-depth discussion of the relevant issues,
   - drawing up the agenda for the meetings of the Board, in liaison with the managing Director(s), Chief Executive Officer(s) and, where appropriate, the Executive Committee,
   - ensuring that the Board receives the appropriate information and that the documents supporting proposals for decisions are relevant and readily available within a reasonable time prior to Board meetings;
2. ensuring the quality and continuity of the Board's work by initiating and managing procedures concerning:
   - the assessment of the size, composition and performance of the Board of Directors or the managing Director(s), its Committees, Chief Executive Officers and the Executive Committee to ensure the efficiency of the decision-making process,
   - appointing or re-electing members of the Board, the managing Directors, members of the Board's Committees and the Executive Committee and Chief Executive Officers;
3. "liaising" between the Board, Chief Executive Officers and the Executive Committee. This involves:
   - meeting regularly with the managing Director(s), Chief Executive Officers and other members of the Executive Committee,
   - seeing to it that relations between the Board and the Chief Executive Officers and Executive Committee are of a professional and constructive nature and that the Executive Committee provides the Board with the information necessary to play its role in terms of evaluation, decision-making, supervision and control,

If it deems it in the interest of the Company, the Board may turn over the position of Chairman to any Director who performs executive duties within Econocom.

In the absence of the Chairman of the Board, the Vice-Chairman replaces him. Should both the Chairman and the Vice-Chairman be prevented from attending a Board meeting, the Directors present elect a Chairman for the meeting in question.

The Board of Directors may appoint a Company Secretary who reports on how the procedures, rules and regulations applicable to the Board are implemented and respected. Directors may consult the Company Secretary at their own initiative.

5.1.1.1.4. Compensation (article 14 of the Bylaws and article 10 of the Board of Directors' internal rules)

Directors may or may not collect compensation for the performance of their duties. Any fixed or variable compensation may be set by the General Meeting acting on a recommendation from the Board of Directors assisted by the Compensation and Appointments Committee.

Compensation is set for each Director or on an aggregate basis for the Board as a whole, in which case the Board shall decide how to allocate the compensation according to criteria it defines.

Compensation due to non-executive Directors is determined based on a realistic assessment of their responsibilities, the associated risks and market practices.

5.1.1.2. Powers of the Board of Directors (article 20 of the Bylaws and article 2 of the Board of Directors' internal rules)

The Board of Directors is vested with the power to undertake all actions necessary or useful for the Company to fulfil its corporate purpose, except for those actions set aside by law for the General Meeting, and without prejudice to the powers it may delegate.

The Board represents the Company in its dealings with third parties and in legal proceedings, either as plaintiff or defendant.

It has the following duties and responsibilities, which it performs with the support of the Chief Executive Officers, Executive Committee and the Committees it has established:

- appoint, monitor and evaluate the managing Director(s) and Chief Executive Officers, members of the Committees established in accordance with the provisions of the Belgian Companies Code, as well as members of the Executive Committee and, more broadly, ensure the establishment of a clear and effective management structure;
- approve the strategic plans on the suggestion by the Chairman of the Board after study with the Executive Committee;
- assess Econocom's functioning in relation to its strategic and budgetary targets, based notably on a quarterly review of financial results and any other reports made to the Board;
- approve the implementation of any external growth, sale, investment, divestment or internal reorganisation transaction considered strategic by the Chairman of the Board or the Executive Committee (including any transaction whose value or *quid pro quo* exceeds €25 million, it being specified that in the event of a sale or acquisition, this threshold represents the full (100%) enterprise value including the estimate of put debts, earnouts and investments planned over the 12 months following the transaction (e.g. identified need for recapitalisation));
- take all steps necessary to ensure the integrity of the financial statements and other important information that must be disclosed to investors, and their publication within the prescribed timeframe;
- approve an internal control and risk management framework and oversee the work of the Statutory Auditor and Internal Audit;
- approve any other matters that the Chairman, Delegated Director or Executive Committee member believes should be submitted for approval by the Board due to its strategic significance (even in relation to matters delegated by the Board to the Executive Committee, the managing Directors, the Chief Executive Officers or any third party);
- take all decisions on matters set aside for it by law and the Bylaws, including any

decision to be submitted to the General Meeting;

- assess its own functioning and interaction with the managing Director(s), the Chief Executive Officers and the Executive Committee.

5.1.1.3. Functioning of the Board of Directors

5.1.1.3.1. Meetings (article 17 of the Bylaws and article 7.1 of the Board of Directors' internal rules)

The Board of Directors meets at least four times a year. Board meetings are convened and chaired by the Chairman, or, if the Chairman is prevented from attending a particular meeting, by the Vice-Chairman, whenever it is deemed to be in the Company's interest or each time a minimum of two Directors so request.

The Chairman prepares the agenda for each Board meeting together with the managing Director(s) or the Executive Committee.

Board meetings are held at the location indicated in the convening notice.

Members of the Board are convened at least five working days before the date of the meeting, unless a shorter timeframe is in the Company's interests or the Directors decide upon one.

Important information needed to allow the Directors to understand the matters to be discussed at the meeting are sent to each Director as soon as possible before the date of the Board meeting.

A Director unable to attend a Board meeting may be represented by another Director provided a proxy request is submitted in writing.

The Board may invite any persons whose presence it deems useful to attend its meetings.

5.1.1.3.2. Quorum and deliberations (article 18 of the Bylaws and article 7.3 of the Board of Directors' internal rules)

The Board of Directors may only validly debate and take decisions if at least half of its members are present or represented.

Decisions of the Board are adopted on the basis of a majority of votes cast; abstentions are not counted. When there is no majority, the person chairing the meeting holds the casting vote.

The decisions of the Board may be taken by unanimous decision of all Directors, expressed in writing.

5.1.1.3.3. Proxies (article 18 of the Bylaws and article 7.1 of the Board of Directors' internal rules)

All Directors may ask one of their colleagues to represent them at a given meeting of the Board of Directors and vote on their behalf. This request may be made in writing, by email, by fax, or by any other means used to grant unequivocal special representative powers. In this case, the Director (proxy giver) represented is deemed to be present.

A Director may represent one or more other members of the Board.

Directors may also express opinions and vote in writing, by email or by fax, but only if half of the Board members attend the meeting in person.

5.1.1.3.4. Minutes (article 19 of the Bylaws and article 7.5 of the Board of Directors' internal rules)

Deliberations of the Board of Directors are recorded in the minutes of the meeting. The Board of Directors of 4 September 2019 unanimously decided that the minutes of a meeting are to be approved at the following Board of Directors. The Bylaws also provide that they are to be signed by the Chairman and any Directors who so wish.

These minutes are recorded in a special register together with any delegations of authority granted.

Copies or extracts required for legal or other purposes are signed by the Chairman, by a Delegated Director, by two Directors or by a Chief Executive Officer.

5.1.1.3.5. Information provided to the Board (article 9 of the Board of Directors' internal rules)

The Directors have access to all of the information needed to exercise their duties in a due and proper manner. Non-executive Directors may raise issues with members of the Executive Committee, after having consulted the Chairman of the Board or a Delegated Director and made sure that this will not jeopardise the proper conduct of business.

Directors may not use the information received in their capacity as Director for purposes other than the exercise of their office. They are required to keep any information they receive in their capacity as Director confidential.

5.1.1.4. Day-to-day management – delegation (article 21 of the Bylaws and article 3 of the Board of Directors' internal rules)

The Board of Directors may delegate the power to manage the Company's day-to-day affairs or to represent the Company with regard to its day-to-day management to one or more Directors who are also Delegated Director and/or to one or more executives who are also Chief Executive Officers.

Their roles and responsibilities are set out in the agreement governing their appointment. Nevertheless, the limits placed on their representative powers for the purposes of day-to-day management shall not be binding on third parties, even if they are published.

The Board of Directors and those responsible for day-to-day management, within the limits of the powers of day-to-day management, may grant special and precise powers to one or more persons of their choice, who need not be shareholders or Directors. Holders of these special powers may substitute one or more persons in the exercise of their powers, subject to the consent of the Board of Directors or the person responsible for day-to-day management (as appropriate).

In the event of a special delegation of powers, the deed of appointment defines the relevant powers and the related compensation.

5.1.1.5. Liability of the Board of Directors (article 25 of the Bylaws)

The Directors and the Statutory Auditor(s) are not personally liable for undertakings made by the Company.

Pursuant to common law and the provisions of the Belgian Companies Code, they may be held liable for the performance of their duties and any faults committed in their management.

5.1.1.6. Representation (article 22 of the Bylaws)

The Board of Directors represents the Company as a collegial body in its dealings with third parties and in legal proceedings.

Notwithstanding the Board's general powers of representation as a collegial body, the Company is legitimately represented in any legal proceedings and in its dealings with third parties, including with public officers (and mortgage registrars):

- either by the Chairman of the Board of Directors, acting alone; or
- by two Directors, acting in concert; or
- by a Delegated Director, acting alone; or
- by a Chief Executive Officer, acting alone.

The aforementioned persons are not required to provide any justification of a prior decision of the Board of Directors.

The Company is also legitimately represented by special proxies acting within the scope of their mandate.

5.1.2. COMMITTEES OF THE BOARD OF DIRECTORS (ARTICLE 21 OF THE BYLAWS)

The Board of Directors may set up any Committee it deems useful, permanent or temporary, in an advisory or technical capacity. The internal rules of these Committees are set by the Board of Directors.

Each Committee is governed by its own internal rules, which define its composition, role, function and responsibilities as well as its functioning. These internal rules are adopted by the Board of Directors.

The Board of Directors shall establish an Audit Committee within the meaning of article 7:99 of the Belgian Companies Code, as well as a Compensation Committee within the meaning of article 7:100 of the Belgian Companies Code. The composition of these Committees, their tasks and internal rules are established by the Board of Directors, pursuant to the provisions of the Belgian Companies Code.

The Board of Directors may establish specialised Committees tasked with examining and advising on specific issues. The composition and role of these Committees are governed by the Board of Directors in accordance with applicable law.

5.1.2.1. Executive Committee (article 21 of the Bylaws, article 3 of the Board of Directors' internal rules and the Executive Committee's internal rules)

5.1.2.1.1. General information

Pursuant to article 21 of the Company's Bylaws, the Board may establish an Executive Committee, consisting of several persons, Directors or not, and delegate to it the operational management of the Company, as well as special powers other than those relating to operational management, without prejudice to the day-to-day management powers conferred to the managing Directors and Chief Executive Officers.

However, the Board of Directors retains exclusive powers for overall policy and for acts reserved for the Board pursuant to the law, the Bylaws or the Board's internal rules. The Board may also address any question relating to operational management, if it considers it appropriate. In accordance with the decisions of the Board, the Board may, in turn, delegate any of its responsibilities to an Executive Committee.

5.1.2.1.2. Composition of the Executive Committee

The members of the Executive Committee are appointed by the Board of Directors. The Executive Committee has at least three members, who may or may not be Directors or Econocom Group employees. The Board of Directors shall in principle ensure that each Delegated Director and each Chief Executive Officer in charge of Econocom's day-to-day management are members of the Executive Committee.

The members of the Executive Committee may, in their capacity as Committee members, be removed by the Board of Directors at any time (without prejudice to employment, management or equivalent contracts binding them to Econocom Group).

The members of the Executive Committee are appointed for a maximum term of six years. They may be re-elected.

The Executive Committee is chaired by a Delegated Director, appointed by the Board.

5.1.2.1.3. Responsibilities of the Executive Committee

The Executive Committee's responsibilities include, but are not limited to:

- taking all steps necessary to implement the decisions or recommendations of the Board;
- proposing strategic guidelines to be set by the Board, and framing budgets within the strategic guidelines laid down by the Board;
- managing the Group's operating entities (in accordance with the powers of the bodies of these entities), and supervising their financial and operating performance;
- entering into all agreements, making and approving all pricing proposals, placing and accepting all orders to buy, sell or lease any equipment and other capital goods and services;
- leasing and renting out, even for long periods, any properties, equipment or intangible assets, and entering into any lease and rental agreements concerning such assets;
- concluding financing, with or without the provision of collateral, except for the following transactions, which fall within the scope of the powers of the Board: any capital market transaction (other than commercial paper), any financing that has the effect of causing consolidated net debt to exceed consolidated equity or to represent more than 2x consolidated EBITDA;
- authorise the implementation of any external growth, sale, investment, divestment or internal reorganisation transaction, with the exception of any transaction considered strategic by the Chairman of the Board or the Executive Committee (including any transaction whose value or *quid pro quo* exceeds €25 million) and which, as such, falls within the remit of the Board. In the case of a sale or acquisition transaction, this threshold represents the full (100%) enterprise value, including the estimate of put debts, earnouts and investments planned over the 12 months following the transaction (e.g. identified need for recapitalisation);
- acting in dealings with the national government or EU, regional, state and municipal authorities, the Crossroads Bank for Enterprises (Banque-Carrefour des Entreprises), the tax authorities, the postal service, customs authorities, telecommunications companies and any other public departments or authorities;
- managing all legal or arbitration proceedings, as plaintiff or defendant, negotiating all settlements, taking all steps necessary in this respect, and obtaining and enforcing all rulings;
- representing Econocom in its dealings with trade union and employer representative bodies;
- drafting and signing all documents necessary for implementing the powers delegated to it.

Without prejudice to the powers set aside for the Board or the Board's Committees, such as the Audit Committee, the Executive Committee is also responsible for:

- implementing internal controls;
- preparing full, timely, reliable and accurate financial statements in accordance with accounting standards and with Econocom's overall policies as defined by the Board;

- presenting the Board with an impartial and comprehensible assessment of the Company's financial position and, more generally, promptly providing the Board with all of the information it needs to perform its duties.

The Committee may in turn delegate all powers assigned by the Board of Directors, both to Econocom employees and third parties.

The powers conferred on the Executive Committee shall in no event include the powers reserved by law, the Bylaws or internal rules for the Board of Directors. It is also the responsibility of the Executive Committee to:

- submit to the Board any question relating to a strategic transaction bearing on Econocom or the Group, without prejudice to the Board's powers to examine any issues relating to operational management;
- respect the day-to-day management powers delegated by the Board of Directors to one or more managing Directors and/or Chief Executive Officers.

5.1.2.1.4. Functioning of the Executive Committee laid down by law, the Bylaws or its internal rules

With the exception of the provisions below, the rules applicable to the meetings, deliberations and minutes of the Board, as provided for by the Bylaws, apply by analogy to the Executive Committee.

The Executive Committee meets at the initiative of its Chairman, or when requested by two Executive Committee members. The Executive Committee meets at least ten times a year. Meetings are held at the location indicated in the convening notice.

The agenda for the meetings is set by the Chairman. However, members are entitled to propose the addition to the agenda of any item they deem necessary. The information necessary for decision-making is sent to each member of the Executive Committee as soon as possible, prior to each meeting. The Executive Committee may invite any persons whose presence it deems useful to attend its meetings.

The Executive Committee acts as a collegial body; its decision-making is based on a consensus-building process. Where appropriate, the Chairman of the Executive Committee may put matters discussed to the vote, at his own initiative or further to the request of two other members. Matters are then decided by a majority vote of all members present. When there is no majority, the Chairman holds the casting vote. Written minutes of Executive Committee meetings are prepared by any means, under the responsibility of its Chairman.

The Executive Committee reports to the Board of Directors on its management and on any significant issues falling within the scope of its responsibility. The Chairman of the Committee or any other Committee member appointed for the purpose issues a quarterly report in this regard for the Chairman of the Board of Directors; this report includes internal reporting of financial results for the quarter.

The Executive Committee takes all steps it deems necessary to allow the Board to fulfil its duty of oversight as required by law, the Bylaws and its internal rules.

At 31 December 2022, the Executive Committee was composed of Jean-Louis Bouchard, in his capacity as representative of Econocom International BV, Samira Draoua and Angel Benguigui, Philippe Goullioud, Long Le Xuan and Patrick Van Den Berg.

5.1.2.2. Audit Committee (article 21 of the Bylaws and the Audit Committee's internal rules)

5.1.2.2.1. General information

The Board of Directors has set up an Audit Committee in accordance with article 21 of Econocom Group's Bylaws and with article 7:99 of the Belgian Companies Code.

The role of the Audit Committee is to assist the Board of Directors in performing its duties of oversight of Econocom's business in the broadest sense of the term. More specifically, the Audit Committee assesses financial information and monitors internal control, risk management and internal and external audit processes. It issues opinions.

5.1.2.2.2. Composition of the Audit Committee

The Audit Committee comprises at least three Directors, exclusively non-executive, one of which must be an independent Director. If additional Directors are appointed to the Audit Committee, the Committee must always include at least one independent Director with accounting and audit expertise.

The members of the Audit Committee are appointed by the Board of Directors. The three-year term of office is renewable.

The Chairman of the Audit Committee is appointed by the members of the Audit Committee. The Chairman of the Board of Directors cannot chair the Audit Committee.

The term of office of a member of the Audit Committee ends at the same time as his term of office as Director.

At 31 December 2022, the Audit Committee consisted of Robert Bouchard, Jean-Philippe Roesch and Marie-Christine Levet. The Committee is chaired by Robert Bouchard.

5.1.2.2.3. Responsibilities of the Audit Committee

The Audit Committee is responsible for the tasks described below:

1. Production of financial information
    - monitoring the process of preparing financial information and ensuring its reliability, i.e. the accuracy, completeness and consistency of the financial statements,
    - discussing any material financial reporting issues with the members of the Executive Committee and with the Statutory Auditor. The Executive Management, and in particular the managing Director(s) and Chief Executive Officers inform the Audit Committee of the methods used to account for material and unusual transactions when several possible approaches exist, and of the existence and justification of activities carried out through special purpose vehicles,
    - communicating the results of the statutory audit of the annual and consolidated financial statements to the Board of Directors, explaining how the statutory audit contributed to the integrity of the financial information and the Audit Committee's role in this audit process;
2. Internal control – risk management
    - ensuring that the risk management and control system is effective, assessing whether the systems are appropriate and, where applicable, making recommendations to mitigate any material risks,
    - reviewing the results of any investigations undertaken within the Company in response to fraud or errors, or for any other reason, as well as decisions made by Executive Management on these occasions and, where necessary, formulating its own recommendations,

- ensuring that the systems in place within the Company and its subsidiaries to guarantee compliance with the main legal and regulatory requirements applicable to them,
- ensuring the implementation of a specific system for employees to confidentially raise concerns about any irregularities in the preparation of financial information or other matters;

3. Internal Audit
   - reviewing and making recommendations on Executive Management proposals relating to:
     - the appointment and replacement of the Internal Audit manager for whom the Audit Committee has a right of veto,
     - the annual budget allocated to its operations;
   - defining, together with the Internal Audit manager, the control plan to be conducted during the financial year,
   - ensuring the systematic implementation of the Internal Audit control plan and updating it at least every six months,
   - reviewing the effectiveness of the Internal Audit function, chiefly by analysing to what extent management provides full support and applies the findings and recommendations;
4. External Audit
   - formulating recommendations to the Board of Directors as to the appointment of the Company's Statutory Auditor or the renewal of their term of office, the amount of their compensation and any mention of their mission,
   - ensuring Statutory Auditor's independence, chiefly in light of the provisions set forth in the Belgian Companies Code,
   - identifying the Statutory Auditor's work programme and reports,
   - periodically reviewing the effectiveness of the external audit process and analysing how the Executive Management follows up on any recommendations made by the Statutory Auditor,
   - defining, together with the Company's Statutory Auditor, the nature, scope and cost of the Statutory Auditor's involvement in any work performed that is unrelated to the statutory audit engagement;
5. Other
   - formulating recommendations to the Board of Directors concerning matters falling within the scope of responsibility of the Audit Committee,
   - fulfilling any other roles assigned by the Board of Directors.

5.1.2.2.4. Functioning of the Audit Committee

The Audit Committee meets as often as necessary and at least four times a year. At least two meetings a year deal chiefly with the financial statements.

The Chairman of the Audit Committee determines the agenda for each meeting. An Executive Management or Audit Committee member may ask the Chairman of the Audit Committee to place any item he or she considers appropriate on the agenda.

The Audit Committee takes care to preserve free and open communication with the Executive Management.

The Audit Committee may invite the Statutory Auditor, Internal Audit manager and any other member of the Executive Management or Econocom Group employees to attend all or part of its meetings. The Internal Audit manager and the Statutory Auditor must each attend at least two Audit Committee meetings per year.

Before meetings of the Audit Committee, its Chairman is responsible for ensuring that members receive accurate, complete and clear information in connection with the items on the agenda. The Executive Committee is required to provide all necessary information, and the Audit Committee may request any clarification it deems necessary.

Except in emergencies identified by the Chairman of the Audit Committee, Audit Committee meetings are convened at least five working days before they are due to take place. A shorter timeframe may apply provided that all members agree.

The Audit Committee can deliberate if at least two of its members are in attendance or legitimately represented. Decisions are made by a majority of votes cast. If the majority requirement is not met, the Chairman of the Committee makes the final decision.

The Chairman of the Audit Committee is in charge of preparing the minutes of the meetings.

The minutes signed by the Chairman of the Audit Committee are sent to the Chairman of the Board of Directors and made available to all members of the Audit Committee, the Board of Directors and the Statutory Auditor.

The Audit Committee informs the Board of all significant issues to for which it believes that measures must be implemented or for which an improvement is recommended.

The Audit Committee annually assesses its functioning and effectiveness. It meets for this purpose with the Internal Audit manager and the Statutory Auditor for an exchange of views on the audit process and the Audit Committee's internal rules. It reports this assessment to the Board of Directors and makes, if necessary, proposals for modifications.

5.1.2.3. Compensation and Appointments Committee (article 21 of the Bylaws and the Compensation and Appointments Committee's internal rules)

5.1.2.3.1. General information

The Board of Directors has established a Compensation Committee in accordance with article 7:100 of the Belgian Companies Code and article 21 of the Company's Bylaws. On 23 January 2020, the Board of Directors decided to extend the Compensation Committee's responsibilities to Appointments, and to limit its scope of action to corporate officers (Directors and Chief Executive Officers in charge of day-to-day management) and executives involved in the Group's Senior Management. Members of the Executive Committee who are not involved in the Group's Senior Management do not fall within the scope of this Committee's activities.

The Compensation and Appointments Committee mainly advises and assists the Board of Directors. The Committee also performs the duties that may be assigned to it by the Board of Directors in regarding compensation and appointments. It carries out its duties under the supervision of the Board. In this context, it ensures free and open communication with the Chairman of the Board and Executive Management.

5.1.2.3.2. Composition of the Compensation and Appointments Committee

The Compensation and Appointments Committee consists of three non-executive Directors. The majority of members are independent as defined by article 7:87, section 1 of the Belgian Companies Code. The Compensation and Appointments Committee has the necessary expertise in matters of compensation.

The term of office of Compensation and Appointments Committee members is four years, and does not exceed their term of office as Directors. It may be renewed at the same time as their term of office as Directors.

The Compensation and Appointments Committee is chaired by a non-executive Director.

The Chairman of the Compensation and Appointments Committee oversees its work and takes all necessary steps to create a climate of trust within the Committee by contributing to open discussions and encouraging constructive debate.

Members of the Compensation and Appointments Committee choose a Secretary from among themselves.

At 31 December 2022, the Compensation and Appointments Committee consisted of Adeline Challon-Kemoun, Marie-Christine Levet and Robert Bouchard. The Committee is chaired by Marie-Christine Levet.

5.1.2.3.3. Responsibilities of the Compensation and Appointments Committee

Compensation component

At the request of the Chairman of the Board and with respect to persons within the scope defined above, the Committee is responsible for formulating recommendations and giving its opinion to the Board on:

a) the compensation policy;

b) individual compensation (in particular Directors' fees, fixed and variable compensation, long-term incentives, including shares and stock options, termination benefits);

c) the contractual terms and conditions that support this compensation;

d) the determination and assessment of performance targets linked to individual compensation;

e) stock option or share plans (budget, beneficiaries, characteristics and conditions).

Based on the data provided by the Company's Senior Management, the Committee prepares the compensation report which is subsequently added to the corporate governance statement. In particular, it reviews the change in the total amount paid to the ten highest paid employees. It prepares and comments on the compensation report during the Ordinary General Meeting.

A compensation policy for executives of the Company was approved by the Ordinary General Meeting of 18 May 2021 and published on the Company's website.

Appointments component

At the request of the Chairman of the Board, the Committee is responsible for formulating recommendations and giving its opinion to the Board on the appointment and reappointment of corporate officers and the appointment of executives authorised in fact or in law to use the Group's signature.

Working closely with the Chairman of the Board, the Committee draws up and submits to the Board a succession plan for executive corporate officers.

The Committee ensures the existence of succession plans for the Company's key positions.

The Committee also ensures that appropriate talent development programmes and diversity promotion programmes are in place.

The Board of Directors has granted the Compensation and Appointments Committee, in accordance with article 21 of the Bylaws, decision-making powers on behalf of the Board of Directors with respect to stock option plans or any other plans for granting financial instruments, such as warrants, existing or future plans. In this case, the Committee conducts its work under the responsibility and supervision of the Board to which it reports. Within the limits of the powers entrusted to the Board and in accordance with its rules, the Committee is subsequently responsible for implementing the plans and in particular for allocating and distributing, following the recommendation of the Chairman of the Board of Directors, the amount previously set by the Board of Directors.

Implementation of plans relating to the granting of financial instruments

The Board of Directors may grant to the Committee decision-making powers on behalf of the Board of Directors with respect to stock option plans or any other plans for granting financial instruments, including warrants, either under existing or future plans (the "Plans").

In this case, the Committee's conducts its work under the responsibility and supervision of the Board of Directors to which it reports. Within the limits of the powers entrusted to the Board of Directors and in accordance with its rules, the Committee is subsequently responsible for implementing the Plans and in particular for allocating and distributing, following the recommendation of the Chairman of the Board of Directors, the amount previously set by the Board of Directors.

5.1.2.3.4. Functioning of the Compensation and Appointments Committee

The Compensation and Appointments Committee meets as often as necessary and at least twice a year.

Compensation and Appointments Committee meetings are convened by the Chairman, who also determines the agenda. A Director or Executive Committee member may ask the Chairman of the Compensation and Appointments Committee to place any item he or she considers appropriate on the agenda.

Except in the event of emergencies identified by the Chairman of the Compensation and Appointments Committee, notice of Compensation and Appointments Committee meetings (and the agenda for said meeting) are sent by any means ordinarily used by the Company within a reasonable period before the meeting is due to take place.

Before meetings of the Compensation and Appointments Committee, its Chairman is responsible for ensuring that members receive accurate, complete and clear information and all relevant documents related to the items on the agenda.

The Senior Management provides all necessary information, and the Compensation and Appointments Committee may request any clarification it deems necessary.

The Compensation and Appointments Committee may invite any persons whose presence it deems useful to attend its meetings. The Committee may ask for an independent professional opinion on issues it considers necessary to perform its duties, at the Company's expense, within the limit of an annual budget approved by the Board of Directors.

Directors may not attend Compensation and Appointments Committee meetings that deliberate on their own compensation, and therefore may not take part in any decisions in this respect.

The Chairman of the Board of Directors may participate in meetings of the Compensation and Appointments Committee in an advisory capacity when said meetings discuss compensation for other Directors and executives.

The Compensation and Appointments Committee can deliberate if at least two of its members are in attendance or legitimately represented. Decisions of the Compensation and Appointments Committee are made by a majority of votes cast by Compensation and Appointments Committee members that are in attendance or legitimately represented. In the event of a tie, the Chairman of the Committee makes the final decision.

5.2. Conflicts of interest

The Company's corporate officers must comply with the recommendations of article 7:96 (conflicts of interest between the Company and a Director) and 7:97 (intragroup conflicts of interest) of the Belgian Companies Code.

To comply with the Corporate Governance Code, the Company has issued a number of recommendations for its Directors and the members of its Executive Management concerning transactions and other contractual relationships between the Company (and any companies related to it), its Directors and the members of its Executive Management when such transactions and other contractual relationships are not covered by legal provisions on conflicts of interest.

These recommendations are outlined in the conflicts of interest procedure adopted on 22 November 2012 by the Board (the "Internal rules on Conflicts of Interest"), and in the stipulations relating, respectively, to conflicts of interests of Directors and of members of the Executive Committee, described in the Board of Directors' internal rules and the Executive Committees' internal rules respectively.

In short, Directors and Executive Committee members must at all times act in the interests of the Company and its subsidiaries. They apply rigorous discipline to exclude potential conflicts of interest in respect of personal assets, professional or other aspects as much as possible, and to comply strictly with rules on conflicts of interest adopted by the Company.

A Director having, directly or indirectly, an interest of a financial nature in a decision or transaction falling within the remit of the Board, shall immediately inform the Chairman as well as, at the latest at the beginning of the meeting during which the matter giving rise to the conflict is discussed, the other Directors. He or she shall not take part in the discussion or vote on the matter.

Any conflict of interest of a financial nature is specified in the minutes of the meeting, as well as its financial consequences for Econocom and the justification for the decision taken by the Board. This part of the minutes is published in the annual report for the financial year in question. The statutory auditor is informed of the conflict and receives a copy of the minutes of the Board meeting, in order to be able to report on it in accordance with the Belgian Companies Code.

If, in the context of a decision that the Executive Committee must adopt or in the context of a transaction that it plans to implement, it appears that one of its members is in a situation of proven or potential conflict of interest with Econocom, the Executive Committee member concerned must inform the Chairman of the Board prior to any deliberation by the Executive Committee. As necessary, the Chairman of the Board will submit the transaction to the Board, which will be responsible for making a decision (where applicable, in compliance with the conflict of interest rules in force at the Econocom Group).

The transactions covered by this section are submitted to the Audit Committee, whose task is to ensure that said transactions comply with the procedures outlined above or, where applicable, that they are normal transactions conducted under normal market conditions and guarantees generally applied to transactions of a similar nature. The Audit Committee found that almost all of agreements reached during the 2022 financial year were normal transactions conducted under normal market conditions.

All material agreements between Econocom Group and its related parties are disclosed in note 22, "Information on related parties", to the consolidated financial statements in the 2022 annual report.

5.3. Biographies of Directors

Econocom International BV is controlled and represented by Jean-Louis Bouchard. After starting his career at IBM in Europe and the United States, Jean-Louis Bouchard laid the foundations of the Group in France in 1973 under the name of Europe Computer Systèmes (ECS). After the acquisition in 1984 of Econocom, an American SME, he brought together all the international subsidiaries of ECS and named the new entity Econocom. Elected entrepreneur of the year by Challenges magazine in 1987, Jean-Louis Bouchard had a highly forward looking vision of the changes that IT would bring about in the daily lives of companies, institutions and users. Thanks to his external growth strategy, the Group expanded rapidly, anticipating the convergence between IT and telecoms, and the need to offer its customers financing solutions to enable them to undertake the in-depth transformation of their companies. In 2013, Econocom acquired the Osiatis group, which enabled it to make a major breakthrough in the field of digital services. Econocom puts the users at the centre of digital transformation, offering them useful and meaningful technologies and solutions. Jean-Louis Bouchard studied at the Prytanée National Military School of La Flèche before joining the École Nationale Supérieure du Génie Maritime and becoming a naval architect. He played the major role in the arrival of Les Abeilles within the Econocom Group in early 2020.

Robert Bouchard began his career with Cardif in 1995 as negotiating clerk for MATIF on the Paris stock exchange. In 1997, he became an executive shareholder of a number of restaurants in Paris (La Gare, L'Ampère, Meating and Carmine). In 2010, he took over as Chairman of APL Datacenter (specialising in the design, implementation and operation of datacentres), and is currently its majority shareholder. He was Chairman of Digital Dimension from November 2016 to November 2017, Group Chief Operating Officer from June 2017 to March 2018, and Group Chief Executive Officer from March 2018 to November 2018. Robert Bouchard is Jean-Louis Bouchard's son.

Adeline Challon-Kemoun began her career as a communications consultant with Image 7. She subsequently held senior management positions (Euris and Rallye) and served as Communications Director for major groups (Casino, France Télévisions and Air France-KLM). She was notably Executive Vice President of Marketing, Digital & Communications for Air France-KLM and a member of the Group Executive Committee until 2017. In 2018, she joined the Michelin group as Executive Vice President of Engagement and Brands, and became a member of the Group Executive Committee. She has a sound understanding of the expectations of brand and image issues, as well as individual and corporate customers.

Véronique di Benedetto started out as an Account Manager at IBM. In 1985, she became a sales agent before being appointed Sales Director with ECS, and then taking over the Group's international activities, and finally becoming Chief Executive Officer in 2009. After the merger between Econocom and ECS, she was appointed Deputy Chief Executive Officer of the new Group, running operations in France. In 2015, she was appointed Vice-Chair France, responsible primarily for CSR strategy and start-up supervision in various sectors, including education and culture. She is also Chair of the Statutory Committee of Numeum, a French professional body for digital companies.

Bruno Grossi worked for over 20 years at Accenture, where he was partner, in charge of the telecom and media sectors in France and in Benelux. Co-Chairman of Osiatis between 2010 and 2013, before its merger with Econocom Group in September 2013, he was its Delegated Director in charge of day-to-day management until 20 October 2020. He remains a Director of Econocom Group.

Marie-Christine Levet is one of France's pioneering figures in the Internet world and has over 25 years' experience in the new technologies sector as both an entrepreneur and investor. She has run several French Internet and media companies (Lycos, Club-Internet, Tests group, etc.). Leveraging her entrepreneurial experience, Marie-Christine Levet switched over to the investment sector, taking part in the founding of Jaina Capital, one of France's first investment funds specialising in seed funding. Convinced of the education sector's need to undergo transformation, Marie-Christine Levet founded Educapital, the first European investment fund devoted to the future of the education and work sectors, in October 2017. She is also a Director of PMU and SoLocal. Her entrepreneurial experience as both an investor and Director of pioneering companies in the digital market as well as in digital transformation consulting is an asset in supporting Econocom Group's development strategy.

Jean-Philippe Roesch began his career with six years at Arthur Andersen. He joined Econocom Group at the end of 1989 as Chief Financial Officer for Econocom France. After heading various Group subsidiaries, he became the Group's Company Secretary in 2001, its Deputy Managing Director in 2004, and then its Managing Director in 2006. He ceased to perform these duties at the end of 2016. From October 2018 to July 2019, he had a support role for the Executive Committee.

Eric Boustouller held Marketing and Sales (Compaq, Microsoft) and General Management (Microsoft France then Western Europe) positions. Since November 2021, he has been a Partner in the C4 Ventures investment fund. From 2010 to 2012, he was Chairman of the French-American Chamber of Commerce and from 2017 to 2020, CEO of SoLocal, a French listed company. Since 2011 he has been a business angel in start-ups (Content Square, Codingame, Confiant, Jus Mundi, Saagie, Intercloud, Elevo, etc.) and investment funds (Partech, Cap Horn, C4 Ventures). He is also a Knight of the Legion of Honour (*Chevalier de la Légion d'Honneur*).

Samira Draoua began her career in 1996 as a Sales Manager at Canon before joining BNP Paribas Leasing Solutions in 1998, where she held various positions and then created and managed the strategic accounts department. In 2007, she became Country Sales Manager France at Cisco Capital. She joined the Econocom Group in 2012 where she successively held the positions of Client Executive, Director of International Development and finally CEO of the Group's TMF (Technology Management & Financing) branch. In September 2022, she was appointed Chief Executive Officer of Econocom France.

The Econocom Board of Directors declares that, to its knowledge, none of the Directors have ever been convicted of fraud or subject to any official or public indictment and/or sanction preventing him/her from acting as a member of the management or supervisory body by any legal or supervisory authority, and that none of the Directors have been prevented by a court of law from serving as a member of the governing body and that, in this capacity, they have never been involved in bankruptcy proceedings.

6. Research and development

The Group is applying a dynamic of digital transformation by creating differentiating solutions to support its development strategy and achieve its operational excellence objectives.

In 2022, R&D efforts were pursued in continuity with the areas developed in prior years with the aim of providing intensive support and assistance for any innovative solutions produced by our customers.

For example, for several years we have been working to reduce our own carbon footprint but also to develop concrete and innovative solutions to help our customers reduce the environmental impact of their digital devices and make them a lever for social inclusion. For example, we have developed Watt's Green, which makes it possible to measure the environmental impact of digital technology and identify the levers to act on it by exploiting all available data on the life cycle of digital equipment.

In 2022, the Group continued its efforts to strengthen the collaboration of its various entities (Planet and Satellites) around innovative projects in order to federate all available expertise around promising themes for the Group's business. In this context, work was carried out on the virtualisation of workstations and end-to-end management of virtualised assets, as well as research and development on the use of artificial intelligence and chatbots to optimise user support. The experiments carried out in 2022 proved very satisfactory and enabled us to translate this R&D work into customer projects, and to identify new research fields to exploit the full potential of artificial intelligence and digital technology to serve the user experience.

Using these indicators and Econocom's expertise, we help our clients identify the levers for improving performance and create action plans to accelerate the digital transformation.

For some of its business, the Group is entitled to a research tax credit (*Crédit d'Impôt Recherche*) in France. As a result, it is able to forge ahead with bold medium- and long-term projects that will offer a significant advantage in terms of enabling the Group to differentiate its technological offering.

7. Main investments

In addition to developing new products and software tools, and recruiting new sales staff and engineers, Econocom Group carries out external growth transactions in order to acquire specific skills, accelerate its growth and increase its profitability.

The Group's main investments over the last three years are described below.

7.1. In 2020

The deals carried out in 2020 are as follows:

- acquisitions in the Technology Management & Financing activity.

In September 2020, Econocom acquired the entire share capital of the French company Les Abeilles, the French specialist in towing and rescuing in high seas.

OTHER INTERESTS ACQUIRED AND INVESTMENTS

During the year, Econocom bought out certain non-controlling interests in its subsidiaries:

Altabox: Econocom Group increased its stake in the company through the acquisition of the shares from a non-controlling shareholder, thus increasing its stake to 80%.

Bizmatica: Econocom acquired the minority stake through the exercise of its options, raising its interest to 100%.

Asystel Italia: Econocom Group acquired the shares of a minority shareholder, increasing its stake in the company to 70%.

Energy Net: at end-2020 the Group exercised part of its options on the remainder of the company's capital, raising its interest to 100%.

7.2. In 2021

Bolstered by a strengthened financial structure and sharply lower operating costs, the Econocom Group has, in 2021, resumed an ambitious segment- and country-based acquisition policy. The Group's ambition is to speed up acquisitions in its Services business in France, in its Products & Solutions business in the UK and Spain, and in its Technology Management & Financing business in France and Germany. This strategy is part and parcel of the Group's development policy in geographical areas where it already has a strong presence, with the goal of accelerating synergies between its various business segments.

In this context, Econocom acquired a majority stake in Trams Ltd in the United Kingdom. Trams is a recognised player in IT distribution in the UK thanks to its key partnerships with Apple, HP, Lenovo and Dell. By strengthening the Group's presence in a core target region, the merger with Trams is perfectly in line with the strategy of building a global international offering around distribution. This will also foster strong synergies with the digital asset financing solutions of the Technology Management & Financing activity. At the time of the acquisition, Trams had 40 employees based in London and generated revenue of £42 million in 2020.

After six years of fruitful collaboration within the Econocom satellite model, which enabled Alter Way to develop its business, Alter Way joined the Smile group in October 2021, whose ambition is to consolidate its position as European leader in open source. Alter Way remains a preferred commercial partner of Econocom for services related to open source technologies.

OTHER INTERESTS ACQUIRED AND INVESTMENTS

During the year, Econocom also bought out certain non-controlling interests in its Infeeny subsidiary, raising its interest to 100%.

7.3. In 2022

As part of the pursuit of the Econocom Group's external growth, three acquisitions were made during 2022.

- In April 2022, the Econocom Group acquired a majority stake in SOFI Group, a major player in the refurbished smartphones and tablets market in France. This acquisition enables the Group to position itself as a leading player in reconditioned digital equipment leasing and to internalise the entire value chain of the TMF business by leveraging the industrial capabilities of SOFI Group. Through the SMAAART brand, this acquisition enables the Econocom Group to access a new fast-growing B2C market. In 2021, the company generated revenue of €21 million.
- In June 2022, the Econocom Group acquired a majority 51% stake in the share capital of Semic SA, a Spanish provider of IT solutions and services. Semic has an offering that is perfectly in line with Econocom as regards sectoral verticals, technological areas and partnerships. The founders and main executives of the acquired company remain committed to managing the development of the business. In 2021, the company generated revenue of €78 million.
- In July 2022, the Econocom Group acquired a majority stake in the Dutch company Lydis BV, which specialises in the distribution of equipment in Benelux on the VoIP (Telco) and videoconferencing markets. This investment will foster synergies with the Belgian and Dutch subsidiaries and other Group entities while benefiting from a growing market segment. In 2021, the company generated revenue of €25 million.

OTHER INTERESTS ACQUIRED AND INVESTMENTS

During the year, Econocom bought out certain non-controlling interests in its subsidiaries:

Asystel Italia: Econocom Group acquired the minority stake through the exercise of its options, raising its interest to 100%. Following the increase to 100% of Asystel Italia's share capital, Econocom Group merged this entity with Bizmatica Sistemi.

Altabox: Econocom Group acquired the minority stake through the exercise of its options, raising its interest to 100%.

8. Additional information

8.1. Legal and arbitration proceedings

Governmental, legal or arbitration proceedings against the Group, pending or threatened, are subject to provisions established in accordance with IAS 37, taking into account all available relevant information on such proceedings.

The total consolidated amount of provisions for all of the Group's disputes (see note 16 to the consolidated financial statements) includes all outflows of resources (excluding any possible reimbursements) deemed likely for all types of claims and litigation to which the Group may be party as a result of conducting its business.

8.2. Major contracts

In the course of its operations, the Group signs substantial contracts with its customers, suppliers, funders and other partners, some of which are binding for several years. The importance of these parties with regard to dependency factors is outlined in chapter 4, section 3, "Dependency Risks".

03

non-financial performance statement

Our approach

CSR stakes and mission

Useful digital technology at the core of the CSR mission

Econocom designs and develops digital technology that is really useful for the end user. We believe that it is useful digital technology, within the framework of a circular economy, which is one of the essential keys not only to fighting against digital waste, but also to contributing to the performance and competitiveness of companies. **The Econocom Group's corporate social responsibility mission is defined as follows: Promote a responsible and circular digital approach to generate a positive impact.**

This commitment to useful digital technology is also reflected in philanthropy initiatives to fight the digital divide. The recycling or reuse of equipment, in partnership with social and solidarity-based economy structures, is also one of our priority projects. The Group also strives to optimise the energy efficiency of its own digital infrastructures.

Environmental, labour and societal challenges

Digital pollution generated by the internet seems invisible. However, each email, each search or each video consumes energy and generates greenhouse gas emissions. Various studies quantified the impact from digital technology on a global scale, placing it between 2% and 4.3% of total CO_2 emissions and between 5 and 10% of total electricity consumption, depending on the sources.

As a digital player, the Econocom Group must take concrete action, and quickly!

This is why **the Econocom Group makes responsible digital technology and the fight against digital waste two major focus areas of its CSR strategy.**

The Group also seeks to have a societal and labour impact by promoting the diversity of skills, by being more socially supportive and by developing evermore people-oriented ethics. Lastly, the responsibility of the Econocom Group cannot be considered without a committed human resources strategy.

How do we set this in motion?

CSR is more than ever encapsulated in Econocom's DNA. In 2022, the Group strengthened most of its flagship initiatives and launched new ones, both in France and internationally. To embody its vision, in 2021 the Econocom Group published its Manifesto in which it recalls the goals it has committed to pursue as a Responsible Digital Entrepreneur.

We also make sure that all our offers are useful. Responsibility and impact drive our investment strategy.

In 2022, the Econocom Group organised a new internal working group to update its CSR policy, taking into account the challenges of recent years.

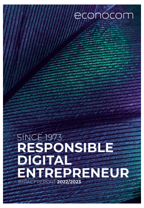
Actions and highlights

References, standards and highlights

Since 2012, the Econocom Group has joined the United Nations Global Compact. Through this membership, Econocom is committed to respecting and promoting the ten principles of the Global Compact. These principles concern: human rights, labour law, the environment and the fight against corruption;

Econocom was awarded the Ecovadis Silver Medal for its CSR performance with a score of 66/100 for 2021/2022, up 8 points on 2019.

- For the second consecutive year, the Econocom Group has been classified among the 250 socially responsible companies in France, and among the top 20 in its business sector. This study was conducted by Le Point, in collaboration with Statista. This recognition is a tribute to the many efforts made by the Group and reinforces its commitment to its ecosystem, the circular economy, inclusion and innovation to meet the challenges of the future.
- Econocom is one of the few DSCs to have signed the Impact Manifesto launched by the French Government for a more responsible economy, intended to make environmental, social and corporate governance data visible and readable.
- This year, Econocom also signed the Charter of the Institut du Numérique Responsable.
- The Econocom Group published its second impact report on its actions as a responsible digital entrepreneur. This report attests to the Group's desire to measure, in a concrete and continuous manner, the impact of its actions for responsible digital technology, in line with its ecosystem. This report is available on our website.



- We acquired a leading French industrial player specialising in telephone recycling, recognised for its ambitious environmental policy and as a "company with a mission" since 2022. Short cycles, clean collection, a target of 95% local sourcing by 2025.
- This activity was received the Responsible Digital Gold Case's “second life” award in 2022.

Labels and certifications

- We systematically apply the ISO 26000 standard to ensure the integrity of our societal action guidelines. This rigour and transparency guarantee our partners the high quality and sustainability of our initiatives.
- In the same way, for five years, our service solutions have been compliant with the ISO/IEC27001 standard, which is one of the most recognised in the world for guaranteeing information security.
- ISO 9001 and ISO/CEI 27001 certifications are managed locally in France, Morocco, Belux, Spain and Italy.
- We received the Belgian VOKA certification, which recognises the importance of the responsible actions we take to achieve sustainable development goals.

Increased presence among Green IT players

- In September 2022, Econocom won the “CSR/ESG Criterion Trophy” awarded by Numeum and KPMG on the occasion of the 5th edition of the ESN & ICT meeting.
- Econocom participated in the creation of a digital appropriation guide produced by Campus Responsable. It is the first French-speaking network of universities and colleges committed to sustainable development. Campus Responsables aims to support higher education institutions to make them key players in the ecological and societal transition.
- Econocom was present at Produrable in September 2022 to lead a workshop on the theme “From responsible digital leasing to reconditioning carried out in France, a value chain serving the circular economy”.
- Econocom is a member of Institut du Numérique Responsable.
- Elodie François, IT Sales Engineer at Econocom Apps, Cloud & Data, received the Microsoft Women Role Model 2022 award in the Business category. This award recognises her commitment as National Director of Econocom’s Digital Women Programme.

Commitments to the SDG (Sustainable Development Goals)

Since 2019, we have been measuring our progress; we will continue because we are intrinsically responsible. Econocom recognises the urgency for private and public sector players to converge together towards the 17 Sustainable Development Goals identified by the United Nations. As part of its commitment, an internal working group was set up to identify the most important SDGs for the Group.

Econocom therefore identified the goals that are priority commitments, which make an active contribution or in which it participates. 11 Goals were thus identified and included in the CSR policy.

Five are priorities at Econocom: responsible consumption and production, the fight against climate change, access to quality education, reduced inequalities and partnerships.

Main CSR risks identified to which the Group believes it is exposed

Econocom operates in a rapidly changing environment. This naturally exposes the company to various CSR risks. If these CSR risks were to materialise, they could affect the Company's activities, weaken its financial results, affect its reputation and, more generally, jeopardise the achievement of its short- and medium-term objectives.

The most significant risks, specific to Econocom, are presented below, by theme and by strategic area. This presentation of CSR risks is not intended to present all of Econocom's risks.

CSR axis	Theme	Risks	Chapter No.
Responsible governance	**Integration of CSR into the company's strategy**	Loss of global vision over the long term, no impact measurement, risk of loss of customers, revenue and attractiveness	1
	Responsible governance	Short-term vision, with no commitment and no overall responsibility, which would call into question the Group's development and attractiveness in the long term	1
	Corporate culture	An increase in the turnover rate, a lack of sense of belonging, a lack of motivation and disengagement	1
	Business ethics	Practices contrary to ethics rules Non-compliance with the law and/or regulations	1

CSR axis	Theme	Risks	Chapter No.
Human capital that creates value	**Management of new relationships at work**	Increased turnover rate and difficulty in attracting, developing and retaining sufficient talent, obsolete skills in relation to needs and/or changes in the market (turnover, training, etc.)	2
	Health, well-being and quality of life at work	Deterioration of quality of life at work, health and safety not guaranteed	2
	Social dialogue and employee engagement	Deterioration of internal relations and social climate	2
	Inclusion and diversity (data supply)	Discrimination/unequal treatment of employees (parity, inclusion of all forms of diversity)	2
Committed and local conduct of our activities	**Leading the way in Green IT and the circular economy**	Negative impacts of digital technology on the environment	3
	Responsible management of the impacts of the activity (buildings, cars, logistics)	Negative impacts of activities on the environment	3
	CSR partnerships	Inadequate selection of partners, which would not contribute to limiting our negative impacts or amplifying the positive ones	3
	Responsible purchasing and supply chain resilience	Insufficient control over the supply chain Non-compliance by partners with the Group's Responsible Purchasing/CSR Values Charter	3
	Local anchoring **Support for local employment**	Loss of attractiveness, withdrawal from the region and insufficient or inadequate awareness-raising and education on digital technology	3
	Roll out philanthropic actions (education and responsible digital technology)	Deteriorated image of a player who lacks commitment, and which is not consistent with its CSR policy, a loss of external visibility	3
Offerings with a CSR impact for more energy-efficient and sustainable uses	**Decarbonisation of products and services**	Inadequacy of the offer with customer expectations and societal and environmental needs	4
	Transition to a circular economy	Negative impacts of products and services on the environment	4
	Cybersecurity and data protection	IT breach Destabilisation/lack of resilience following an IT attack	4

1. Responsible governance

1.1. Integration of CSR into the company's strategy

1.1.1. OUR ROADMAP

The ambitious and demanding road map includes all of the significant issues identified in the survey of internal and external Group stakeholders. It highlights the points which Econocom would like to develop over the next few years.

1.1.2. MATERIALITY STUDY

Econocom's corporate social responsibility (CSR) approach is based on a materiality study of CSR issues for the company, taking into account both the expectations of our stakeholders and the impact on our business.

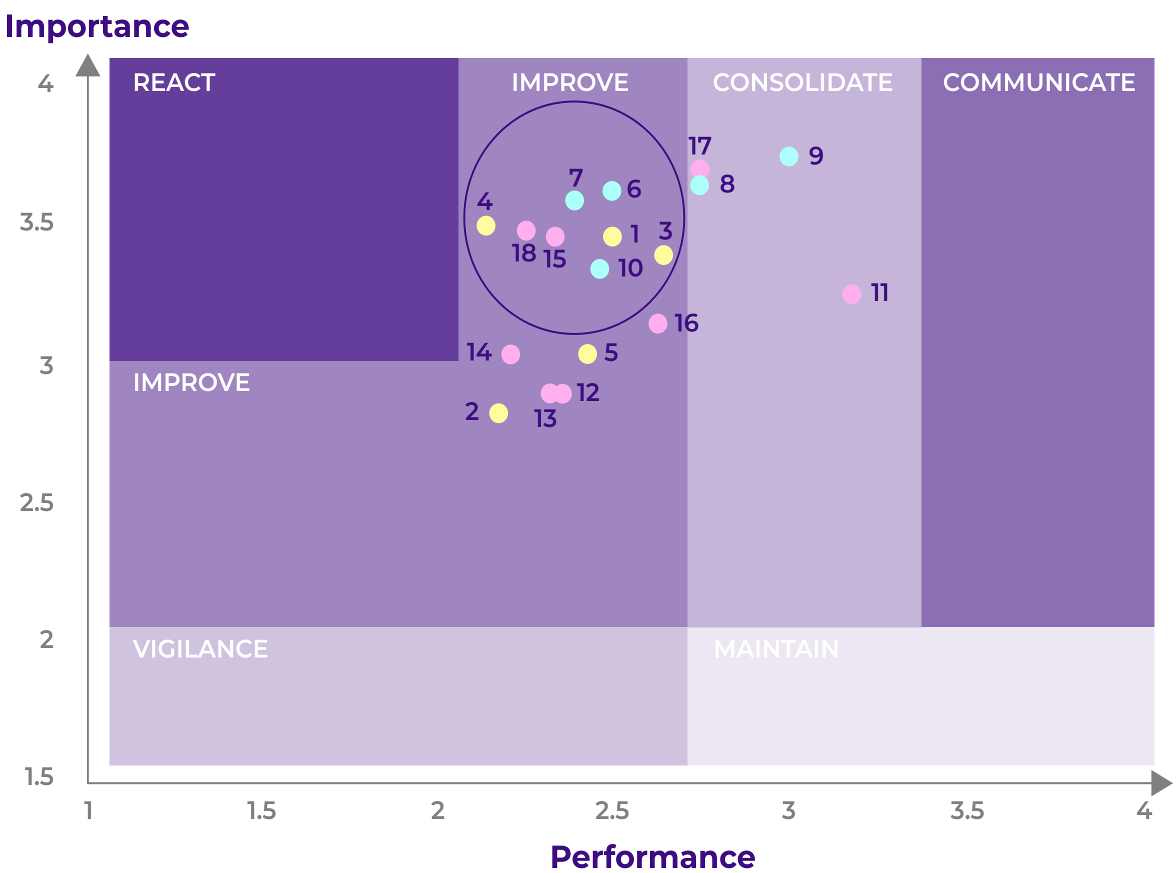
This materiality study allows Econocom to connect and prioritise the financial and non-financial considerations of the market by considering the most essential stakeholders for Econocom. These topics and challenges are material because they are crucial to achieving our objectives, securing our business models and managing our impact on society.

In order to better identify the priority themes, we used an importance-performance matrix. Our objective was to compare the levels of importance and performance assigned to the issues by stakeholders, in order to identify the most urgent to address.

Link with the Sustainable Development Goals

The materiality analysis highlights Econocom's contribution to 11 of the 17 United Nations Sustainable Development Goals (SDGs), and indicates that Econocom's CSR strategy is aligned with these 11 SDGs.

		Theme
Social	1	Health, well-being and quality of life at work
	2	Social dialogue and employee engagement
	3	Inclusion and diversity (data supply)
	4	Management of new relationships at work
	5	Corporate culture
	6	Leading the way in Green IT and the circular economy
Environment	7	Responsible management of the impacts of the activity (buildings, cars, logistics)
	8	Decarbonisation of products and services
	9	Transition to a circular economy
	10	CSR partnerships
	11	Roll out philanthropic actions (education and responsible digital technology)
Governance	12	Support for local employment
	13	Local anchoring
	14	Responsible governance
	15	Integration of CSR into the company's strategy
	16	Business ethics
	17	Cybersecurity and data protection
	18	Responsible purchasing and supply chain resilience



1.1.3. 1 MISSION, 4 PILLARS

The Econocom Group redefined its four CSR pillars as well as its mission with all its stakeholders: **promote a responsible and circular digital approach to generate a positive impact.**

Offerings with a CSR impact for more energy-efficient and sustainable uses

- Decarbonisation of products and services
- Transition to a circular economy
- Cybersecurity and data protection

Committed and local conduct of our activities

- Leading the way in Green IT and the circular economy
- Responsible management of the impacts of the activity (buildings, cars, logistics)
- CSR partnerships
- Responsible purchasing and supply chain resilience
- Local anchoring
- Support for local employment
- Roll out philanthropic actions (education and responsible digital technology)

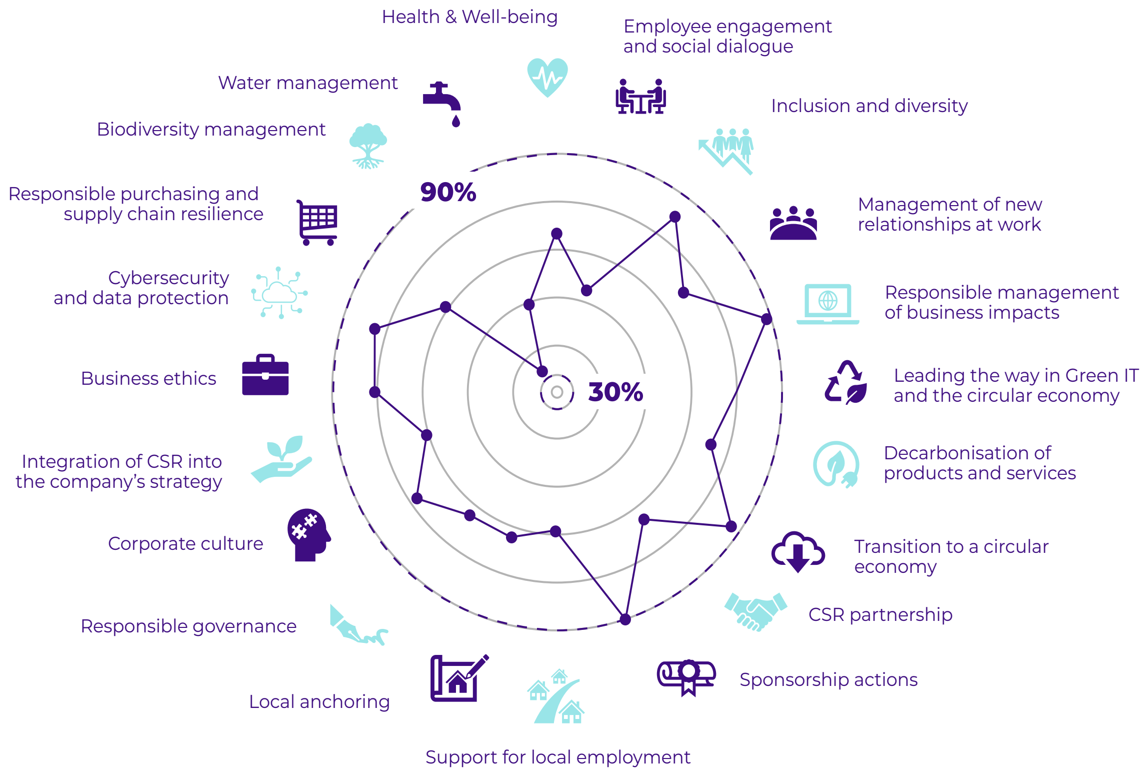
Human capital that creates value

- Management of new relationships at work
- Health, well-being and quality of life at work
- Social dialogue and employee engagement
- Inclusion and diversity

Responsible governance

- Integration of CSR into the company's strategy
- Responsible governance
- Corporate culture

1.1.4. Analysis of maturity regarding CSR issues



Protection of water resources in its activity	Set up solutions to improve the lifespan of products, their reuse and the responsible management of their end-of-life
Protect biodiversity and its environment	Provide innovative solutions to limit the carbon impact of our customers
Purchases of materials and subcontracting Respect for suppliers and subcontractors	Reduce GHG emissions and waste related to our activities and infrastructure
Prevention conditions to guarantee cybersecurity and ensure data protection	Be exemplary in the implementation of responsible digital technology internally
Ethics policy put in place: ethics committee, whistleblowing procedures, training, GDPR, fight against undeclared work	Set of knowledge, values and behaviours that facilitate the operation of a company
Integrate CSR aspects into all company decisions	Provide employees with solutions to maintain and develop their skills and work in a modern environment
The CSR policy involves all Group employees and is implemented by a dedicated organisational structure	Fight against discrimination in access (disability), promote a better gender balance at all levels of the organisation
Regional responsibility, role as a regional player, anchored and creating value in order to generate a positive impact on its entire ecosystem	Foster social dialogue and employee involvement in their jobs and outside the Company
Provide material or financial support, without direct compensation from the beneficiary, to a general interest initiative	Work for the health and safety of employees, ensure the social well-being of employees (physical and mental) and respect work-life balance
Federate our customers and partners around common CSR issues and partnership initiatives	-

1.2. Governance

Risks

Short-term vision, with no commitment and no overall responsibility, which would call into question the Group's development and attractiveness in the long term.

Policy

Econocom's CSR policy involves all Group employees and is implemented by a dedicated organisational structure. The CSR Department is headed by Véronique di Benedetto, Vice-Chairperson France. This department presents the CSR policy to the Board of Directors and other management bodies.

The policy is managed by a CSR Steering Committee comprising Directors representing the Group's main functions. It approves the strategic priorities and objectives of the CSR programme and ensures that objectives are met.

A panel of CSR functional and geographical correspondents has been created. These correspondents are part of the operational teams of members of the CSR Steering Committee. They are responsible for meeting objectives in their respective scopes. They are responsible for the operational implementation of the action plans approved in Committees, and they are also the ambassador for the policy with their teams.

1.3. Corporate culture

Risks

An increase in the turnover rate, a lack of sense of belonging, a lack of motivation and disengagement.

Policy

For nearly 50 years, we have been driven by the same entrepreneurial spirit that drives us to act decisively and be resilient when the horizon darkens.

Boldness, good faith and responsiveness are Econocom's core values shared by all teams. They are, like the commitment that each of us has, intrinsically linked to our usefulness. It is also through the diversity of talent, expertise and cultures that we are a company with a sustainable impact. Our entrepreneurial spirit encourages the implementation of projects and offerings with a positive impact, which are in line with our sustainable development objectives. By sharing our experience, our knowledge and our ambitions, we demonstrate our desire for and commitment to a circular economy.

1.3.1. ECONOCOM, CSR AS A PILLAR OF IMPACT INNOVATION INTEGRATED INTO THE BUSINESS THANKS TO ITS INDEPENDENCE.

Too often perceived as a constraint, we believe that CSR is above all a vector for innovation and a source of competitive advantage for us and our customers.

Far from relegating CSR solely to compliance requirements, our employees innovate, develop and test offers that integrate CSR issues with the aim of creating value to serve our customers' business. Developed through a co-construction approach, our offers are systematically a concrete response to a customer need, completely independent of manufacturers, service companies, cloud providers or financial institutions. We know how to work with the entire ecosystem to create appropriate and personalised responses, with the best choices.

Our independence and freedom make it easier for us to create synergies with our most responsible partners.

Because we believe that initiating change is above all embodying it, we place responsible commitment and its impact at the heart of our action.

1.3.2. ECONOCOM, A RESPONSIBLE DIGITAL ACCELERATOR FOR THE TRANSFORMATION OF SOCIETY

As the leading General Digital Company in Europe, we must meet the challenges of a society that is moving forward. And because accelerating means anticipating, Econocom has been a pioneer in the digital circular economy and aims to establish its leadership in the coming years.

Contributing to the ecological transition through digital technology while controlling its carbon footprint, and supporting societal changes while ensuring inclusion and data security: all of these fundamental challenges that the Econocom Group intends to meet by mobilising all its know-how for a lasting impact.

1.3.3. ECONOCOM, A RESPONSIBLE ENTREPRENEURIAL STORY AND BALANCED GOVERNANCE, WHICH REFLECTS THE GROUP'S DIVERSITY

Since its creation by our entrepreneur Chairman Jean-Louis Bouchard, the Group has carried in its DNA the spirit of conquest and agility that have guided its development and shaped the Econocom galaxy.

Econocom gives employees the freedom to develop entrepreneurial projects. This confidence is reflected in the multiplicity of offers resulting from such an approach.

In addition, Jean-Louis Bouchard relies on solid governance, which reflects the entrepreneurial spirit and diversity, with an Executive Committee of seven people from France and abroad, responsible for a country or business line department, and a Board of Directors of nine people, including four women and three independent directors. These members all have an entrepreneurial profile.

1.4. Business ethics

Risks

The Group must be a trusted partner for its various stakeholders. Unethical actions, such as acts of corruption, influence peddling or non-respect of human rights, could have a negative impact on the Group's image and reputation.

In addition, the regulatory context makes these issues increasingly important and the Group must ensure its compliance with the corresponding laws and regulations.

Policy

The Econocom Group wants to be an ethical player and act with integrity at all levels of its organisation. As such, it undertakes to act in compliance with human rights and labour law, to fight against corruption, including influence peddling, and take action to protect the environment. It also attaches great importance to occupational health and safety requirements and ensures that it complies with the laws and regulations to which it is subject.

1.4.1. THE ETHICS COMMITTEE

In order to strengthen its ambition to operate as a responsible and ethical player in the economy, the Econocom Group appointed a 4-member Ethics Committee in 2019. The Ethics Committee ensures, among other things, the mapping of corruption risks, the processing and monitoring of the reports received under the whistleblowing system and the proper appropriation of the ethical principles by employees.

1.4.2. THE CODE OF BUSINESS CONDUCT AND ETHICAL POLICIES

Econocom wished to federate all Group employees around a Code of Business Conduct, dealing, among other things, with the fight against corruption and influence peddling. This Code of conduct, set up in consultation with the trade union representatives, is based on the corruption risk mapping carried out by Econocom.

The rules and principles established by the Code are intangible and everyone is required to comply with it in conducting business. The Econocom Group also has a set of ethics procedures and policies.

The Code of Business Conduct and the related policies and procedures are the reference documents in the area of ethics. This information is available in the Group's main languages.

1.4.3. THE ETHICS WHISTLEBLOWING SYSTEM

In order to strengthen its policy of vigilance against ethics risks, the Econocom Group has whistleblowing platform. This system makes it possible to collect and process alerts relating to the existence of situations contrary to the Code of Business Conduct and/or regulations applicable to the Group.

This whistleblowing system is available to anyone working within the Econocom Group (executives, employees, temporary staff, interns, etc.) as well as to any external third party which has a business relationship with the Group. It is available in several languages including French, English, Spanish and Italian, 24/7. The platform is secure and the reporting process is encrypted and protected by a password.

This system meets the requirements of the Sapin II Law and other European regulations. All reports received via the platform are processed. The Group is committed to the protection of whistleblowers.

All reports received via the platform are processed and closed. These related to two main themes: (i) conflicts of interest and (ii) social responsibility and human rights. To date, no proven breach has been detected during the processing of these alerts.

Since Q4 2022, communication around the alert platform has been strengthened. A visual with a QR Code referring to the alert platform is shown on the display screens at the various Econocom sites. This action was justified, notably, due to the absence of any alert during the 2022 financial year.

1.4.4. TRAINING

Training in the form of e-learning courses for all employees on compliance and anti-corruption has also been rolled out. They are gradually supplemented by specific actions for the populations identified. All these actions reinforce the Group's extensive set of procedures and controls, thereby ensuring transparency and ethics.

The indicators for monitoring the ethics policy are shown below:

Acting in an ethical manner:	2021	2022
Number of ethics alerts	13	0
% of employees who have completed ethics training	52.7%	63%

All reports received via the platform are processed and closed. These related to two main themes: (i) conflicts of interest and (ii) social responsibility and human rights. To date, no proven breach has been detected during the processing of these alerts. Since Q4 2022, communication around the alert platform has been strengthened. A visual with a QR Code referring to the alert platform is shown on the display screens at the various Econocom sites.

1.4.5. RESPECT FOR HUMAN RIGHTS

The Group operates for the most part in Western European countries, where labour laws and regulations are stricter than required by human rights standards. The Group has defined its HR standards in line with these regulations and applies them in all other countries where it is active. Econocom's staff is essentially made up of skilled personnel who expect human resources practices to meet particularly high standards.

The Group's risks in terms of human rights are therefore mainly to be found among its suppliers and subcontractors; this is why, as part of its purchasing practices, Econocom asks its tier-1 suppliers, suppliers considered critical and strategic with regard to the volume of business generated, to comply with its own ethical and social standards.

These critical and strategic suppliers represent a purchasing volume of between 70% and 80% of Econocom's purchases.

1.4.6. CORRUPTION AND FRAUD

Taking into account the ratings of Transparency International, it emerges that the Group mainly operates in countries that are relatively homogeneous in terms of corruption. Morocco, Mexico and Eastern Europe are certainly lower-rated regions in terms of corruption, but the Group's entities present in these countries are very small, and to date none of the alerts received concern entities in these countries. Equally, there is no history of corruption in the Group's entities present in these countries.

All alerts received, regardless of the country concerned, follow the standard process. If following the alert, an internal investigation is opened, it is not motivated with regard to the classification of the country, but rather the facts that are the subject of the alert.

2. Human capital as value creator

2.1. Management of new relationships at work

From recruitment to professional development, the Group makes employee satisfaction a top priority. They are the Group's main ambassadors. Health and well-being at work are included in HR priorities to protect and develop the Group's 8,750 employees at 31 December 2022, 65% of whom in Services.

Breakdown of workforce by business	December 2021	December 2022
Holding and support functions	225	178
Technology Management & Financing	672	762
Products & Solutions	1,513	2,067
Services	5,656	5,629
Sales agents	131	114
Total	**8,197**	**8,750**

Only companies that are more than 50%-owned are reported. Full-time equivalent workforce at 31 December 2022.

Breakdown of workforce by region	December 2021	December 2022
France	5,151	5,142
Benelux	707	741
Southern Europe	2,064	2,611
Northern & Eastern Europe/Americas	275	256
Total	**8,197**	**8,750**

Since 2021, the Group has accelerated its growth both internally, through new hires, and externally with an acquisition strategy.

In 2021, Trams, a recognised player in IT distribution, joined the Group in England.

In 2022, three new companies joined the Group:

- Sofi Groupe in France: a major player in the refurbished smartphone market
- Semic in Spain: a global provider of IT solutions and services
- Lydis in the Netherlands: a leading distributor in the VoIP and videoconferencing markets

2.1.1. HIRING AND ONBOARDING POLICY

Risks

DSCs are characterised by one of the highest turnover rates across all sectors. The flight of skills and high recruitment needs are major risk factors, notably for the Services entity.

Policy

Attracting and retaining talent has become one of the main challenges of the Human Resources Department, which is developing a strong policy in terms of talent and career management. The Group wants every employee to be able to grow in an exciting and rewarding work environment, by carrying out diversified and meaningful assignments. This begins with putting the right skills in the right places, by managing hiring and mobility. New hires benefit from a personalised onboarding programme aimed at introducing them to all the teams.

Econocom Group supports the career development of its employees by providing a wide range of training options. Career management and professional development of employees are part of a structured process to target specific initiatives for different employee profiles.

Educating and supporting employees in digital technology and enabling them to thrive in a digital environment are the key challenges for the Econocom Group.

Recruitment of talent internally (mobility) and externally

The Group wants every employee to be able to grow in an exciting and rewarding work environment, by carrying out diversified and meaningful assignments. This begins with putting the right skills in the right places, by managing hiring and mobility. Econocom has defined three priority areas of action to meet the expectations of both current and future employees:

- increase presence on social media. These platforms give applicants and employees the opportunity to interact, and primarily target younger generations;
- make good use of Group employees' networks to hire people with more targeted profiles who embrace Econocom's corporate culture;
- promote internal employee mobility: a new tool was deployed in 2021 and enables us via an employee area, to:
  - refer potential candidates using the Group's website or mobile app; manage their career with a short procedure for applying to the Group's job offers,
  - share offers on social media.

In 2022, the Group made 2,342 external hires, excluding company acquisitions.

Number of new hires	2021	2022
Benelux	**49**	**109**
France	**884**	**1,381**
• Planet	768	1,319
• Exaprobe and Infeeny	78	29
• Other satellites	38	33
Spain	**246**	**570**
Italy	**85**	**124**
Other countries	**217**	**158**
Total	**1,481**	**2,342**

Hires made it possible to replace employees who left the Group but also to achieve organic growth, mainly in the EPS and TMF activities.

Talent integration

New hires benefit from a personalised onboarding programme aiming to introduce fellow team members, gain a better understanding of the Company's organisational structure and learn more about the business activity of their department.

To complete this programme, new hires take part in a national onboarding seminar called "Welcome Day". This day allows them to learn more about Econocom's organisation and its various business lines.

Employees working at customer sites, on the other hand, attend local "Welcome Dates" which enable them to learn more about the organisation and operations of their agency.

During the Covid-19 crisis, these actions were suspended. They have been relaunched since 2022.

The indicators for monitoring the attraction policy are shown below:

Attracting talent:	2021	2022
Number of new hires - Group	1,481	2,342
Number of new hires - Planet France	768	1,319

2.1.2. PROFESSIONAL DEVELOPMENT

Risks

Poor implementation of skills assessment, development or enhancement policies by managers and human resources is likely to result in a loss of employee motivation, a decrease in productivity and an increase in turnover already structurally high.

Training policy

Econocom Group supports the career development of its employees by providing a wide range of training options.

Econocom believes that training is a key factor in both employees' professional advancement and the Group's success. In France, 32,000 hours of training were provided in 2022.

The indicators for monitoring the Training policy are shown below:

Skills development	2021	2022
Number of hours of training - Group*	NC	46,542
Number of hours of training - Planet France	38,906	32,099

* Survey of Group companies with centralised training management

Note: In 2021, training was boosted by the "be Covid" and FNE training programmes offering an alternative to partial unemployment. The resumption of activity in 2022 had an effect on the reduction in the number of training hours.

Career management

Career management and professional development of employees are prime concerns at Econocom and part of a structured process to target specific initiatives for different employee profiles.

Econocom's "Talent Reviews" feature top management from each business line, the Career & Development team and the operational HR team to discuss the business challenges which can be addressed by the human resources strategy. These reviews are conducted to prioritise individual retention and development actions based on identity of employees and to ensure that HR programmes are in line with the requirements and expectations of each business line and with employee aspirations.

This system is fuelled by the career development and training preferences expressed by employees during the professional interview.

The performance of employees, assessed as part of the annual review, is also included in this system to facilitate identification and individual actions.

This system is now integrated into the Group HRIS in order to facilitate and streamline the exercise. The analysis of the employee's situation is facilitated by the provision of historical information and the tool will allow more precise monitoring of the actions identified.

Internal digital transformation

Educating and supporting employees in digital technology and enabling them to thrive in a digital environment are the key challenges for the Econocom Group. To do this, various emblematic actions have been launched in recent years:

Workspace layout

Digital transformation also involved adapting workspaces. To this end, Econocom has redesigned the layout of its offices to create spaces where people can come together to share ideas under the watchwords of co-creation and collaboration.

Beyond the Hub, the Group's flagship building in Puteaux, near Paris (see). The other Group institutions are equipped with digital solutions. Nearly 3,000 employees benefit from working conditions adapted to changes in their business and work methods.

- **The "Digital Bars"**

  A "Digital Bar" has been installed at the main sites. These physical spaces provide a forum for employees and users to get answers to their questions about digital tools, along with personalised guidance. Technical assistance is also available to help employees and users solve IT and digital issues.

Focus on the four spaces of the digital hub

To make the digital hub (hub.digital) a real "business accelerator", Econocom has devised four spaces. Each has its own atmosphere and universe to meet the needs of our employees, customers and partners.

- **The "Lounge" area** or how to rethink customer relations in a friendly and relaxed way.
- **The "Experience" area**, 100% customisable: a mini-auditorium and a stage.
- **The "Trends" area or the Econocom showroom:** an exhibition space for new devices and new Econocom offers and those of our satellites.
- **The "Ideas"** area dedicated to co-building.
- **Meal vouchers in digital format.**

Swile replaced Sodexo for 100% dematerialised populations in order to offer a more comprehensive service to employees. In Swile, we have found an effective solution to continue to benefit from the advantages of paper tickets while digitising tickets in order to reduce the carbon footprint. Swile offers contactless payment, exceeding the legal daily balance (link with a bank account), as well as the possibility of having several cards and making donations.

2.2. Health, well-being ad employee engagement

Risks

Unsatisfactory working conditions (well-being at work, quality of life at work, safety, etc.) of employees could have a negative impact on productivity, growth, talent retention and the Group's employer reputation. Moreover, Econocom operates in a highly competitive market and is confronted with labour issues inherent to the digital sector, including high turnover and downtime between contracts. Employee satisfaction is therefore a key performance criteria.

Policy

From recruitment to professional development, the Group makes employee satisfaction a top priority. They are the Group's main ambassadors. Health and well-being at work are among the HR priorities to protect and develop employees. Econocom is committed to improving the Quality of Life at Work through a unique programme called SHARE.

Share engagement programme

Econocom is committed to improving the Quality of Life at Work through a unique programme called SHARE, launched in France about 10 years ago. Thanks to this programme our employees can more easily reconcile their professional and private lives and find their balance. The SHARE programme is based on three main themes: day-to-day life, health and responsible commitment.

In 2022, the programme mainly offered services to make everyday life easier, with concierge services at certain sites, such as Puteaux, tutoring and sports coaching. Econocom is also committed through a simple, innovative and collaborative generosity system: salary rounding. It allows volunteer employees to make a small donation from their salary each month to an association of their choice. As solidarity is an integral part of Econocom, the Company contributes to the initiative by doubling donations.

In this spirit, Econocom also set up a connected canteen at the Puteaux site that delivers fresh, healthy, seasonal products from short supply chains.

Teleworking: Work 21

In 2022, the working method rolled out in 2021 was generalised over the year.

In France, "Work21" is a global approach coordinated by the HR Department and the IT Department based on four structuring projects:

- providing eligible employees the opportunity to work from home 2 days a week;
- developing collaborative workspaces at all Econocom sites;
- ensuring the use and functionality of our IT tools;
- supporting managers to support teams in this hybrid work organisation.

In the exceptional context of the Covid years, Econocom was able to adapt, set up a system of teleworking, which is now permanent for many of its employees, and roll out efficient collaborative tools while training all managers. A Work 21 guide was also published so that everyone can find answers to their questions.

Thus, in France, all employees can benefit from teleworking, except for delegated employees with customer constraints, new hires during the start of their position and employees refusing to work from home.

The indicators for monitoring teleworking are shown below:

Teleworking programme*	2021	2022
Percentage of employees working from home - Group	39%*	63%
Percentage of employees working from home - Planet France	30.2%	70%

* New agreement signed at the end of 2021 currently being rolled out

Awareness-raising and exchange events

- Burger Parties at the Puteaux and Le Plessis sites brought together employees every Friday at noon during the summer to offer a burger made with fresh products in a relaxed atmosphere.
- Econocom made a commitment to October Rose to support the fight against breast cancer.
- The following were organised as part of the programme: webinars hosted by the Institut Curie to raise awareness and prevent, several group sports classes, and a visit from a self-employed midwife who led a prevention conference and held individual interviews with women who so wished to answer any questions they might have.
- Numerous after-work events were organised, including Thanksgiving, which brought together 18 cities in Europe simultaneously to strengthen the ties among the teams.

2.3. Inclusion and diversity

Risks

Econocom's stakeholders, both internal and external, expect the Group to commit to inclusion and diversity. Our customers' calls for tenders include an increasingly strong CSR weighting and the social score (integration of people with disabilities and out of employment, diversity) is also increasingly high.

In addition, the State, which is also a customer, expects the Econocom Group to comply with the applicable regulations.

The potential risks are:

- a decrease in attractiveness for our customers and the recruitment of talent;
- penalties for non-compliance with regulations (fines, etc.);
- a reputational risk.

Policy

The strength of the Econocom Group relies on the variety of its business expertise, the diversity of its profiles and the open mindset of its employees from all backgrounds. Diversity contributes to openness and collective performance. Econocom has always based recruitment and career development on the skills of each individual, and condemns any form of discrimination. The Group has embarked on a proactive approach to promote gender equality at work, gender balance and diversity in all sectors and levels of the Company.

The Group is a signatory of the Diversity Charter

The Econocom Group is convinced that the diversity of its profiles and talent is a source of performance for its business and to make a public commitment; we are signatories of the Diversity Charter.

The Diversity Charter encourages the signatory organisations to ensure the promotion of and respect for diversity among their workforce and in all management, sales and career management actions by implementing diversity initiatives.

Econocom is committed to:

- raising awareness among employees involved in recruitment and training to respect the principle of non-discrimination;
- reflecting the diversity of French society;
- communicating with all employees.

Gender equality

Econocom closely monitors gender equality within its workforce. We encourage women to join this highly male-dominated industry via, for example, recruitment or engagements in favour of gender equality, especially in the digital sector.

Econocom ensures that women and men enjoy the same career opportunities, especially in access to training, professional development and management positions.

Progress in gender parity cannot be made without raising the awareness of management and involving men in the process.

The Econocom gender equality index calculated in 2022 for 2021 was 83/100 for Planet companies in France.

This index is based on five indicators:

1. gender pay gap;
2. gap in rates of individual salary increases between women and men;
3. gap in promotion rates between women and men;
4. percentage of employees returning from paid maternity leave who receive a salary increase upon their return;
5. number of the least represented gender among the ten highest paid employees.

The index for the 2022 will be available as from March 2023.

Gender breakdown in France in 2021 (excluding Satellites)

	2021	2022
France	**5,151**	**5,142**
Women	22%	23%
Men	78%	77%
Benelux	**707**	**741**
Women	23%	23%
Men	77%	77%
Southern Europe	**2,064**	**2,611**
Women	28%	28%
Men	72%	72%
Northern & Eastern Europe/Americas	**275**	**256**
Women	39%	47%
Men	61%	53%
Total	**8,197**	**8,750**

Econocom Digital Women (*Femmes du Digital Econocom)*: an internal programme to encourage women in the IT sector

In June 2019, the Econocom Digital Women programme was launched under the aegis of the Services activity.

Aware of the added value that gender diversity gives to an organisation, Econocom would like to encourage the presence of women in its activities and make digital sectors, where women are under-represented, more attractive.

This ambitious programme set three major objectives:

- to attract and recruit more women in the workforce through retraining;
- to promote and showcase the skill and expertise of employees;
- to raise awareness among young girls about digital careers.

To meet these challenges, the programme offers various actions and numerous events tailored to each theme. To offer dedicated and specific support, the programme is led by an ambassador at each Econocom site, thus responding to the specificities of each region.

Attract and recruit through retraining with the Manifesto:

#ReconversionFemmesNumérique

The recruitment teams and the entire Econocom Management are already very active in finding women in the conventional sectors. Accordingly, The Femmes du Digital programme was focused on retraining.

Econocom wanted to open up other avenues than the so-called “traditional” channels to attract and recruit more women. Building on its experience in Reconversion, Econocom is a signatory of the #ReconversionFemmesNumérique manifesto.

The *Femmes du Digital* programme offers sessions to discover jobs but also opportunities and prospects for development offered by the IT professions. This awareness-raising campaign dedicated to women throughout France makes it possible to enrol them in a retraining programme in partnership with Pôle Emploi and then to be integrated into permanent contracts.

Econocom, a founding member of the Femmes@Numérique Foundation

Econocom also elected to become one of the founding members of the Femmes@Numériques Foundation, created in 2018. Econocom Digital women work with the foundation.

Econocom Italia, partner of the “Women & Technologies” association

The aim of the association is to demonstrate internally and externally the commitment to diversity, inclusion and the development of female leadership. The objective is also to support social innovation, through research and the dissemination of new technologies, and therefore new professions.

Econocom UK, member of “100 Women in Finance”

To foster gender equality in the finance industry, Econocom partners with “100 Women in Finance”, a global network of finance professionals who work together to give women more opportunities at every stage of their careers.

Anti-discrimination policy

Professional integration of young people

The Econocom group particularly encourages the recruitment of young graduates or final-year students on a work-study basis. Econocom plays an important role in training by supporting young workers every year in internships and work-study programmes. These undergraduate and master's-level training programmes are monitored by tutors in technical and functional jobs. As Econocom's Services business has the highest recruitment needs, it has established special partnerships with more than 40 schools.

Breakdown of work-study students and interns in the Group

Intern programme	2021	2022
Work-study students (FTE)	**120**	**190**
% Work-study	1%	2%
Intern (FTE)	**NC**	**206**
% Intern	NC	2%

Interns are not counted in the salaried workforce. They have been monitored on the Group scope since 2022.

Supporting employees aged over 45

Employees in France aged 45 and over can organise a career development meeting to discuss their situation and professional development plans. They are also given the option of having a skills assessment performed by an authorised independent organisation.

Employees aged over 55 also benefit from additional measures. They are granted one paid day of absence every two years to have a health check-up. They can also opt for flexible working time arrangements or to pass on their expertise in a tutoring programme involving younger Econocom employees.

As part of the pension reform, the senior index will be monitored for French companies with more than 1,000 employees from 2023 and for companies with more than 300 employees from 2024 in order to measure changes in the hiring and employment of seniors in the company.

Professional integration through POEI (operational preparation for individual employment)

Operational Preparation for Individual Employment (POEI) is aimed at promoting a job offer submitted by an employer to Pôle Emploi by training a jobseeker who has skills similar to those required for the position to be filled. The POEI scheme must make it possible to close the gap between the skills required for the job and the skills the candidate has.

This scheme enables job seekers to get back in employment.

In 2022 we significantly developed this source of recruitment and hired 98 employees (on permanent and temporary contracts and on work/study placements via the POEI scheme, representing 8.7% of the 1,126 new staff hired in 2022 for the Services France entity).

- 98 POEI schemes, i.e. 8.7%
- 24 women, i.e. 24.5%
- 18 engineers, i.e. 18.4%
- 3 disabled people, i.e. 3%
- average age 31
- 96 permanent contracts i.e. 98%

People with disabilities

Econocom has committed to a proactive approach to supporting people with disabilities. After the partnership agreement signed in 2014 with the AGEFIPH (*Association pour la Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées*), Econocom passed a new milestone by signing its first agreement in 2018, renewed in 2021 for three years, covering all of the Group's activities in France.

With this agreement, Econocom is committed to increasing its employment rate for people with disabilities, the percentage of people with disabilities calculated for the DOETH increased from 2.61% in 2018 to 4.66% in 2021. This represents an increase of 2% in just three years by implementing an employment policy which aims to meet four major objectives:

- recruit, train and integrate people with disabilities;
- keep disabled employees engaged through appropriate career management and improvement in working conditions;
- raise disability awareness among all internal players and employees of Econocom;
- develop subcontracting with institutions in the protected environment.

The indicators for monitoring the Inclusion and Diversity policy are shown below:

Discrimination/unequal treatment of employees:	2021
Percentage of people with disabilities - Planet France	4.66%

The rate of people with disabilities for 2022 will be available from March 2023 (DOETH rules).

The DOETH calculations take into account direct jobs of people with disabilities and revenue generated with adapted companies.

3. Local and committed conduct of our activities

Global warming is a major issue for humanity on which digital players have an increasingly significant impact and must play a role at their own level. Econocom has chosen to respond to this environmental challenge by deploying a structured and ambitious policy, in all the major countries where the Group is present.

Similarly, we consider that we have a societal role to play in our local establishments, in conjunction with our global and local partners, to develop the regions, to work with social and solidarity structures, and also to contribute to non-profit projects (education, green IT, etc.)

In addition, Econocom reaffirmed its place as a more responsible digital entrepreneur by becoming a member of Institut du Numérique Responsable and signing their Charter.

Risk

Econocom's withdrawal from actions to reduce its environmental impact could lead to the following risks:

- non-compliance with the Paris agreements/environmental regulations;
- failure to meet customer expectations. An increasing number of customers include CSR criteria with significant weightings in their calls for tender;
- in the area of CSR, managing risks related to reputation is a key issue;
- decreased attractiveness for investors, as investors, savers and governments place increasing importance on environmental, social and governance (ESG) factors;
- decreased attractiveness for new talents who are increasingly attentive to the commitments made by companies.

Policy

Climate change is a major issue on which digital players have an increasingly significant impact and must mobilise. Econocom is therefore committed to measuring and reducing its carbon footprint, extending the lifespan of its products, offering less energy-consuming digital services, developing green customer offers, and disseminating and promoting these initiatives among its partners.

3.1. Leading the way in Green IT and the circular economy

3.1.1. ANALYSE AND REDUCE THE ENVIRONMENTAL IMPACT OF INTERNAL DIGITAL TECHNOLOGY

Risks

CO_2 emissions related to digital technology and the impacts of digital activities on climate change can undermine growth in the digital sector. Indeed, increased use of digital technology results in an increased environmental impact from digital technology (manufacturing of IT devices, energy consumption via the cloud or IT equipment, etc.). This is a focus area for our stakeholders (particularly the State and customers), they expect visible actions from us. Our job is to anticipate changes and propose solutions to limit this risk.

Policy

In 2022, the Econocom Group confirmed its maturity regarding its ability to reduce the environmental impact of its information systems. Given the opportunities offered by digital technologies, but also the risks they generate, it is indeed necessary to develop a digital technology focusing on the right priorities.

In 2022, Econocom Group continued its commitments regarding issues related to the environmental impact of its information systems. The Group is continuing to roll out its best practices and apply its Green IT governance, to limit its risks and develop its opportunities.

Measurement and reduction, essential steps to reduce the impact

Since 2017, Econocom Group assesses and analyses the environmental footprint of its digital scope. Firstly on the use phase (energy), and since 2020 by supplementing with the manufacturing and end-of-cycle phases, to have a complete analysis of the life cycle of digital equipment.

In order to reduce the bill and optimise its energy efficiency, the Group has undertaken several reduction actions that have enabled it to significantly reduce energy consumption in digital technology. Thanks to this system, **Econocom reduced its digital energy consumption for the fifth consecutive year, dividing it by 3.5 since 2017, and also its overall CO_2 footprint compared to 2021.** These decreases are mainly due to the combination of several green IT actions implemented and also to the disposal of certain activities.

The study carried out for 2022 is based on two main chapters: measurement of the historical phase of use (energy), to assess the application of the latest recommendations and their effects, and an increasingly comprehensive analysis of the manufacturing and end-of-cycle phases, making it possible to conduct initial comparisons with the previous year.

The major trends emerging for 2022 confirm that Econocom has continued its digital environmental footprint optimisation policy, thanks to the implementation of the recommendations of the previous financial year and the best Green IT practices. Over this financial year, digital energy consumption fell by **4%** at Group level and by **8%** in France (a country which represents more than **60%** of Group consumption) compared to 2021.

Econocom also **reduced its overall CO_2 emissions from digital technology by 7%**, i.e. nearly **80 t**CO_2 saved compared to 2021.

These positive results are mainly due to the following three actions set up in 2022:

- reduction in energy consumption in data centres (racks);
- rationalisation of most of the equipment compared to 2021 (laptops, monitors, servers, appliance, etc.);
- extend the use of equipment beyond its original life (more CO_2 counted/CO_2 avoided). These are assets that are used beyond their initial term (e.g. a laptop in its sixth year when it is planned over four years);
- nearly 90% of laptops are in energy class B, more than 80% of office screens are in energy class B, more than 90% of multimedia screens are in energy class A/ B (group level).

For Services activities, the scope of our digital environmental footprint is as follows:

- 1 data centre located in Noisy, owned by Econocom, operated by one of the Group's EIS entities;
- 1 data centre in St Denis on the premises of Equinix, therefore a service provider outside the Group (server hosting), operated by one of the Group's entities (EIS);
- both data centres are duly included in our digital environmental footprint.

Environmental impact of digital technology (Green IT):	2021	2022
Energy footprint of digital technology	3,664,685 kWh	3,516,543 kWh

3.1.2. AWARENESS-RAISING AMONG EMPLOYEES ABOUT RESPONSIBLE DIGITAL TECHNOLOGY DURING THE SUSTAINABLE DEVELOPMENT MONTH

Our actions:

Again this year, at Econocom, the Group's CSR/Communication and CIO departments launched the Cyber Cleanup Week challenge during Sustainable Development Month. A great opportunity to reduce the environmental impact of the Group's mailboxes, with the objective of reducing their environmental footprint by 5%, i.e. the deletion of 10 million emails (equivalent to 110 tonnes of CO_2).

In two weeks, we ultimately managed to delete **five million emails**, equivalent to 55 tonnes of CO_2 or 55 Paris-NYC return trips.

To achieve this goal, we conducted a major communication and awareness campaign on digital eco-friendly behaviour for all of our employees.

3.1.3. WASTE PROCESSING AND RECYCLING WITH SOCIALLY SUPPORTIVE STRUCTURES

To process and recycle nearly 500,000 items of IT equipment per year (computers, screens, servers, tablets, smartphones, etc.), Econocom relies on various structures such as Ateliers sans Frontières (ASF) and Re Tech life (Italy), as well as on adapted companies, like ATF Gaia and Recyclea. In 2022, Econocom acquired a new entity specialising in the reconditioning of mobile phones. This company became a "company with a mission" two years ago.

Partnership with ATF Gaia

ATF Gaia gives businesses the means to be part of a more inclusive economy. On the one hand, by accompanying them in their compliance for the management of WEEE and on the other hand by allowing them to contribute more directly to the integration of people with disabilities through work. The Company also deletes data and preserves the anonymity of the equipment by performing a certified deletion, thus reducing the risks related to data security and guaranteeing compliance with the GDPR.

An 11-year partnership with Ateliers Sans Frontières (ASF)

Since 2011, Econocom also collaborates with Ateliers Sans Frontières, an entity of the Ares group specialising in the management of WEEE (Waste Electrical and Electronic Equipment) for reuse and recycling around survey, audit, test, certified data erasure, mastering and dismantling task. Our goal is to give priority to a new usage cycle to the largest possible number of products by reconditioning them. Today, 90% of Econocom's equipment sent to Ateliers Sans Frontières is given a second life.

Ateliers Sans Frontières (ASF) is an integration project, which welcomes over 110 young and vulnerable young people a year, to help them build their life project, regain their dignity and bring them to a stable personal and professional situation. Econocom and ASF currently process 60,000 devices per year with a team of 15 people. Since 2011, more than 100 people have been trained and found external employment thanks to ASF and Econocom, and 30 jobs at ASF have been created thanks to Econocom's activity. The impact is therefore real and measurable.

Econocom Factory

In 2022, the Econocom Group acquired a majority stake in the company, specialising in the reconditioning of mobile phones and tablets in France, and which is now diversifying its offering to include computer reconditioning. By expanding its offering to refurbished computers, the SMAAART brand meets the growing demand from consumers for refurbished electronic products at reduced prices and contributes to further reducing the social and digital technology impact on the environment. For more information, please refer to paragraph 4.2.

Partnership with Re Tech Life in Italy

BDF Italy of the Econocom Group has a solid partnership with Re Tech Life Onlus, a solidarity-based company that offers disadvantaged people a true opportunity to access the job market and society, thanks to the reconditioning of IT equipment, which is intended for schools and social projects in Italy and, in part, the second-hand market.

Thanks to this collaboration, which allows the employment of three disadvantaged people within the organisation Re Tech Life Onlus, BDF simplifies the management of the end of life of IT assets, making it compliant with the principles of sustainability within the framework of a circular and solidarity-based economy.

A leading role in the refurbishment market

This effective collaboration with all the players mentioned above allows Econocom to play a leading role in the refurbished digital market.

It provides the opportunity to access technologies or brands which, new, would be too expensive, it presents new possibilities in terms of usage or equipment, and there are also environmental motivations. For all these reasons, more and more French people are attracted to the possibility of buying products from previous generations, often formerly owned by professionals and in perfect working order, for a fraction of the original price. This is why demand is extremely high.

Econocom and its partners also offer this know-how to businesses, which also have to manage the end of their equipment assets' lifespan. Thanks to the processes put in place and the social commitment of its partners, Econocom contributes in this way to the CSR aims of its clients, ensuring that they respect environmental and safety regulations, as well as the complete traceability of the processing and final destination of the equipment.

3.2. Responsible management of the impacts of Econocom's activity

Risks:

The most significant risks for Econocom are the consequence of increasingly frequent and high-impact extreme weather events such as cyclones and floods. The potential magnitude of these risks is considered intrinsically low for the Group's own sites given their current geographical distribution and the processes in place. However, the risk is more pressing in the upstream supply chain. Any major event affecting the supplier or the Group's partners could disrupt the supply of components, manufacturing and shipping of equipment. Such a situation could adversely affect Econocom's ability to honour its operational and contractual commitments to its customers.

3.2.1. MONITORING OUR CONSUMPTION AND TRAJECTORY

Why carry out a GHG assessment

In order to reduce our GHG emissions, the key is to be able to measure them first. It is for this reason that we wanted to calculate our carbon footprint with an expanded scope taking into account Scopes 1,2,3 in their entirety.

Even if our carbon assessment offers elements of comparison with other companies, a GHG emissions assessment is mainly used to identify ways to improve our overall impact and to define a reduction trajectory.

This requires the implementation of a series of internal levers and the mobilisation of our entire ecosystem (employees, suppliers, customers).

To carry out our carbon assessment, we decided to be supported by Greenly, a company which specialises in the production of carbon assessments.

The Greenly digital platform connects to all of the company's software to directly retrieve data to quantify its activity, and from there, calculate the carbon footprint. This makes it possible to scan all of the company's expenses and to understand where the main sources of CO_2 emissions are to be found. It takes into account the specific emissions of each activity.

This has enabled us to better structure our environmental policy and draw up our action plan to reduce our emissions over the long term.

The scope of our carbon assessment:

Time scope: 2020 France and 2021 Group

We wanted to involve most of our satellite entities in this approach, in addition to Econocom Planet. We assessed the France scope and the international entities scope

Measurement scope: Operational

Full Scope 1

Full Scope 2

Full Scope 3: The LCA (life cycle analysis) of the products sold is taken into account in full, excluding the use of products by our customers.

Primary data

Accounting entry file (AEF)

Average data for employees

Physical data for certain key items

Methodology

Official and approved Bilan Carbone® methodology: ISO 14064-1/ PRG 100

The assessment of our emissions follows the Bilan Carbone® standards, a methodology standardised by ADEME. Our service provider has an operating license for the Bilan Carbone® method, which certifies the accounting of our emissions.

Our approach: An objective and transparent methodology

The carbon footprint of each expense is assessed on the basis of public research or research certified by independent authorities.

Specifically, the carbon impact of certain expenditure categories is estimated by calculating the ratio of a company's total carbon footprint against its revenue, both obtained from public reports that have been audited by independent authorities.

The information analysed is treated in a completely neutral manner.

Our 2020 and 2021 results for France for our distribution and financing activities:

These calculations are based on the official Bilan Carbone®-sanctioned methodology: ISO 14064-1 and the PRG 100

GHG emissions (in tonnes)

2020-2021 assessment Econocom Distribution + Financing France				
SCOPE	**Category of emission**	**CO_2 2020** *(in tonnes)*	**CO_2 2021** *(in tonnes)*	**Change in carbon footprint between 2020-2021**
SCOPE 1 (Regulatory)	Direct fugitive emissions **Refrigerant leaks**	14	10	-30%
SCOPE 1 (Regulatory)	Direct emissions from stationary combustion **(natural gas)**	150	19	-87%
SCOPE 1 (Regulatory)	Direct emissions from stationary combustion **(fuel consumption)**	954	1,014	6.30%
SCOPE 2 (Regulatory)	Indirect electricity consumption-related emissions **(electricity consumption)**	58	73	25%
SCOPE 3 (Voluntary)	Business travel	467	509	9.0%
SCOPE 3 (Voluntary)	Product purchases	294,695	252,779	-14.20%
SCOPE 3 (Voluntary)	Service purchases	4,976	7,476	50.00%
SCOPE 3 (Voluntary)	Freight	825	854	3.50%
SCOPE 3 (Voluntary)	Digital	1,632	1,840	12.70%
SCOPE 3 (Voluntary)	Offices	55	58	5.40%
SCOPE 3 (Voluntary)	Non-current assets	3,620	4,190	15.70%
Total		**307,445**	**268,822**	**-12.50%**
Total per FTE		**480**	**419**	**-12.70%**

Our results for 2020 and 2021 for France for our Services activities:

These calculations are based on the official Bilan Carbone®-sanctioned methodology: ISO 14064-1 and the PRG 100

GHG emissions (in tonnes)

2020-2021 assessment Econocom Service France				
SCOPE	**Category of emission**	**CO_2 2020** *(in tonnes)*	**CO_2 2021** *(in tonnes)*	**Change in carbon footprint between 2020-2021**
SCOPE 1 (Regulatory)	Direct fugitive emissions **Refrigerant leaks**	33.5	33	-2.9%
SCOPE 1 (Regulatory)	Direct emissions from stationary combustion **(natural gas)**	47	48	1.9%
SCOPE 1 (Regulatory)	Direct emissions from stationary combustion **(fuel consumption)**	2,110	2,492	18%
SCOPE 2 (Regulatory)	Indirect electricity consumption-related emissions **(electricity consumption)**	475	305	-35%
SCOPE 3 (Voluntary)	Business travel	1,890	1,948	3.0%
SCOPE 3 (Voluntary)	Product purchases	714	827	15.0%
SCOPE 3 (Voluntary)	Service purchases	4,984	5,380	8.0%
SCOPE 3 (Voluntary)	Freight	295	283	-4.0%
SCOPE 3 (Voluntary)	Digital	2,344	506	-35.0%
SCOPE 3 (Voluntary)	Offices	233	171	-26.0%
SCOPE 3 (Voluntary)	Non-current assets	1,540	1,447	7.8%
Total		**14,666**	**14,440**	**-1.5%**
Total per FTE		**3.2**	**3.3**	**1.4%**

Our 2021 results for France + International for our Group activities:

These calculations are based on the official Bilan Carbone®-sanctioned methodology: ISO 14064-1 and the PRG 100

GHG emissions (in tonnes)

2021 assessment Econocom International + France		
SCOPE	**Category of emission**	**CO_2 2021 (in tonnes)**
SCOPE 1 (Regulatory)	Direct fugitive emissions **Refrigerant leaks**	84
SCOPE 1 (Regulatory)	Direct fugitive emissions **Natural gas**	121
SCOPE 1 (Regulatory)	Direct emissions from stationary combustion **(fuel consumption)**	5,770
SCOPE 02 (Regulatory)	Indirect **electricity consumption**-related emissions	1,581
SCOPE 3 (Voluntary)	Business travel	7,537
SCOPE 3 (Voluntary)	Product purchases	546,584
SCOPE 3 (Voluntary)	Service purchases	19,961
SCOPE 3 (Voluntary)	Freight	1,973
SCOPE 3 (Voluntary)	Digital	10,392
SCOPE 3 (Voluntary)	Offices	641
SCOPE 3 (Voluntary)	Non-current assets	9,355
Total		**603,999**
Total per FTE		**83**

Analysis of the results of the carbon footprint update:

Econocom's carbon footprint does not only take into account direct emissions related to energy, gas or fuel for Scope 1 & 2 but also indirect emissions for Scope 3, which takes into account all of the Group's activities in the Distribution and Financing businesses.

This new methodology therefore takes into account all other indirect emissions occurring upstream or downstream of the organisation's value chain. This is a huge part of our environmental impact.

We can see that the distribution and financing activities have a huge and very significant impact because of their product purchasing activity. Between 2020 and 2021, this represents more than 90% of the carbon impact. This finding is less identical for service purchases, which represent approximately 50% of the carbon impact for the Services entity.

The decrease in our carbon footprint for the distribution and financing activities is mainly due to the decrease in our revenue from 2020 to 2021. For example, the distribution sector experienced strong growth in 2020 due to the Covid crisis, which resulted in the need to study and work from home.

This resulted in a decrease in our overall carbon impact.

The decrease in our gas consumption was also due to a restructuring of our sites across France, with sites using more electrical energy.

The Digital category takes into account the impact of internal and external digital technology.

For the external impact, this takes into account, for example, the servers, the cloud, etc. used as part of our services for our customers.

Overall, we observed a decrease of 19% from 2021 to 2022, mainly due to the resale of an activity for the Services entity.

On the other hand, Scope 1 and 2 remain very significant because the Services France entity has a large fleet of vehicles and numerous sites throughout France. Energy consumption is therefore also higher.

The increase in Scope 1 and 2 for the categories of electricity and fuel consumption were due to the end of the Covid crisis, which allowed employees to return to sites and to our customers.

The end of the Covid crisis also had a more general impact on travel in France and abroad, which increased.

Carbon footprint reduction trajectory:

ECONOCOM is committed to reducing its CO_2 emissions by around 4.2% per year for Scopes 1 & 2. Econocom will endeavour to apply this same reduction for Scope 3.

These commitments will apply to its entire scope of activities.

To achieve our objective, we intend to involve managers for each major source of emission. We will therefore endeavour to define together, with the corresponding departments, the possible and impacting reduction actions, in keeping with both development and growth objectives.

Below, two concrete actions already implemented around travel and sobriety.

3.2.2. RETHINKING TRAVEL TO REDUCE EMISSIONS

Econocom has also incorporated electric and hybrid vehicles into its fleet. The Econocom Group is committed to renewing 100% of its private vehicle fleet (which represents 25% of its overall fleet) with electric and hybrid vehicles over the next three years.

For LCVs (commercial vehicles), Econocom Group is committed to increasing the share of hybrid and electric vehicles in its fleet.

The Group favours low-emission transport methods and encourages its employees to use the train when possible. For travel by plane, Econocom chooses, whenever possible, companies that seek to reduce their environmental footprint and has above all drastically limited such travel.

3.2.3. ENERGY SOBRIETY

To address the energy challenges we are facing, Econocom mobilised and joined the efforts to reduce energy consumption by 10% over two years in France and internationally.

As a Responsible Digital Entrepreneur, Econocom set up an energy sobriety plan through which the Group undertakes to:

- reduce the temperature of the premises to 19°C;
- turn off interior lighting in buildings during unoccupied periods, from 9 p.m. to 6 a.m. and on weekends;
- turn off illuminated exterior signs on buildings from midnight to 5 a.m.;
- put our buildings in frost-free mode and shut down all air conditioning at night and on weekends;
- continue to install low-voltage lighting (LED) and motion sensor systems.

Negative impacts of activities on the environment:	2020	2021
Carbon footprint - France	322,134 TcO_2	283,262 TcO_2
Carbon footprint - Group	N/A	603,999 TcO_2

3.2.4. REDUCING OUR IMPACT ON WATER AND BIODIVERSITY

The Les Abeilles group, the legendary towing specialists on the high seas.

Les Abeilles has been committed to protecting the coast for more than 40 years. On a daily basis, we take care to combat the threat of pollution of all kinds (hydrocarbons, chemical pollution, macro-waste such as containers).

Among our actions to promote technical innovation and the optimisation of existing vessels:

- "zero discharge" policy at sea (oily water, ballast water, waste, etc.);
- policy for reducing atmospheric waste (combustion fumes, management of additives in the exhausts of the main engines of our vessels);
- availability of shore power: 100% via pro-active approaches to local players (including the ports of Brest and Boulogne, the Brittany and Hauts-de-France regions);
- cetacean detector.

The priority mission of the Les Abeilles group is to be at the service of the protection of the French coastline alongside the State's Sea Action (so-called AEM).

In 2022, we modernised the fleet of our port and maritime service vessels. The crews are available 24/7, 365 days a year, to ensure the safety of sea users. Over the past 40 years, they have prevented around 20 major environmental disasters caused by sinking oil tankers (the equivalent of 20 Amoco Cadiz). Each year, they assist hundreds of people in difficulty. The impact of Les Abeilles is considerable at the environmental and human level.

The company has just been awarded the “Ocean approved” label.

The OCEAN APPROVED® label makes it possible to identify and bring together all organisations (companies, local authorities) that are committed to reducing their impact on the Ocean beyond just compliance with the regulations in force.

The OCEAN APPROVED® label is based on the *Fondation de la Mer*’s Ocean Reference Framework, which is aimed at all types of companies, in terms of size and sectors, and is based on a holistic consideration of the company's potential direct and indirect impacts:

- pollution, acidification and global changes in the marine environment;
- use of marine and coastal resources;
- corporate governance and strategy.

The label is built on the basis of UN Sustainable Development Goal number 14 related to aquatic life.

OCEAN APPROVED

Optimise water consumption in our offices and reduce their emissions

The following measures were taken to help reduce water consumption in our offices:

- increasing number of sites with the highest environmental standards (BREEAM, etc.) or with ISO 14001 certifications;
- awareness-raising campaigns on everyday eco-gestures around water;
- increasing number of sites with ISO 14001 certification.

To minimise water leaks and waste, Econocom monitors its consumption. Consumption per employee decreased by 14% from 2020 to 2022.

3.3. Green taxonomy

Reporting on the Econocom Group's activities with regard to the European green taxonomy

1) Context

European Regulation 2020/852 of 18 June 2020, commonly known as the "European Taxonomy", is a central pillar of the European Union's financial sector empowerment strategy, as a tool for redirecting capital flows towards sustainable investments. This tool defines a reference framework and a common language aimed at identifying activities that significantly contribute to the achievement of six environmental objectives:

- climate change mitigation;
- climate change adaption;
- protection and sustainable use of water and marine resources;
- transition to a circular economy, waste prevention and recycling;
- pollution prevention and control;
- preservation of sound ecosystems.

The companies concerned must disclose three "green" activity ratios in their non-financial performance statements (NFPS):

- green revenue;
- green capital expenditure (CapEx);
- green operating expenses (OpEx).

This framework describes specific eligibility and alignment criteria and thresholds:

- the activity must comply with the Commission's technical review criteria;
- the eligible activity may not contribute to one of the objectives by significantly harming one of the other five ("Do No Significant Harm" principle);
- the company must respect the minimum social guarantees.

No comparative data for the 2021 financial year is required for this reporting period in respect of the alignment.

2) Calculation scope and methodology

To determine the financial ratios presented in this note, Econocom has applied the rules defined by the delegated act known as "Article 8" of the Taxonomy Regulation:

- the scope considered covers all the Group's activities corresponding to the scope of consolidated companies. Companies in which the Group exercises joint-control or influence are excluded;
- the financial data are taken from the financial statements at 31 December 2022. Revenue and capital expenditure can therefore be reconciled with the financial statements. The underlying financial information was checked jointly by the finance and operational teams to ensure consistency and reconciliation with the consolidated financial statements;

- capital expenditure corresponds to the costs capitalised for tangible and intangible assets;
- operating expenses are defined as direct costs that cannot be capitalised and include research and development costs, building renovation costs, maintenance and repair costs, leases recognised in the income statement and any other expense related to the day-to-day maintenance of assets.

3) Eligibility of activities

As part of its eligibility analysis, Econocom has endeavoured to reconcile its business model with the description of the activities listed in the Green Taxonomy's climate delegated act beyond the simple analysis of NACE codes (Statistical Classification of Economic Activities in the European Community), for the first two environmental objectives.

In 2022, Econocom identified two eligible activities:

ELIGIBLE ACTIVITIES	OBJECTIVE	TAXONOMY REFERENCE
Activities related to the “Green & Energy” Business Unit	Mitigation of climate change	9.3 Services spécialisés en lien avec la performance énergétique des bâtiments
Hosting activities	Mitigation of climate change	8.1 Traitement de données, hébergement et activités connexes

Econocom also considered individually eligible investments in respect of activities 6.5 "Vehicle purchase, financing, leasing, finance leases and operation" designated as belonging to categories M1 and N1 and 7.7 "Installation, maintenance and repair of renewable energy technologies".

4) Alignment of activities

As from the 2022 financial year, the regulation makes it mandatory to publish the share of three indicators (revenue, CapEx, OpEx) that are associated with aligned and non-aligned economic activities. These indicators relate to data for the 2022 financial year without comparative information for the 2021 financial year.

According to the taxonomy's regulations, an eligible activity is aligned, and therefore sustainable, if the activity:

- complies with the technical criterion(s) of substantial contribution to one of the six environmental objectives, does not harm any other environmental objective ("Do No Significant Harm" - DNSH), and complies with the minimum guarantees referred to in the Article 3.c, namely the procedures that a company carrying out an economic activity implements to comply with:
- the OECD Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights;
- the principles and rights set out in the eight fundamental conventions mentioned in the declaration; the International Labour Organization's convention on fundamental principles and rights at work;
- the International Bill of Human Rights.

a) Criteria of substantial contribution to climate change mitigation and Do No Significant Harm

 # Technical criteria

- 7.7 Acquisition and ownership of buildings

The European taxonomy requires reaching a threshold of primary energy consumption corresponding to NZEB-10% for buildings. For buildings built before 31 December 2020, those with a DPE equal to A or belonging to the top 15% of the national real estate portfolio. To date, the average threshold used for our real estate portfolio is 156 kWh/m²/year (source: Observatoire de l'Immobilier Durable). Buildings constructed after 31 December 2020 must meet the criteria specified in Section 7.1.

- 8.1 Data processing, hosting and related activities

The activity implemented the relevant practices of the European Code of Conduct relating to the energy efficiency of data centres.

- 9.3 Specialised services related to the energy performance of buildings

The alignment of activities is subject to the type of services relating to the energy performance of buildings.

 # Climate change adaptation

- 7.7 Acquisition and ownership of buildings

The physical and vulnerability risks of assets to climate change were the subject of a specific analysis which led to the definition of action plans according to the levels of exposure.

 # Transition to a circular economy

- 8.1 Data processing, hosting and related activities

b) Minimum social guarantees

The equipment used meets the requirements established in accordance with Directive 2009/125/EC for servers and data storage products.

Econocom meets these various minimum guarantee criteria:

- Human rights: Econocom rolled out a global vigilance approach covering its human rights risks throughout the value chain. In addition, the Group has not been convicted of human rights violations.
- Fight against corruption: Econocom is subject to the SAPIN II law and has rolled out the expected measures as part of the fight against corruption. Neither the Group nor one of its executives has been convicted in this field.
- Taxation: Econocom strives to comply with the regulations applicable in all the countries where it operates and implements a transparency policy in accordance with the OECD's BEPS recommendations. The Group has not been convicted of serious misconduct in this area.
- Competition law: Econocom complies, within its scope of activity, with the legislation in force in the context of competition law. Neither the Group nor one of its executives has been convicted in this field.

5) Results

Conducted jointly by the Finance, CSR and Operational Departments, Econocom conducted a detailed analysis of all its activities in order to identify the eligible activities and the associated ratios:

a) Revenue

The portion of eligible revenue covers the activities of the "Green & Energy" Business Unit and accommodation activities within the "Services" business line.

Economic activities	Code(s)	Total revenue *(in € millions)*	Share of revenue	Substantial contribution criteria				
				Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution
A. Activities eligible for the taxonomy								
A.1 Sustainable activities (eligible and aligned activities)								
8.1 Data processing, hosting and related activities	NACE J63.11	9.8	0.36%	100%				
9.3 Specialised services related to the energy performance of buildings	NACE M71	13.3	0.48%	100%				
Revenue from sustainable activities (A.1)		**23.1**	**0.8%**	**100%**				
A.2 Activities eligible for the taxonomy but not sustainable								
Revenue from eligible but non-sustainable activities (A.2)		**-**	**0.0%**					
Total (A.1 + A.2)		**23.1**	**0.8%**					
B. Activities not eligible for the taxonomy								
Revenue from activities not eligible for the taxonomy (B)		**2,721.8**	**99.2%**					
Total (A + B)		**2,744.8**	**100.0%**					

		DNSH								
Biodiversity and ecosystem	Climate change mitigation	Climate change mitigation	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum guarantees	Share of revenue aligned with the taxonomy - 2022	Category (enabling activity)	Category (enabling activity)
		YES	YES	YES			YES	0.36%		T
		YES					YES	0.48%	H	
								0.8%		

b) Capital expenditure (CapEx)

Pursuant to Appendix 1 of Article 8 of the delegated regulation, Econocom defers capital expenditure and operating expenditure associated with an eligible activity and individual capital expenditure that are not associated with an activity intended to be marketed.

Capital and operating expenditure mainly relate to individual expenditure related to the real estate sector, and mainly correspond to the rights of use of building and vehicle leases.

Economic activities	Code(s)	Total CapEx *(in € millions)*	Share of CapEx	Substantial contribution criteria				
				Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution
A. Activities eligible for the taxonomy								
A.1 SSustainable activities (eligible and aligned activities)								
6.5 Vehicle purchase, financing, leasing, finance leases and operation	H49.32	1,021.6	2.2%	100%	-%	-%	-%	-%
CapEx of sustainable activities (A.1)		**1,021.6**	**2.2%**	**100%**	**-%**	**-%**	**-%**	**-%**
A.2 Activities eligible for the taxonomy but not sustainable			**0.0%**					
6.5 Vehicle purchase, financing, leasing, finance leases and operation	H49.32	9,869.4	20.8%					
7.7 Installation, maintenance and repair of renewable energy technologies.	NACE L68	12,585.0	26.5%					
CapEx of eligible but non-sustainable activities (A.2)		**22,454.4**	**47.4%**					
Total (A.1 + A.2)		**23,476.0**	**49.5%**					
B. Activities not eligible for the taxonomy								
CapEx of activities not eligible for the taxonomy (B)		**23,928.0**	**50.5%**					
Total (A + B)		**47,404.0**	**100.0%**					

	DNSH									
Biodiversity and ecosystem	Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum guarantees	Share of CapEx aligned with the taxonomy - 2022	Category (enabling activity)	Category (transitional activity)
-%	YES		YES	YES	YES		YES	2.2%		
-%								**2.2%**		

c) Operating expenditure (OpEx)

Based on 2022 reporting, maintenance and rental expenses (relating to non-capitalised contracts) represent an insignificant portion of the Group's total operating expenses.

Economic activities	Code(s)	Total OpEx *(in € millions)*	Share of OpEx	Substantial contribution criteria				
				Climate change mitigation	Climate change adaptation	Aquatic and marine resources	Circular economy	Pollution
A. Activities eligible for the taxonomy								
A.1 Sustainable activities (eligible and aligned activities)								
		-	0%					
OpEx for sustainable activities (A.1)		**-**	**0%**					
A.2 Activities eligible for the taxonomy but not sustainable								
		-	0%					
OpEx of eligible but non-sustainable activities (A.2)		**-**	**0%**					
Total (A.1 + A.2)		**-**	**0%**					
B. Activities not eligible for the taxonomy								
OpEx for activities not eligible for the taxonomy (B)		**-**	**0%**					
Total (A + B)		**-**	**0%**					

	DNSH									
Biodiversity and ecosystem	**Climate change mitigation**	**Climate change adaptation**	**Aquatic and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystem**	**Minimum guarantees**	**OpEx aligned with the taxonomy - 2022**	**Category (enabling activity)**	**Category (transitional activity)**
								0%		
								0%		

3.4. CSR partnerships

The Group has established numerous partnerships in all countries to carry out CSR actions, with customers and associations. Below are some examples of such partnerships.

A commitment with Emmaüs Connect in partnership with Schneider Electric

Econocom and Schneider Electric and Emmaüs Connect, key players in the fight against the digital exclusion of disadvantaged people, have signed a partnership to fight against digital exclusion over the coming years; Schneider Electric and Econocom are committed to donating 300 refurbished computers to Emmaüs Connect each year.

A donation campaign conducted with our customers, with Emmaüs Connect and Ateliers Sans Frontières

With the support of four of our customers, including EdF, we donated computers to Emmaüs Connect to help families of refugees, notably from Ukraine, to connect, find work and take online courses. Refurbished by ASF (Ateliers Sans Frontières, Arès group), our partner in the solidarity economy, this equipment is proof of the immediate social impact of the circular economy. For more information, please refer to paragraph 3.6.2.

Campus Responsable

Econocom took part in the creation of a digital appropriation guide produced by Campus Responsable, the first French-speaking network of universities and colleges committed to sustainable development. Campus Responsables aims to support higher education institutions to make them key players in the ecological and societal transition.

Partnership in Italy with Fileni Group

Faced with the humanitarian emergency in Ukraine, Econocom Italia and Fileni Group renewed their collaboration to offer concrete support to the Ukrainian community. Econocom Italia and Fileni donated 20 laptops to Caritas Jesina, which has been active in the reception of Ukrainian refugees since the start of the war.

3.5. Responsible purchasing and resilience of supply chains

Risks

The Econocom Group remains vigilant in the choice of suppliers, in the insufficient control of the supply chain and in the non-compliance by partners with the Responsible Purchasing Charter.

The Group has not identified any suppliers with a high ESG risk. Econocom mainly obtains its supplies from suppliers located on the European continent.

Our equipment purchases are made from wholesalers/resellers or manufacturers/software vendors recognised on the market and respecting all environmental and compliance standards and rules. The Group markets all major international brands (Dell, HP, Lenovo, Microsoft, etc.). Our services (subcontracting, for example) are purchased from local service providers.

In addition, certain manufacturers are setting up factories and inventories (notably in Europe), to ensure the best quality of goods supply. However, the major risks identified for our supplies are linked to lead times, which themselves depend on the sourcing of components, in-plant assembly production and transport.

For example: disruptions and diversions of air, rail and particularly maritime traffic (price of containers and limited labour at ports during the Covid period, and the blockage of the Suez Canal which impacted global supply chains and took months to recover from). Global warming could also impact production and deliveries if more disasters occur: flooding in the regions or impact on factories. This would lead to production and delivery delays, which could potentially impact our supply chains and lead times.

Policy

The Purchasing Department plays a key role in Econocom's CSR policy, since suppliers are an essential stakeholder in the value chain of the Econocom Group.

Econocom Group decided to structure its responsible purchasing policy to establish trust-based relationships with its suppliers by encouraging them to implement a CSR programme. Lasting cooperation between the Econocom Group and its suppliers contributes to driving performance for all parties.

The Econocom Group's Purchasing Department prioritises responsible purchasing

In 2015, Econocom Group began to organise and structure its responsible purchasing policy to establish trust-based relationships with its suppliers by encouraging them to implement a CSR approach.

Econocom is convinced that CSR must first and foremost involve dialogue with its suppliers and the contribution of every player in the value chain.

The Group thus established a Purchasing Charter with its suppliers, which is based on the ten principles of the United Nations Global Compact. The latter is sent to critical and strategic suppliers, who are required to return it signed, confirming that it has been taken into account and applied.

Compliance with this Purchasing Charter and the Group's Code of Conduct is also assessed, for certain subsidiaries, through ad hoc contractual clauses. In this respect, harmonisation work is under way and should be effective in 2023.

In addition, the Econocom Group's Purchasing Department reinforced this approach by sending a CSR self-assessment questionnaire with the aim of quantifying the results of its partners from a social and environmental perspective.

For temporary and intellectual services, the Econocom Group Purchasing Department relies, on the one hand, on the network of adapted companies (ESAT, GESAT) and, on the other, on the various structures enabling integration through economic activity

(https://www.gouvernement.fr/les-actions-du-gouvernement/economie-emploi/retrouver-un-emploi-grace-aux-parcours-d-insertion).

For example, we have been working in services for several years with our partner Arcesi, an Adapted Company in the digital sector. To date, Arcesi has more than 160 employees, over 80% of whom have disabilities.

Below are the indicators for monitoring the responsible purchasing policy:

Responsible purchasing	2021	2022
Percentage of Services purchases suppliers who signed the Responsible Purchasing Charter/Code of Conduct among the top 20 suppliers	100% (EIS scope)	100% (EIS scope)

3.6. Local anchoring

Econocom intends to make a positive impact on all of its ecosystem. One of the priorities which the Group set itself is to build lasting relationships with the economic, social and community fabric close to the sites where the Group is active. Every site and subsidiary is therefore encouraged to get positively involved with its employees and in its direct ecosystem in order to put down firm local roots.

Overview of initiatives with positive impact in our subsidiaries

Some examples of positive impact initiatives in our subsidiaries:

GERMANY:

Econocom Germany, like other countries, is committed to monitoring energy consumption and reducing CO_2 emissions.

Econocom Germany goes further by offsetting its residual emissions (scope 1 and 2) through environmental projects. In 2021, Econocom Germany obtained the status of climate neutral company for the first time and will also carry out a climate neutral audit in 2022. The objective is to carry out a climate-neutral audit each year and thus contribute to the ecosystem.

Employee well-being:

In 2022, Econocom Germany partnered with Nilo Health, a platform for the mental well-being of employees that offers a coaching and consulting service. Another partnership was signed with Qualitrain/ Wellpass, which offers heavily discounted subscriptions to sports centres and other sports and well-being facilities throughout the country. All of these measures serve to strengthen our most important asset - our people - and provide support even in challenging times.

ITALY:

In September 2022, the Econocom Italy group and the Francesca Rava Foundation, in collaboration with the Cesare Beccaria Juvenile Penal Institute, launched an inclusive social project to reinterpret Believe in ONE: one goal, one chain, one team, one spirit. The objective was to strengthen the cohesion and different cultures of the group through the artistic work of the young people of the penal institute. The painting was shown at the event and is on permanent display at the Econocom Village in Milan.

BELUX:

Econocom Belux obtained the VOKA Sustainability Charter, the VOKA Belgian certification that recognises the importance of the responsible measures we take to achieve the sustainable development goals.

In 2022, Econocom Belux focused on the quality of education and well-being at work. Through the launch of a new e-learning platform for its Competence Centres, Econocom Belux endeavoured to offer high-quality training to its staff on digital technologies. In terms of well-being at work, we supported Télévie in the implementation of their call centres, doubled the Gymlib memberships among employees, actively participated in the Pink Ribbon Marches Roses daily step challenge, carried out internal surveys on psycho-social risks, and organised improvement action plans for the most critical issues identified.

Econocom Belux signed the ISIT Charter on sustainable IT, contributed to the new report on the financing of the circular economy published by KPMG and Vlaanderen Circulair, and is a regular speaker for KULeuven, FOD Economie, Agoria and Febelfin Academy.

UNITED KINGDOM:

Teams from Econocom UK and Trams | Econocom began 2022 with a fundraising campaign to support a sports project. Proceeds from the event went to Shepherd's Stars "Table of Hope", a charity that Econocom UK has been working with since 2020. The Table of Hope initiative was set up for socially and/or economically disadvantaged people in the region. The event takes place every month and brings people together for a free meal and a social gathering. Thanks to this fundraising event, we were able to sponsor two of these monthly meals.

In October, the UK team supported Breast Cancer Awareness Month by wearing pink for the day. The entire team joined in and photos were shared on social media to promote the occasion.

SPAIN:

Econocom Products & Solutions has obtained a label for the calculation of the carbon footprint, carbon offset and absorption from the Spanish Office of Climate Change, under the supervision of the Ministry for the Ecological Transition. The label makes it possible to identify two levels of participation: the calculation of the carbon footprint and offsetting.

Through our customer Arestes we met the El Somni dels nens Foundation, which works with long-term sick children. We donated reconditioned iPads for their projects in the hospitals of Catalonia for the use of children who have been in a "bubble" for months and use technology to connect to the world.

The entire Spanish team also collected food and toys for the Sonrisas charity's Christmas campaign. We also, as a responsible company, made a monetary donation.

To raise employee awareness, we publicised and highlighted various issues such as: Alzheimer's, carbon footprint reduction, grandparents day, LGBT day, environment day, cloud boosting, mental health, International Day Against Breast Cancer, World Energy Saving Day, responsible digital player, etc.

3.7. Roll out philanthropic actions (responsible education and digital)

3.7.1. SUPPORT NEW USES LINKED TO USEFUL DIGITAL BUSINESS IN THE EDUCATION SECTOR, AND GREEN IT

Econocom is committed to promoting digital technology in school curricula in order to fight the digital divide and improve digital accessibility.

The French State decided to encourage the use of digital technology in schools to make up for France's lag in the area. Econocom wants to take action in this movement by providing schools with solutions adapted to the needs of students, teachers, parents and public authorities.

Econocom's goal through its commitment to education is to play a role in the transformation of learning, to ingrain a love of learning in students. The aim is also to encourage new teaching practices and to promote parental involvement in the education of children.

Econocom's investments in education are reflected in several actions:

- **the development of offers more specific to education** that include personalised and green components that are particularly well suited to the many educational projects in France and abroad;
- **Econocom established a partnership with "Campus Managers".** Campus Managers is the first French network of French universities and colleges committed to sustainable development;
- **Educapital:** finally, always with the aim of supporting young innovative companies that aspire to reinvent education, Econocom was the first player to invest in Educapital, the leading European venture capital fund dedicated to education and vocational training. Since its creation, Educapital has invested in over twenty or so innovative European Edtechs;
- **Econocom is a member of Impact IA.** Impact AI is a collective focused on reflection and actions with players involved in the area of artificial intelligence aimed at supporting innovative and positive projects for the world of tomorrow, particularly in education.

  In 2022, employees took part in the creation of a training and awareness-raising module on gender bias.

  The objective of the module is to support training institutions (engineering schools, business schools, etc.) in their actions to raise awareness of gender bias in AI models.

3.7.2. SPONSORSHIP PROGRAMMES IN EDUCATION

Patronage of the Démos project of the Philharmonie de Paris

In 2022, Econocom became a sponsor of the Démos project (a social music and orchestral education programme) led by Cité de la Musique - Philharmonie de Paris, in particular to support the digital component of this programme.

Démos is a cultural democratisation project focused on orchestral music, initiated in 2010 by Cité de la Musique - Philharmonie de Paris. It offers classical music learning for children who do not have easy access to classical music in existing institutions for geographical, economic and social reasons.

The project is aimed at children aged 7 to 12 living in neighbourhoods covered urban policy (QPV) or in rural revitalisation areas (ZRR), far from traditional places of practice. The system has continued to grow since its launch with more than 50 orchestras currently operating throughout the country, including in the French Overseas Departments and Collectivities. Since 2010, nearly 10,000 children have already discovered classical music thanks to this project.

This commitment is in direct line with the actions carried out by the Group as a responsible digital entrepreneur to foster inclusion and education.

Econocom, partner to Double Horizon

For over 9 years, Econocom has been a partner of the Double Horizon association which supports the education of under-privileged people in France and abroad.

Econocom decided to support the French activities of the association. Double Horizon works in schools which are part of the priority education network. A survey carried out a few years ago showed that the majority of children from these schools had never visited Paris, its sites or museums, even by the end of secondary school.

Econocom provides material and financial support to combat the school-family digital divide.

Espérances Banlieues

For 3 years, Econocom has formed a partnership with Espérances Banlieues. The Group committed itself to supporting the actions of this organisation which creates non-denominational schools in difficult districts.

"100 000 entrepreneurs" association

To build bridges between schools and businesses, and to pass on the entrepreneurial drive to young people, Econocom supports the action of the organisation "100 000 Entrepreneurs".

"100 000 Entrepreneurs" organises testimonials from volunteer entrepreneurs in schools, from the fourth grade to higher education.

Over the past school year, more than 100,000 young people have met these women and men who do business in many ways!

The Maison de l'Amitié association

Maison de l'Amitié (MDA) is an association that reaches out to people in very precarious situations and in isolation, who live or move to La Défense. It provides an initial welcome to people, developing relationships between beneficiaries and volunteers (employees of local businesses and residents), and offering global support. In addition to meeting people on the street, and to supplement the primary services offered (food, clothing, staying clean), MDA develops, either directly or in partnership, social, health, cultural and existential actions.

As a sponsor, Econocom will help finance the digital support of social workers who spend around 50% of their time interviewing beneficiaries. 75% of interviews include a paperless process (registration for a request for accommodation, request for RSA aid, registration and updating at Pôle Emploi, CPAM health services, medical appointments, etc.).

Econocom contributes to financing a Wi-Fi terminal in order to access websites, for example, to request accommodation or file an RSA request. Econocom also provides IT support. This commitment is perfectly in line with our policy of combating the digital divide and supporting vulnerable people who are excluded from employment.

Econocom mobilises with its customers and its partners Emmaüs Connect and Ateliers Sans Frontières to fight the digital divide and help refugees reconnect

In partnerships with Emmaüs Connect and Atelier Sans Frontières, Econocom is mobilising to fight the digital divide and help refugees reconnect. The laptops collected were refurbished by the integration company Ateliers sans Frontières (ASF) and then redistributed by Emmaüs Connect, a key player in the fight against the digital exclusion of people in vulnerable situations, which previously supported Econocom in the donation of more than 500 laptops during the COVID-19 crisis.

The indicators for monitoring the regional support policy are shown below:

Insufficient or inadequate awareness raising and education on digital technology	2021	2022
Number of refurbished laptop donations	520	646

4. CSR Impact offers for more sober and sustainable uses

Since 1973, we have been committed to creating digital tools and services for our customers with responsible purposes and uses.

We believe that it is essential to support the actions of companies to take into account the limited resources of our planet, while ensuring value creation for all.

We work alongside our customers by providing them effective solutions to address the common challenge of reducing the environmental impact of business operations.

4.1. Decarbonisation of products and services

Risks:

Among the expectations of customers, there is responsible digital technology with these three aspects: low impact on the environment, social inclusion (fight against the digital divide) and trust (GDPR, cybersecurity). In such an approach, a company that does not take into account the impacts of its services and products risks missing the turn taken by the market around demand on impact.

Policy:

Econocom aims to facilitate the ecological and digital transformations to support its stakeholders in creating a positive impact.

Econocom wishes, ultimately, to natively boost the responsible component in 100% of its new offers as well as in its existing offers. The idea is to create new generation support offers fulfilling new uses (autonomy, user experience, etc.) and the need for cost control requested by the DSI. Econocom is therefore trying to provide its clients with solutions for transforming the work environment (physical and digital) and associated infrastructure to increase user satisfaction and productivity while reconciling the responsible dimension in its portfolio of offers.

The objectives of companies and local authorities in the energy transition are the same: to reduce the energy consumption of their buildings, contribute to the reduction of greenhouse gases, find new overall solutions to control energy and contribute to the production of renewable energies. Because if achieving targets it critical over the long term, the short term priority is to save money.

4.1.1. RESPONSIBLE FINANCING

Green Energy

Investment in the Green & Energy business unit illustrates Econocom's ambition: "to be the leading partner to support our customers in their energy and digital transformation projects".

But how can we reconcile sustainability and competitiveness?

Energy transition law, tertiary decree, F-Gas regulations, RE2020, industry decarbonisation plan, energy savings certificates, etc. A suite of systems aimed at encouraging energy performance the understanding of which is key.

The structural increase in energy prices has an impact on the competitiveness of organisations. To control its purchasing costs over the long term, the Company must implement energy efficiency initiatives and shift towards renewable energies.

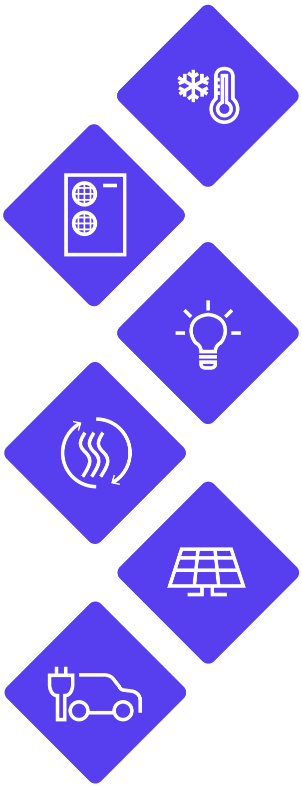
Through its Green & Energy Department, Econocom meets these challenges by providing a global solution ranging from seeking out sources of energy savings to the execution of projects and their funding.

What we do

- **design:** identifying sources of energy savings, independently prescribing high-performance, eco-designed and less energy-consuming equipment, calculating returns on investment;
- **implement:** managing orders, organising logistics flows, monitoring the execution of works until the commissioning of the facilities and all reservations have been lifted, our project management assistance supports our customers throughout the life of the projects;
- **finance:** because financing is the cornerstone of any energy performance project, we provide an appropriate financial response which includes all the aids and subsidies to which customers are eligible, in order to accelerate the energy transition with no cash out;
- **manage performance:** collecting and compiling all energy and economic data using our digital platform.

Our Energy managers return the data in meaningful and efficient manner to help our customers make the best decisions.

Our areas of intervention



Industrial and commercial refrigeration
Facility performance, F-Gas compliance

Air conditioning, ventilation, heating
Comfort, performance, air quality

LED lighting
Comfort, well-being, productivity

Heat recovery
Heat recovery from a process and not used

Photovoltaic solar energy
Securing energy costs

EV charging stations

EcoBuilding: the energy management platform for real estate portfolios

The **EcoBuilding** offer is an energy management service that uses data intelligence to accelerate the transition. The management of energy expenditure data is made possible through a dedicated platform:

- collection of energy data and influencing factors;
- generation of an energy mapping for a real estate portfolio;
- identification of anomalies and potential savings;
- feedback on the outcome of actions and energy efficiency.

E-Bike

In Germany, Econocom launched its new offer, the long-term rental of electric company bikes, which takes the form of a salary conversion whereby the employer deducts the monthly payments directly from the employee's salary.

As in the case of the provision of a company car, employees are taxed on the benefit in kind. In this way, they benefit from an attractive advantage compared to the traditional purchase of an electric bicycle.

Since 1 May 2022, the Federation of Hospital Institutions of the Knappschaft Health Insurance Organisation (Knappschaft Bahn See), located in West Germany, has been offering its employees the long-term rental of company electric bicycles. Financing is provided by Econocom through the new "Smart Bike" framework contract.

EcoCarbon

To meet the growing challenges of reducing the environmental footprint of digital technology, Econocom offers its EcoCarbon offer. Based on several years of expertise in Green IT, this end-to-end solution is based on three complementary modules to: **Measure, Reduce and Offset** the various impacts generated through the IT equipment present in its contracts.

The EcoCarbon offer is built on three complementary blocks:

#1 Measure

Estimate the environmental impacts of the digital scope

#2 Reduce

Take responsible actions to reduce CO_2

#3 Offset

Invest in a responsible and sustainable object

Measuring

This first key step enables to assess the environmental footprint of the digital scope under review and is based on three actions:

- the calculation of the energy (use) and environmental (manufacturing, transport and end-of-cycle) impacts of digital equipment and infrastructure;
- the analysis of the results generated according to different views (equipment, impact, etc.);
- the review of additional digital scopes (cloud, applications, etc.) with selected expert partners from our ecosystem.

Reducing

Based on the data under review and additional information collected on the organisation, Econocom will be able to submit responsible actions to encourage its customers to reduce their CO_2. These actions will be broken down into: recommendations for improvement, potential savings forecasts, best practices, performance indicators for monitoring changes and comparisons with previous years.

The implementation of these actions aims to address the energy consumption of equipment and reduce the impact of the environmental footprint of digital technology.

These recommendations will influence: the purchasing and replacement policy for equipment, the optimisation of infrastructures, time in use, user usages and behaviour.

Offsetting

With the implementation of all reduction actions, the use of IT equipment will never be neutral in terms of environmental impact. This is why Econocom offers its customers through EcoCarbon to offset the remainder of this environmental footprint by investing in sustainable and responsible projects selected by our partner, a recognised international player in this sector. In return, a certificate is issued, attesting to the carbon tonnes offset.

Econocom provides its customers with the following types of "certified" projects: Sustainable Energies, Biodiversity and Societal. The list of projects is evolving and is updated regularly. Some examples of projects currently selected, on which it is possible to offset all or part of the environmental footprint:

Sustainable energies

Hydropower

Description: The Matebe power plant produces clean electricity for nearly 4 million inhabitants
Location: Virunga, DR Congo
Standard : VCS

Biodiversity

Reforestation

Description: Regional tree planting in France and abroad (combined project)
Location: France + Colombia
Standard : VERs + Regional Commitment

Societal

Forest protection

Description: Conserve 200,000 hectares of forest (vegetation, animals, etc.)
Lieu : Kasigau Kenya wildlife corridor
Standard : VCS

Carbon standards are quality labels that certify carbon credits from offset projects that meet specific environmental and/or social criteria. Each standard sets its own requirements and the criteria guaranteed are very diverse. The standards with the most important requirements are: Gold Standard (GS) and Voluntary Carbon Standard (VCS).

4.1.12 RESPONSIBLE SERVICE OFFERINGS

e-POS Services

Econocom offers e-POS Services, a customised solution to support all components of checkout lines in stores or drives.

This comprehensive equipment support contract covers workshop repairs and customer on-site service. 98% of equipment is repaired and returned to service, thus increasing its lifespan.

Hubreg

Unparalleled on the market, HubReg is a certified multi-manufacturer contactless enrolment platform that centralises, industrialises and simplifies the process of equipping employees. Once the equipment has been registered - laptops, tablets or smartphones - in HubReg, all users need to do is connect to the WiFi - business or personal - to have their machine mastered, that is, to be configured with the core software and profiles decided by their DSI. Technical handling is therefore reduced to a minimum, the management of product flows and their transport are simplified, faster, less costly and meet CSR objectives through “delivery-return” coupling services for old equipment.

Finops

As part of its application and platform modernisation consulting services, Econocom Apps, Cloud and Data launched a Finops offer (a contraction of Financial Operations) to support customers wishing to migrate to the cloud in establishing a set of best practices to understand, monitor and control cloud costs and align their costs with the value generated.

From the start of digital transformation initiatives to their implementation, our experts assist our customers in the design and deployment of optimised and digitally sober applications and architectures. This discipline not only results in controlled and cost-effective digital services, but also in responsible and sustainable digital services.

Workplace as a service

Placing the user experience at the heart of its model, the Workplace offer stands out for its end-to-end control of services and its transformation approach. This virtuous model is based on a combination of technological expertise and outsourcing know-how, notably in user environments, but also, and above all, in technological and organisational innovation.

This offer is based on an approach based on operational excellence. This model guarantees the availability of environments and adapts with precision the response to the need, and thus saves the use of resources, pursuant to a digital sobriety approach.

The indicators for monitoring the responsible digital policy are shown below:

Responsible digital services and customer offer:	2021	2022
Number of commercial offers relating to responsible digital technology*	9	12

* Our commercial offers relating to responsible digital technology, green-responsible, green IT and the circular economy: Productcare, Ecocarbon, Ecolease, Ecotwice, Workplace as a Service, Hubreg, Finops, e-POS Services, e-bike, Buy Back (repurchasing equipment from our customers), Ecobox (recycling electronic waste with Ecologic and Paprec) Green and Energy

4.2 Transition to a circular economy

PROMOTE RESPONSIBLE DIGITAL BUSINESS AND THE CIRCULAR ECONOMY

Risk:

Regulatory changes directly impact the markets in which they apply. For the EPS entity (Products and Solutions), whose business model is partly based on the sale of new products, regulations on IT equipment, as part of the circular economy, a review of certain offers is necessary in order to adapt to market demands. Similarly, for leasing or service activities, regulations could oblige them to further adapt their offers.

We must also take into account the specific risks related to the life cycle [BB1] of computer equipment. Econocom must take into account the risks for the Group, as well as those generated by the Group's activities (by its products and services) and IT on the environment (mass waste, pollution, hazardousness of certain materials/equipment if they are not duly recycled).

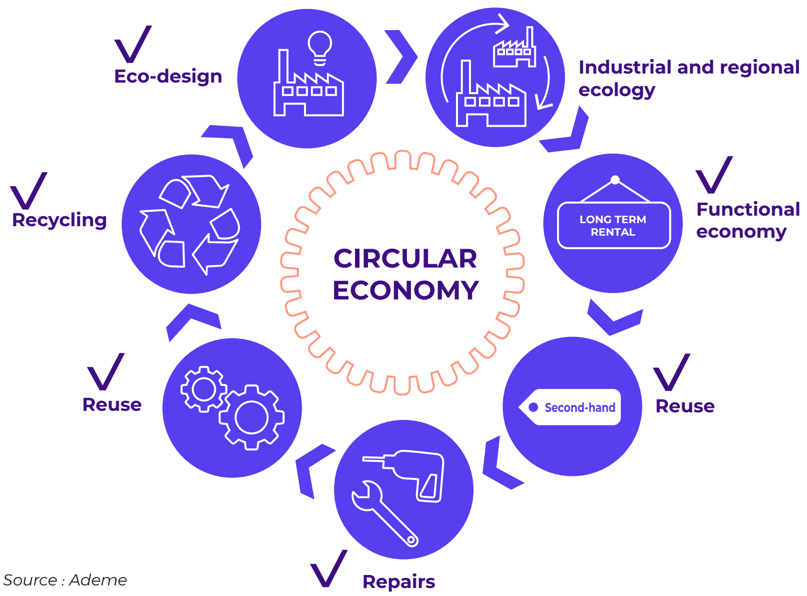
Policy:

Econocom wants to offer effective and responsible solutions to generate positive impact for its customers and their users, without promoting digital for digital at any cost.

The circular economy applied to digital products and services takes on its full meaning to provide concrete solutions.

Our mission is to support customers seeking to reduce the environmental impact of their IT and digital systems. We can achieve this thanks to dedicated offers based on several levers:

- supporting responsible consumption;
- extending the periods of use;
- managing the end-of-life of equipment;
- on the ADEME circular economy wheel, we work on six of the seven pillars.



Source : Ademe

Functional Economy

The "Practical Guide to Responsible Digital Purchasing" published in April 2021 by the Interministerial Mission for the reduction of environmental impacts from digital technology showcases leasing as a responsible alternative to purchasing new equipment:

"Leasing is an alternative to buying digital equipment. This practice allows the organisation to adjust its asset base to the needs of each user and to deal with emergencies or specific needs. This approach is one of the main pillars of the circular economy: the "functional economy, i.e. buying the use rather than the good."

"Leasing may also be of interest from an accounting, tax and financial perspective, depending on the case and the situation of the buyer:

- *no non-current assets;*
- *no VAT payable on the price of the equipment;*
- *lease payments are not included in the balance sheet (operating expenses);*
- *financial incentive to keep only the necessary equipment (more rigorous management of asset base inventories);*
- *management of the end-of-life of equipment borne by the lessor."*

For over 45 years, Econocom has been supporting companies in their industrial changes, in particular by financing digital and technological solutions and assets. Thanks to its technological expertise, Econocom provides companies and organisations with bespoke digital solutions, with contemporary consumer finance. By virtue of its "as a service" business positioning, Econocom participates and acts specifically to meet challenges of the circular economy. At present, 32 to 47% (1) of companies have already adopted the circular approach to the purchase, design, production and recycling of products. However, only 12% (2) of them adopt a business model which also offers products as a service. This low proportion of businesses that have succeeded in offering the "as a service" model is a seam of unexploited opportunities.

Specifically, Econocom has essential expertise in the financing of digital projects and technological assets via "as a service" financing solutions. Taking this concept further, the Group has specific technological offerings to enable companies to manage their digital projects in real time and closely adjusted to usages. The Group is committed to actively contributing to this change of model.

This ambition to be firmly rooted in the circular economy is reflected in the Group's countries. In this respect, Econocom Belux is a signatory of the "Green Deal", a government initiative which aims to accelerate the switch to a circular economy. Alongside 229 other Belgian companies, for three years now Econocom Belux has been making its active contribution to circular solution projects in the country.

Promoting the reuse of digital equipment

Under our leases, we are responsible for removing the equipment leased to our customers at the end of the contract and reselling it or re-letting it on the second-hand market after following the process described hereafter. For information purposes, rental revenue amounted to €1,016 million in 2022, i.e. 37% of our total revenue.

(1) World Business Council for Sustainable Development and Boston Consulting Group model, see docs.wbcsd.org/2018/01/The_new_big_circle.pdf

(2) World Business Council for Sustainable Development and Boston Consulting Group model, see docs.wbcsd.org/2018/01/The_new_big_circle.pdf

We carry out an exhaustive audit of the equipment, and we classify it in two main categories: goods that we will refurbish for reuse, and waste (treatment according to WEEE standards), which are thus classified because they have no value in the market, or because they are completely destroyed or cannibalised.

Consequently, as the reuse and WEEE are carried out in the European Union, we consider that we apply European standards and that the risks generated by the Group's activities on the environment in terms of this waste are limited. We respect the local specificities of each European country where we are established, by periodically sending WEEE to our locally authorised partners. Obviously, one of the most important rules is not to take them across borders and to process them locally. We therefore follow the path of this waste all the way to our partner, where it is treated (destruction, separation of materials under the CER code, recycling of materials resulting from this process).

For information purposes, the equipment sold by our Product & Solution entities represented revenue of €1,238 million in 2022, i.e. 45% of Group revenue. In this context, the customer is responsible for the traceability of the equipment and its end-of-life management.

Offers promoting the extension of the duration of use

Extending the life of IT equipment is a major lever for reducing their environmental impact. As mentioned in chapter 3.1.3, Econocom refurbishes nearly 500,000 pieces of equipment per year. Econocom is committed to developing an increasing number of offers for its customers to encourage second hand use. Econocom has thus developed a simple and effective solution, Ecotwice, which gave a second life to more than 40,000 pieces of equipment for end-users.

EcoTwice is a platform that allows employees to buy the equipment (in its current state of use) they use for work (smartphone, tablet or laptop). This enables to give equipment a second and helps our customers to retain their employees. This offer not only helps to extend the life of equipment, but also to fight against the digital divide, by offering the possibility of acquiring laptops or smartphones at very attractive prices for personal use.

Again with the aim of encouraging second hand use we also offer our customers an alternative to new IT equipment by leasing or purchasing refurbished equipment. The EcoLease offer thus enables customers to acquire refurbished PCs or smartphones.

Presentation Econocom Factory

Formerly Sofi Groupe, Econocom Factory is an industrial company specialised in the second life of electronic equipment since 1986, located in St-Mathieu-de-Tréviers, in France.

In 2017, the company, whose main challenge is to postpone the moment when an electronic device becomes waste, diversified into the reconditioning of phones and created the SMAAART brand. The brand guarantees the quality of the products refurbished at the 3,300 m^2 industrial site and the company's environmental and social commitment. In 2022, the company re-marketed nearly 100,000 refurbished smartphones and tablets.

On the strength of its industrial know-how and following very strict protocols, Econocom Factory has built a qualitative and transparent reconditioning process in a short-circuit circular economy in France.

Committed to the development of industry and jobs in France, it obtained the Service France Garanti and ISO 14001 certifications, and naturally became the first company in its sector to adopt the status of a "company with a mission".

Its mission is to actively contribute to extending the life of electrical and electronic equipment, and to commit to developing an innovative, meaningful and value-creating industry in the circular economy, in short supply chains.

With the following four environmental objectives:

- reduce greenhouse gas emissions by collecting used electrical and electronic equipment for reconditioning, by promoting the use of renewable energies produced in France;
- contribute to the saving of resources and raw materials necessary for the composition of electrical and electronic equipment;
- recover the waste generated by reusing or recycling parts of electrical and electronic equipment that cannot be repaired;
- raise awareness of sustainable consumption
  - Promote the hiring of a local workforce.

And two labour objectives:

- provide in-house training for unskilled labour

In 2022, the Econocom Group acquired a majority stake in the company, which diversified its offering into computer refurbishment. By expanding its offering to include refurbished computers, SMAAART responds to the growing demand from consumers for refurbished electronic products at reduced prices and contributes to further reducing the impact of digital technology on the environment.

Repair to extend the life of mobile devices

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In September 2021, Econocom inaugurated a new site for its Product Care services centre of more than 1,200 m², entirely dedicated to the eco-responsible management of mobile devices: telephones, tablets and laptops. With nearly one million terminals under management in maintenance services, Product Care maintains and repairs nearly 25,000 terminals per year using a responsible approach. In line with Econocom's commitment to be responsible digital entrepreneur, Product Care delays the obsolescence of devices that are better maintained, regularly updated and repaired.

With more than 40 employees, the Product Care team is a multidisciplinary team that manages the administrative, logistical and technical aspects of the terminals with:

- repair workshops;
- a customer call centre (also reachable by email, chat and web platform);
- a logistics team; and
- a project team (in charge of after-sales service supervision for customers).

Adapting to the needs of companies, administrations and their employees, Product Care has several tailor-made schemes including the extension of the hardware manufacturer warranty up to 8 years, breakdown management, collection of devices (including at home) and their temporary or definitive replacement by a convenience or replacement device, their repair (with or without a binding leadtime) and the management of claims (without deductible), as well as User Support.

OneCare

Econocom Belux set up the OneCare repair portal and extended its used ICT asset buyback services to EPS customers. Econocom Belux is recognised among the active and pragmatic players in the Belux market for the extension of the life cycle of assets or the buyback of used ICT equipment.

The indicators for monitoring the circular economy policy are shown below:

	2021	2022
Number of refurbished IT equipment items	410,000 (Group scope)	490,000 (Group scope)
Recycling rate carried out with SSE and Econocom Factory (company with a mission)	88% (France scope)	92% (France scope)

4.3. Cybersecurity and data protection

Risks

- The compromise and loss of personal or strategic data may be the result of malicious actions
- Data breaches are often accompanied by the unavailability of services and tools
- The image of the Econocom Group may be degraded as a result of this type of event, thus causing a loss of confidence in its resilience among customers, partners and employees.

Policy

The Information System Security Policy (ISSP) for Econocom's activities defines the organisation and responsibilities in terms of information and information systems security.

It aims to ensure the protection of the information managed by Econocom or its subcontractors against any deliberate or accidental event likely to compromise its confidentiality, integrity or availability. Likewise, it strives to ensure the integrity and availability of information systems.

Since the beginning of 2022, the Group has had a CSO (Chief Security Officer) whose mandate is to align the various entities of the galaxy in terms of security practices and commitments. In their role as conductor, the CSO endeavoured to build a strategy backed by a vision and a sufficient budget for the due deployment of the strategy. The latter is built around three pillars: appropriate, demonstrable and collective security.

The Group's security strategy thus defines a base called Minimum Viable Security (MVS). The MVS describes a security approach that optimises the efforts required to offer the best capacity to meet current and future security needs. It is a pragmatic approach adapted to each business. In other words, the operating model preserves the operational independence of each entity in the galaxy to respect the specificities of the business lines. This autonomy is supported by work and security services and tools common to the entire Group.

The Group's security strategy is rolled out simultaneously across the talent, process and tools components. Thus, a collaboration with HR was initiated to define and support the development of a "safety" function within the Group, aiming to allow career development adapted to the aspirations of employees as well as intra-Group movement. Similarly, an overhaul of the processes and policies governing security activities was initiated to reflect the state of the art in terms of risks and their countermeasures. Lastly, a technological clean-up is also under way, carried out in concert with the DSI and its services. Its objective is to provide digital tooling to stakeholders without the frictions caused by security requirements.

Actions

- Creation of a security team under the hierarchical responsibility of the CSO
- Assessment of the security maturity of the main entities of the galaxy and start of a dedicated support
- Creation of an intra-Group practice community meeting every month
- Employee awareness-raising on cybersecurity risks, in different languages
- Reinforcement of cybersecurity projects, including: cleaning up the IT base, rolling out of an incident detection and response centre, preparing for cyber crisis management, protecting accounts.
- Response to requests and audits from customers and partners

Personal data protection

As a leader in digital transformation in Europe, Econocom places personal data protection at the heart of its activities, its chain of expertise, its digital business lines and its international development.

In addition to compliance with national, European and international legal frameworks, Econocom intends to make the protection of the personal data of its employees, customers and partners an essential factor of digital trust, intrinsic to its strategy and its activities in relation to digital transformation.

To support this digital trust, Econocom designed a new global programme to strengthen its personal data protection governance and unite all its subsidiaries.

In 2022, the globalisation of Econocom's Data Protection compliance approach was driven forward. It is based on three axes.

- **Strengthening of the global governance of personal data protection**

Strengthening of the role of the Group DPO (Data Protection Officer) appointed to the CNIL, reporting to the highest level of the organisation and responsible for designing and supervising the Data Protection strategy and monitoring its implementation.

Establishment of a Data Protection community comprising Data Protection Supervisors representing each country, and Data Protection Leads representing each subsidiary.

- The Data Protection Supervisors are responsible for overseeing the roll-out of the Data Protection Programme in each country.
- The Data Protection Leads are responsible for managing the subsidiary's compliance plan.

Renewal of policies, directives and practical guides for subsidiaries for more sustained support.

- **Development of a Global Data Protection Programme**

Econocom developed a new global Data Protection Programme that serves as a framework for all Econocom entities to help them improve their compliance with regulations.

This programme is defined as a global roadmap setting out priority areas of work, all designed to converge every compliance action of the Econocom entities towards the achievement of common objectives with a view to strengthening personal data protection.

It covers the various obligations imposed by the legislation in force, the protection of the personal data of customers, employees and future employees and the data of suppliers, and allows a more global management of personal data protection.

- **Implementation of compliance governance tools**

1/ Econocom's data protection is also at the heart of a digital transformation with the implementation of a global multilingual data protection compliance tool, "Data Legal Drive". The objective is to enable all its subsidiaries to manage their compliance in a simple, fast and convergent manner. The tool facilitates the implementation of the register of data processing activities, the performance of impact analyses (PIA), the assessment of suppliers, the management of individual rights, the management of data breaches, etc.

2/ A DPO intranet was set up to develop internal communication on Data Protection, provide information on the progress of the programme, and share news on Data Protection with employees.

3/ A virtual community was created, the Data Protection Village, to enable data protection players in the various Econocom countries to exchange their practices, interact on common topics and develop their expertise in data protection.

4/ A bilingual self-assessment tool for Data Protection compliance is available online to enable each subsidiary to take stock and define its plan to improve its compliance.

The roll-out of the programme, the appropriation of tools, the renewal of training sessions led by the DPO and the establishment of a compliance monitoring system, all included in the roadmap for 2023, aim to involve all Econocom entities in a new dynamic of continuous improvement of personal data protection.

The indicators for monitoring the cybersecurity strategy are shown below:

	2021	2022
Employees who received cybersecurity awareness-raising training	76% (France scope)	85% (France scope)
Employees at ISO 27001 certified sites	15.5% (France scope)	15.5% (France scope)

Methodological note on the NFPS

The non-financial performance statement (NFPS) is drafted by the Group's CSR Department and the Finance Department, which also coordinates non-financial data reporting. Such data are provided by the departments involved (human resources, CSR, CFO, purchasing, general services, etc.), in France and in other countries. These data are entered in a reporting dashboard, which makes it easier to collect, monitor and manage performance indicators.

The reporting methodology is described in a document that is regularly updated and distributed to contributors at the start of the data collection process.

Scope of reporting:

Unless otherwise specified, the scope includes all Group subsidiaries. Due to their independence, sales agents are excluded from the scope of publication. Any other exclusion to the scope is mentioned and explained in the corresponding paragraph(s). The data collection process is carried out once the calendar year is ended, from 1 January to 31 December.

Methodology used to explain our NFPS:

The NFPS presents the Group's business model, the main non-financial risks and the policies, actions and results relating to these risks. The challenges were identified through consultation with internal and external stakeholders.

To this end, in 2022, the CSR Department again conducted a vast consultation among its internal stakeholders to validate and identify the associated key issues. These risks and key stakes were presented and approved by the CSR Department, before serving as a basis for discussion with all the Departments involved, in order to identify the most relevant indicators to report on the Group's non-financial performance.

Pursuant to the consultations carried out by Econocom after the discussion with its stakeholders, certain information required as part of the NFPS was deemed not to be significant.

Due to the Group's activity, certain topics relating to the Decree of 24 April 2012 and Article 4 of the Law of 11 February 2016 on the fight against climate change were not considered relevant, in particular societal commitments to promote:

- the fight against food waste;
- the fight against food insecurity;
- respect for animal welfare;
- responsible, fair and sustainable food.

Composition of advisory bodies

The Statutory Auditor of Econocom group is EY Réviseurs d'Entreprises SRL, a limited liability company, with its registered office at De Kleetlaan 2, 1831 Machelen, Belgium. It was appointed by the General Meeting of 18 May 2021, for a period of three years expiring automatically at the end of the Ordinary General Meeting to be held in 2024.

The annual report contains the signature of the firm EY for the validation of our annual report.

Key performance indicators

The following tables present Econocom's main key performance indicators on corporate responsibility in 2022.

Scope of the Econocom Group:

Germany, Belgium, Spain, France, Ireland, Italy, Lux, Morocco, Poland, Czech Republic, Romania, USA, Brazil, Mexico, England and the Netherlands.

Econocom Group

Challenge	Indicators	Units	2020	2021	2022	GRI standards
Human capital that creates value	Workforce	Qty	9,121	8,197	8,750	
	Annual hires	Qty	1,778	1,481	2,342	New employee hires and employee turnover GRI 401-1
	Work-study or apprenticeship employees	%	N/A	1.50%	3% (Excluding Spain, Morocco and Belux)	Percentage of employees receiving regular performance and career development reviews GRI 404-3
	People with disabilities - Group scope	%	N/A	N/A	3% (Excluding Belux)	Incidents of discrimination and collective actions taken GRI 406-1
	People with disabilities - France scope (DOETH)	%	4.3%	4.6%	Data available from March 2023	
	Departure rate	%	N/A	12.7%	15%	
	Women hired during the year	%	N/A	25.50%	23%	New employee hires and employee turnover GRI 401-1
	Absenteeism rate	%	N/A	3.50%	4%	
	Employees benefiting from teleworking	%	N/A	30%	63%	
	Number of hours of training	Qty	N/A	N/A	46,542	Average hours of training per year per employee GRI 404-1
	Collective bargaining agreements in force	Qty	35 (France scope)	36 (France scope)	36 (France scope)	Collective bargaining agreements GRI 2-30

Econocom Group

Challenge	Indicators	Units	2020	2021	2022	GRI standards
Committed and local conduct of our activities	Carbon footprint	tCO_2	322,134 (France scope)	283,262 (France scope)	Due to be complete by mid-2023	GHG emissions intensity GRI 305-4
			N/A	603,999 (France + International scope)	Due to be complete by mid-2023	
	Surface area of occupied/leased buildings	m^2	82,012	75,858	69,335	
	Annual electricity consumption	kWh	13,441,000	7,795,530	8,024,025	Energy consumption within the organisation GRI 302-0
	Annual electricity consumption	kWh/m^2	164	103	116	Energy consumption within the organisation GRI 302-1
	Water consumption	$litre/m^2$	4	4	3.5	Water consumption GRI 305-4
	Annual paper consumption	Number of sheets of paper per employee	1,014	934	918	Materials used by weight or volume GRI 301-1
	Electric and hybrid vehicles in the fleet	%	1.40%	2.00%	13%	Energy direct (Scope 1) GHG emissions + Energy indirect (Scope 2) GHG emissions GRI 305-1/GRI 305-2
	Energy footprint of digital technology	KWh/year	5,387,854	3,664,685	3,516,543	Energy direct (Scope 1) GHG emissions + Energy indirect (Scope 2) GHG emissions GRI 305-1/GRI 305-3
	Data centre power usage efficiency (PUE)	Rank	N/A	N/A	1.83 (France scope)	Reductions in energy requirements of products and services GRI 302-5

Econocom Group

Challenge	Indicators	Units	2020	2021	2022	GRI standards
Offerings with a CSR impact for more energy -efficient and sustainable uses	Offers in connection with the circular economy, Green IT, Responsible digital technology	Qty	6	9	12	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-3
	Refurbished IT equipment	Qty	430,000	410,000	490,000	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-4
	% of refurbished IT equipment	%	95%	92%	90%	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-3
	Amount of WEEE (electronic and electromagnetic waste)	Qty	18,800	27,500	38,801	Waste generated GRI 306-3
	% of IT equipment refurbished with social and solidarity-based companies as well as companies with a mission	%	88% (France scope)	88% (France scope)	92% (France scope)	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-3
Responsible governance	Ethics alerts	Qty	2	13	0	
	Employees who have completed ethics training	%	N/A	52.70%	63% (France + International)	Communication and training about anti-corruption policies and procedures GRI 205-2
	Employees who have completed GDPR training	%	18% (France scope)	75% (France scope)	80.31% (France scope)	Average hours of training per year per employee GRI 404-1
	Employees who have completed cybersecurity training	%	74% (France scope)	76% (France scope)	85% (France scope)	Average hours of training per year per employee GRI 404-1
	Employees at ISO 27001 certified sites	%	18.9% (France scope)	15.5% (France scope)	15.5% (France scope)	Compliance with laws and regulations GRI 2-27
	Suppliers who signed the Responsible Purchasing Charter among the top 20 suppliers	%	100% (EIS scope)	100% (EIS scope)	100% (EIS scope)	Negative environmental impacts in the supply chain and actions taken GRI 308-2
Partnerships in the education sector and Green IT university	Supported associations	Qty	12	15	18	Membership associations GRI 2-28

Econocom Group						
Challenge	**Indicators**	**Units**	**2020**	**2021**	**2022**	**GRI standards**
	Refurbished or new laptops donated to charities	Qty	1,232	520	646	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-3

KPI accuracy score

- 90% of IT equipment is refurbished, of which 92% by social and solidarity-based companies as well as by companies with a mission. The SSE and "company with a mission" status only applies in France.
- For the first time, the 3% of people with disabilities are measured on a Group scope. The calculation methodology is different from the French DOETH.

In the methodology used by the Group, we only took into consideration direct jobs for people with disabilities. However, for results in France, we apply the calculation according to the DOETH.

Definition of indicators

Econocom Group

Indicator	KPI definition
Workforce	Number of employees (permanent contracts, fixed-term contracts including professional training contracts, work-study contracts) present at 31/12, taking into account their working hours (full-time or part-time) including suspended contracts and excluding interns, expatriates, corporate officers without an employment contract Employees present on the last day of the month are included in the headcount
Annual hires	Number of hires (permanent, fixed-term, work-study contracts) made during the year. Contract changes and transfers do not count as hires
Number/ Percentage of work-study or apprenticeship employees	Number of employees working on work-study contracts at 31 December (permanent, fixed-term contracts including professional training contracts, work-study students excluding interns)
Number/ Percentage of people with disabilities	Number of employees with disabilities among the employees present at 31/12 (permanent, fixed-term, work-study contracts)
Departure rate	Number of departures suffered (i.e. resignations, end of TP on the employee's initiative) over 12 months/average workforce over 12 months (permanent, fixed-term contracts including professional training contracts, work-study contracts excluding internships)
Number/ Percentage of female hires per year	Number of female hires among hires over the year
Number/ Absenteeism rate	Total number of days of absence due to illness, including long-term illness (excluding part-time therapy) and workplace/commuting accidents out of the number of theoretical days worked The rate is calculated on the basis of calendar days
Number/ Percentage of employees benefiting from teleworking	Number of employees able to benefit from teleworking among the employees present at 31/12 (permanent, fixed-term contracts including professional training contracts, work-study contracts excluding interns)
Number of hours of training	Number of employees (permanent, fixed-term contracts including professional training contracts, work-study contracts excluding interns) who received at least one training course or several hours of training during the year among the employees present at 31/12
Number of collective agreements signed	Planet France scope recommendation

Econocom Group

Indicator	KPI definition
Carbon footprint	The carbon footprint of the country assessed by the external service provider Greenly, based on the AEF (accounting entry file) and/or the carbon footprint calculated internally (Scope 1 and 2, Scope 3 in part)
Surface area of occupied/leased buildings	**Lease area in m^2 carried by the entities** France + International
Electricity consumption per year	**Consumption in kWh according to the statement (invoiced by the operator) per site and per year** If included in rental expenses, annual amount in euros re-invoiced by the Lessor when it concerns the private area
Water consumption in m^3 per m^2	**Consumption in m^3 according to the statement (invoiced by the operator) per site and per year + per m^2** If included in rental expenses, annual amount in euros reinvoiced by the Lessor
Number of sheets of paper consumed per employee per year	Number of sheets of paper consumed per employee per year
Percentage of electric and hybrid vehicles in the fleet	Percentage of electric and hybrid vehicles in the fleet
Digital environmental footprint (France + International)	The environmental footprint of digital technology calculated using the Watt's Green tool, by country (hardware only, based on information on the portfolio provided by IT)
Number of ethics alerts	Number of ethics alerts recorded on the ethics alert platform
% of employees who have completed ethics training	Number of people trained via: anti-corruption e-learning or specific training on ethics (specific training on the fight against corruption, on the Code, on ethics procedures, etc.) Population: all Group employees + employees

Econocom Group

Indicator	KPI definition
% of employees having completed GDPR training	Number of people trained via: GDPR e-learning Everyone: permanent, fixed-term contracts, work-study contracts, temporary staff, interns
% of employees having completed cybersecurity training	Number of people trained via: cybersecurity e-learning or specific training (specific population identified) Everyone: permanent, fixed-term contracts, work-study contracts, temporary staff, interns
% of employees at ISO 27001 certified sites	Workforce attached to ISO 27001 certified sites (permanent, fixed-term contracts)
Percentage of suppliers who signed the Responsible Purchasing Charter/Code of Conduct among the top 20 suppliers	Identify & prioritise suppliers who have signed the CSR Charter and the Code of Conduct. Application of the same process for Purchasing
How many commercial offers have you identified on the circular economy, Green IT, Responsible Digital Technology?	The number of commercial offers incorporating one or more CSR issues per country (on the circular economy, green IT, responsible digital technology)
Number of refurbished IT equipment items	Number of refurbished IT equipment items from leases by country
Number of WEEE	Number of WEEE by country: failed and/or unusable equipment from leases
Percentage of refurbished IT equipment	Percentage of refurbished IT equipment from leases by country (compared to total equipment from leases)

Econocom Group

Indicator	KPI definition
Percentage of IT equipment refurbished with social or solidarity-based companies (France)	Percentage of IT equipment refurbished with social or solidarity-based companies (France) compared to total refurbished equipment
Number of associations supported	The number of associations supported in your country (associations supported materially, financially or via skills sponsorship)
Number of refurbished or new laptops donated	The number of donations of refurbished or new laptops in your country

Indicator objectives

- disability: reach between 5% and 6% of people with disabilities by 2025;
- diversity: improvement of 2 points per year for the Gender Equality Index;
- carbon footprint:
  - SBTI commitment for the Group by 2024,
  - obtain ISO 14001 and BREAM certification on our most strategic sites by 2024,
  - supply itself with 100% renewable energy for France by 2023 and 2025 at the international level,
  - have a 30% hybrid/electric utility and passenger vehicle fleet by 2025;
- responsible governance:
  - have 80% of employees having completed ethics training by 2024,
  - have 90% of employees having completed GDPR training by 2024,
  - have 90% of employees having completed cybersecurity training by 2024;
- offering: Development of a new offering with a CSR dimension every year.

04

risk factors

1. Operational risks

1.1. Risks associated with Services contracts

The Group offers three types of Services contracts:

- fixed-price contracts with a guaranteed result, whereby the Group undertakes to provide certain deliverables for a fixed price, irrespective of the timeframe. This type of contract may include financial penalties in the event of below-expectation performance, calculated according to the value of the contract and usually capped at a certain percentage of the annual amount of the contract. Econocom manages this risk by carrying out technical and financial monitoring of projects (measuring the achievement of contractual objectives, tracking the number of man-days used, estimating the remaining consultant time required, and measuring service quality and lead-time indicators, etc.). This monitoring enables the Group to measure and oversee the achievement of contractual obligations and, where applicable, anticipate any provisions for losses upon contract completion to be recognised in the financial statements. Contracts with a guaranteed result account for almost one-half of the Services business in terms of value;
- fixed-price contracts with service level agreements, whereby the Group undertakes to provide a given service, within a given timeframe, for a fixed price per time unit (usually per month). Econocom manages this risk by carrying out regular technical and financial monitoring of the projects, particularly by tracking the number of man-days spent;
- time-and-materials contracts, whereby the Group undertakes to provide technical skills and charges the client for the number of labour hours spent. Econocom manages these contracts by paying particular attention to the fee schedule and its consultants' fees.

Furthermore, Services contracts carry risks associated with termination notice periods. The Group ensures that this period allows sufficient lead time to adjust the workforce, particularly on large contracts. The Group plans in advance for contract terminations so that it may redeploy its staff and uses a measured level of sub-contracting to ensure flexibility.

1.2. Risks associated with sub-contractor default

For certain contracts, Econocom has performance obligations and sometimes calls upon the services of sub-contractors. Econocom's policy is to recover any penalties charged from its sub-contractors. However, it is possible that Econocom may incur a risk related to default by one of its sub-contractors. No single sub-contractor is sufficiently important to account for a significant portion of Econocom's business.

Econocom assesses the financial and operational capacities of its sub-contractors as and when required, and in particular when it uses sub-contractors that are new market entrants.

1.3. Risks associated with price fluctuations and hardware obsolescence

The Group is exposed to the risk of fluctuations in the future value of leased equipment within the scope of its Technology Management & Financing business. It deals with this risk by calculating the future value of equipment using the diminishing balance method. This calculation method is described in note 4.1 on accounting principles to the consolidated financial statements. The method is regularly compared with actual transactions, and annual statistics are compiled to validate the suitable and prudent nature of the selected method.

For non-standard equipment, the Group ensures that the future value of leased equipment is estimated appropriately, namely by calling on independent experts.

For its Products & Solutions business, Econocom does not keep substantial surplus stock and as such limits its exposure to the risk of obsolescence.

For its data centre maintenance and outsourcing activity, the Group keeps dedicated stock. The components and levels of stock are constantly monitored to ensure that they are in line with the volume and type of equipment under maintenance, which addresses the risk of obsolescence.

1.4. Risks associated with competition

The ICT services market is competitive. In each country where it has operations and in each of its businesses, the Group faces competition from international, national or local players. However, Econocom stands out from the competition due to the diversity of its activities and, especially, its expertise in Technology Management & Financing and the international scope of its activities.

1.5. Social risks

As far as Econocom Group Management is aware, the Group is not exposed to any social risks other than those arising in the normal course of business for companies of a comparable size based in Europe. The majority of the workforce is employed in the Group's French, Belgian, Spanish, Italian and Moroccan subsidiaries.

1.6. Environmental risks

Econocom Group does not destroy the machines purchased from refinancing institutions at the term of the related leases. In accordance with the WEEE (Waste Electrical and Electronic Equipment) European Directive, the Group collects all the equipment it owns from clients and arranges for all electrical and electronic waste to be processed and recycled. Since 2013, Econocom has been a client of Ecologic, an environmental organisation which collects and processes WEEE from businesses all over France, in compliance with environmental legislation.

1.7. Insurance against risk

The Group is covered against liability claims and property damage *via* insurance policies taken out with first-rate insurers. It has elected not to take out business interruption insurance and insurance against risk of fraud.

The Group reviews and evaluates its risks on an ongoing basis in conjunction with its insurers and experts so as to ensure optimal coverage in both the insurance and reinsurance markets.

1.8. Pledges, guarantees, collateral provided and borrowings

Real security interests provided as collateral for borrowings or financial liabilities by the Group chiefly consist of receivables offered as collateral for its short-term funding. The amount of pledged and mortgaged assets is disclosed in note 20 to the consolidated financial statements.

1.9. Risks related to external growth

As part of its strategy, the Group continues to develop its business by seeking targeted acquisition opportunities.

Acquiring and integrating companies gives rise to certain risks, including higher-than-anticipated financial and operating expenses, failure of the operational integration, which can lead to loss of major clients or the departure of important members of the acquiree's staff and a decline in financial performance.

Integration of the acquired companies may also disrupt the Group's existing businesses and lead to insufficient resources, particularly in terms of management. The synergies expected from an acquisition may fall short of forecasts or take longer to achieve than initially announced, and the costs of implementing these synergies may exceed expectations. The above-mentioned factors may also have a negative impact on the goodwill recognised in the consolidated financial statements (see also note 9 "Goodwill and impairment testing" to the consolidated financial statements).

Several years ago, Econocom Group put in place an original integration and governance model for some of these new acquisitions (called "satellites") so as to preserve their agility, boost their performance and competitiveness and generate synergies at Group level. The founding shareholders of these satellites have retained a non-controlling interest in the share capital and have a very broad level of managerial autonomy. The related integration risk is mitigated by the fact that taken individually, these transactions are relatively small.

2. Regulatory risk

2.1. Legal risks

The Group provides its services in several Western European countries. It is therefore subject to numerous legal, customs, tax and social regulations. In order to limit its exposure to legal risks, the Group has set up subsidiaries in each country run by managers who are familiar with the applicable local laws and regulations, who work alongside the Group's Legal Counsels and external consultants.

Econocom Group monitors on an ongoing basis any litigation and one-off situations that could result in a financial risk. Any pending litigation is covered by provisions for appropriate amounts calculated by Group Management.

Disclosures concerning litigation or arbitration likely to have a substantial impact on Econocom Group's financial position, assets, business or the results of its operations at 31 December 2022, are presented in note 16 to the consolidated financial statements.

2.2. Risks associated with tax audits

The Group undergoes regular tax inspections in the various countries in which it operates. Although the outcome of these inspections is uncertain, the Group has estimated as accurately as possible the associated risks and has recognised the appropriate provisions for those risks in its financial statements. The outcome of these inspections could have a negative impact on the Group's consolidated financial statements. However, this impact is limited on account of the provisions recognised.

2.3. Risks associated with regulations applicable to lessors

Certain countries have decided to implement stricter legislation for leasing companies by aligning it with the legislation governing financial institutions. The associated risk, which is common to all companies in the industry, concerns the increase in administrative costs.

2.4. Risks associated with regulations applicable to Technology Management & Financing clients

The IFRS standard applicable to lease agreements, IFRS 16, published in January 2016, entered into force on 1 January 2019. Under this accounting standard, "lease liabilities" are presented on the companies' balance sheet under liabilities, with the exception of small items with an insignificant unit value.

The impact of this new standard for the Technology Management & Financing business is limited due to the added value brought by the Group in its leases:

- upgrade management *via* leasing and in particular the Group's scalable offerings;
- asset management and expense management provided by Econocom's solutions (inventory tracking, telephone usage management, IT outsourcing for small and medium businesses, etc.), which give our clients optimal visibility and more effective management of their assets;
- better economic management of end-of-life assets;
- management of end-of-life assets in greater compliance with sustainable development commitments;
- smart and connected object (IoT) management capabilities.

3. Dependency risks

3.1. Refinancing institutions dependency risk

In the course of its business, Econocom assigns most of its financial lease contracts to refinancing institutions.

These institutions generally focus on clearly defined regions or types of equipment. In addition, the Group strives to maintain a balanced portfolio of institutions in order to avoid being overdependent on one or more institutions.

In 2022, the proportion of the Group's five biggest funders was accounted for 70% of the total value of refinanced rents. The Group's main funder in 2022 represented 27% of the total value of refinanced rents.

3.2. Customer dependency risk

The Group continually strives to expand its client portfolio. This is a strategic development focus area aimed at gaining market shares. At 31 December 2022, no single client represented over 5% of the Group's consolidated revenue.

3.3. Supplier dependency risk

Given the broad choice of potential suppliers and the fact that they are largely interchangeable, Econocom's dependence on suppliers is very limited.

For the Technology Management & Financing, Products & Solutions and Services activities, the choice of suppliers is ultimately made by our clients. For these activities, in the event of a supplier default, an alternative supplier is chosen.

At 31 December 2022, no supplier accounted for more than 15% of the Group's total purchases.

3.4. Technology dependency risk

For its Technology Management & Financing, Services and Products & Solutions activities, the Group develops partnerships with hardware manufacturers, telecoms operators, software vendors and solutions providers. However, it strives to remain independent from these companies in order to offer the best possible solution in terms of architecture, hardware and software.

4. Financial risk

The Group's activities are subject to certain financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), liquidity risk and credit risk.

The Group's overall financial risk management policy focuses on reducing exposure to credit risk and interest rate risk by transferring financial lease receivables to refinancing institutions and by using factoring solutions on a non-recourse basis in the Services and Products & Solutions businesses.

4.1. Market risk

Financial market risks (interest rate and foreign exchange risk) and liquidity risks are handled by Group Management.

4.1.1. FOREIGN EXCHANGE RISK

The Group operates chiefly in the eurozone; however, following the expansion of operations in non-eurozone countries in Europe, as well as North and South America, the Group may be exposed to foreign exchange risk on other currencies. The currencies concerned are the pound sterling, the US dollar, the Canadian dollar, the Moroccan dirham and the Polish zloty. Since the large majority of subsidiaries' purchases and sales are denominated in the same currency, this exposure is limited. The Group does not deem this risk to be material, but has nevertheless signed a number of foreign exchange hedging agreements to hedge risks on internal flows.

4.1.2. INTEREST RATE RISK

Econocom's operating income and cash flows are substantially independent of changes in interest rates.

Sales of leases to refinancing institutions are systematically based on fixed rates. Income arising on these contracts is therefore set at the outset and only varies if the contract is amended.

The Group uses a combination of fixed rates and floating rates to hedge its interest rate exposure.

At 31 December 2022, the Group's floating-rate debt comprised bank borrowings, NEUCP and factoring agreements. The interest rate sensitivity analysis shows that a 1% (100 basis point) rise in interest rates would result in a €2.3 million impact on in profit (loss) before tax.

The Group's fixed-rate bond debt consists of a convertible bond of €150 million maturing in March 2023, as well as a Schuldschein bond for an amount of €200 million.

4.1.3. LIQUIDITY RISK

The Finance Department is responsible for ensuring that the Group has a constant flow of sufficient funding:

- by analysing and updating cash flow forecasts on a monthly basis for all of the Group's companies;
- by negotiating and maintaining sufficient outstanding lines of financing;
- by optimising the Group's cash pooling system in order to offset cash surpluses and internal cash requirements.

In 2022, Econocom's strategy in terms of financing was (i) to optimise its financial expenses in a context of rising interest rates, (ii) to extend the maturity of its debt and (iii) to increase the flexibility of use.

At 31 December 2022, Econocom had €419 million in bilateral bank lines (€130 million are in the process of being signed), of which €333 million have been confirmed, an increase of €50 million compared to 31 December 2021)

In addition, the Group made use of its NEUCP/NEUMTN programmes, capped at €280 million and drawn in the amount of €32.5 million at 31 December 2022.

In 2023, a total of €158 million of debt will mature, of which €150 million due to the repayment of the OCEANE and €8 million to the last tranche of the Schuldschein set up in 2016.
Thanks to the financing raised in 2022, the Econocom Group has sufficient liquidity to meet these maturities.

4.2. Credit and counterparty risk

The Group has policies in place to ensure that goods and services are sold to clients whose credit standing has been analysed in depth. The Group's credit risk exposure is also limited as it does not have any concentration of credit risk and uses factoring solutions for the Products & Solutions and Services businesses, as well as non-recourse refinancing with bank subsidiaries and credit insurance in the Technology Management & Financing business.

For its Technology Management & Financing business, the Group nevertheless has the option of retaining the credit risk on certain strategic transactions. These relate primarily to Econocom Digital Finance Limited (EDFL), the Group's internal refinancing unit with expertise in transaction security and non-standard contract financing.

At 31 December 2022, contracts on which Econocom bears the credit risk represented €284 million, compares with €208 million in December 2021, or around 13% of total outstanding rentals for the Technology Management & Financing business.

The Group only invests with investment-grade counterparties, thus limiting its credit risk exposure.

4.3. Equity risk

The Group does not hold any unlisted or listed shares apart from treasury shares.

The Econocom Group shares held as treasury shares at 31 December 2022 are recognised in the consolidated financial statements as a deduction from equity from their acquisition. Therefore, there is no need to compare their book value with their market value.

05

management report

Management Report of the Board of Directors on the financial statements

For the year ended 31 December 2023 presented to the General Meeting of 31 March 2023

In accordance with prevailing legislation and the Company's Bylaws, we submit to you for approval our report on the Company's operations and financial statements for the year ended 31 December 2022, as well as the compensation report.

The definitions of the performance indicators are provided as an appendix to this report when they differ from the commonly accepted definitions.

The non-financial information required under articles 3:6 and 3:32 of the Belgian Companies and Charities Code (*Code des sociétés et des associations* – CSA) is reiterated in chapter 3, "Corporate Social Responsibility" of the annual report.

1. Group's position and highlights

In 2022, the Econocom Group generated revenue from its continued activities amounting to €2,718 million from its continuing operations, representing a strong growth of 14.8% (of which 10.0% organic) despite the uncertain economic context and the supply difficulties.

The revenue of the Products & Solutions business amounted to €1,238 million, up 27.6% of which 15.5% on an organic basis. This business, in which all geographical areas are growing, remains driven by a favourable context and a well-oriented digital asset distribution market and has benefited from the acquisitions made since the second half of 2021 (Trams in the United Kingdom and, this year, Semic in Spain and Lydis in The Netherlands).

For its part, the Services business posted revenue of €492 million, a slight organic decline of 1.9%. After 9 months of decrease, revenue recovered as expected in the fourth quarter with a return to growth. This improvement was particularly marked in France, where the Services business is now benefiting from the start of outsourcing contracts signed in previous quarters.

The revenue of the TMF activity (Technology Management & Financing) amounted to €989 million, representing organic growth of 10.2%. This very good performance reflects the redevelopment efforts implemented over the last financial years and the advantages of strengthening the sales teams and new offers. The Group also benefited from the completion of a few significant and accretive deals in terms of profitability during the financial year.

In 2022, discontinued operations generated revenue of €144 million, down from the previous year.

Recurring operating profit from continuing operations, which will be renamed Operating Margin in our communications from 2023, amounted to €139.4 million, up 9.2%. The Group's profitability reached 5.1% compared to 5.4% in 2021.

1.1. Changes in scope for the year

1.1.1. DISPOSALS

During the 2022 financial year, the Group did not sell any activities or subsidiaries.

However, the Group closed its subsidiary ASP Serveur.

1.1.2. CHANGES IN OWNERSHIP INTEREST

- **Altabox:** the Group increased its stake in the company through the acquisition of the shares of the non-controlling shareholder, thus increasing its stake to 100%.
- **Asystel Italia:** the Econocom Group increased its stake in the company *via* the acquisition of shares from non-controlling shareholders, thus increasing its stake to 100%.

1.1.3. ACQUISITION AND CREATION OF COMPANIES

During the year, the Group carried out the following transactions:

- **SOFI Group:** in April 2022, Econocom acquired a majority stake (90%) in the share capital of SOFI Group (renamed Econocom Factory), a major player in the refurbished smartphone and tablet market in France. This entity was included in the Technology Management & Financing activity;
- **Semic:** in June 2022, the Group acquired a majority stake of 51% in the share capital of Semic SA, a Spanish provider of IT solutions and services. This entity was included in the Products & Solutions activity.
- **Lydis:** in July 2022, the Group acquired a majority stake (60%) in the Dutch company Lydis B.V., which specialises in the distribution of equipment in the Benelux on the VoIP and videoconferencing markets. This entity was included in the Products & Solutions activity.

1.2. Main investments

In addition of the equity interests acquired as described above, the main investments made by the Group in 2022 in order to consolidate and transform its operations were related to creating new offers, developing IT tools, recruiting for key positions and renewing teams.

1.3. Financing operation

Changes in certain financing

During the financial year, the Group strengthened its liquidity and extended the maturity of its financial liabilities by issuing, in May 2022, a "Schuldschein" bond in the amount of €200 million at rates preset at favourable from the start of the year. Then, in the fourth quarter of 2022, the Group obtained the renewal of its existing credit lines as well as an extension for an amount of approximately €100 million.

Share buybacks

Econocom also continued to buy back its shares in 2022. It acquired 8,174,542 of them. After taking into account the distribution of shares to managers benefiting from capital incentive plans, the Group held, as of 31 December 2022, 44,177,693 treasury shares, *i.e.* 19.82% of the Company's share capital.

1.4. Research and development

In 2022, R&D efforts were continued, in the areas developed in prior years and with the aim of providing intensive support and assistance for any innovative solutions implemented at our customers.

2. Key figures for the year

2.1. Income statement

in € millions	2022	2021 restated [(1)]	Change
Revenue	2,718.3	2,366.9	14.8%
Products & Solutions	*1,237.6*	969.7	*27.6%*
Services	*491.7*	516.3	*(4.8%)*
Technology Management & Financing	*989.0*	880.9	*12.3%*
Recurring operating profit from continuing operations (operating margin) [(2)]	**139.4**	**127.7**	**9.2%**
Amortisation of intangible assets from acquisitions	(2.2)	(2.0)	11.5%
Other operating income	0.1	7.2	(98.2%)
Other operating expenses	(27.5)	(23.6)	16.4%
Operating profit	**109.8**	**109.2**	**0.6%**
Other financial income	0.5	3.5	(85.9%)
Other financial expenses	(15.0)	(13.4)	12.4%
Profit before tax	**95.3**	**99.3**	**(4.1%)**
Income tax	(22.7)	(29.7)	(23.7%)
Share of profit (loss) of associates and joint ventures	-	(0.1)	n/a
Profit (loss) from continuing operations	**72.6**	**69.5**	**4.5%**
Profit (loss) from discontinued operations	(7.3)	0.7	n/a
Consolidated profit (loss)	**65.3**	**70.2**	**(7.0%)**
Net profit (loss) attributable to non-controlling interests	1.5	4.6	(67.6%)
Profit for the period attributable to owners of the parent	**63.8**	**65.6**	**(2.7%)**
Net recurring profit (loss) (adjusted profit (loss)) [(2)]	95.5	79.1	20.7%

(1) In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to “Profit (loss) from discontinued operations” in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts.

(2) In order to facilitate the monitoring and comparability of its operating and financial performance, the Econocom Group presents two key indicators, recurring operating profit from continuing operations” (“operating margin”) and “Net recurring profit (loss)” (“adjusted profit (loss)”), the definition of which is provided in the appendix.

Reconciliation of reported profit with Net recurring profit (loss) (adjusted profit (loss))

in € millions	2022 reported	Amortisation of intangible assets from acquisitions	Other non -recurring items	Profit (loss) from discontinued operations	2022 recurring (adjusted)	2021 recurring (adjusted) (1)
Revenue	**2,718.3**				**2,718.3**	**2,366.9**
Recurring operating profit from continuing operations	**139.4**				**139.4**	**127.7**
Amortisation of intangible assets from acquisitions	(2.2)	2.2			-	-
Other operating income and expenses	(27.4)		27.4		-	-
Operating profit	**109.8**	**2.2**	**27.4**	**-**	**139.4**	**127.7**
Other financial income and expenses	(14.5)		0.9		(13.6)	(13.0)
Profit before tax	**95.3**	**2.2**	**28.3**	**-**	**125.8**	**114.7**
Income tax expense	(22.7)	(0.6)	(7.1)		(30.3)	(35.4)
Share of profit (loss) of associates and joint ventures	-				-	(0.1)
Profit (loss) from discontinued operations	(7.3)			7.3	-	-
Consolidated profit (loss)	**65.3**	**1.7**	**21.2**	**7.3**	**95.5**	**79.1**
Net profit (loss) attributable to non-controlling interests	**1.5**	**-**	**0.0**	**-**	**1.5**	**4.6**
Profit for the period attributable to owners of the parent	**63.8**	**1.7**	**21.2**	**7.3**	**94.0**	**74.5**

(1) In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well corrections for comparability purposes on certain sale & leaseback contracts and on certain services included in TMF contracts.

Basic earnings per share

in €	2022	2021 restated (1)	Change
Basic earnings per share	**0.36**	**0.37**	**(1.4%)**
Basic earnings per share from continuing operations	0.40	0.36	10.8%
Basic earnings per share from discontinued operations	(0.04)	0.00	n/a
Net recurring profit (loss) per share	0.53	0.41	27.9%
Diluted earnings per share	**0.34**	**0.34**	**(0.7%)**
Diluted earnings per share from continuing operations	0.37	0.34	11.1%
Diluted earnings per share from discontinued operations	(0.04)	0.00	n/a

(1) In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts.

Number of shares outstanding

	2022	2021
Total number of shares at end of period	222,929,980	222,281,980
Average number of shares outstanding (1)	180,041,957	190,767,600
Number of shares outstanding at end of period (1)	178,752,287	184,978,829
Econocom share price at 31 December *(in €)*	2.85	3.65
Market capitalisation at 31 December *(in € millions)*	509	675

(1) Excluding treasury shares.

Comments on the Group's key figures

In 2022, the Econocom Group generated stable consolidated revenue of €2,718 million. On a like-for-like basis, organic revenue increased by 10.0%.

Recurring operating profit from continuing operations (operating margin) amounted to €139.4 million compared to €127.7 million in 2021, an increase of 9.2%.

The Group's operating profit (loss) from continuing operations amounted to €109.8 million, slightly higher than the €109.2 million for 2021. Other operating expenses increased to €27.5 million compared to €23.6 million in 2021. These expenses correspond notably to measures to adapt the organisation. In addition, in 2021, the Group recorded capital gains on the disposal of subsidiaries; there were no disposal in 2022.

Financial expenses amounted to €15.0 million, up €1.6 million compared to the previous financial year due to a contained increase in the cost of net debt despite the increase in interest rates on financing and the Schuldschein bond issued in the spring of 2022. In addition, 2021 benefited from capital gains on the disposal of shares in a technology investment fund.

2.1.1. KEY FIGURES BY ACTIVITY

Revenue and recurring operating profit from continuing operations breaks down as follows:

in € millions	2022	2021 restated (1)	Change based on like-for-like standards	Change based on like-for-like standards and perimeter
Products & Solutions	1,238	970	27.6%	15.5%
Services	492	516	(4.8%)	(1.9%)
Technology Management & Financing	989	880	12.3%	10.2%
Total revenue	**2,718**	**2,367**	**14.8%**	**10.0%**

(1) In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by corrections for comparability purposes on certain sale and leaseback contracts and on certain services included in the TMF contracts.

in € millions	2022	2021 restated (1)	Total change	ROP *(as a % of 2022 revenue)*	ROP *(as a % of 2021 revenue)*
Products & Solutions	49.0	45.0	8.9%	4.0%	4.6%
Services	40.6	42.4	(4.2%)	8.3%	8.2%
Technology Management & Financing	49.8	40.2	23.7%	5.0%	4.6%
Total recurring operating profit from continuing operations (operating margin)	**139.4**	**127.7**	**9.2%**	**5.1%**	**5.4%**

(1) In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts.

The Products & Solutions activity's revenue amounted to €1,238 million in 2022 compared with €970 million in 2021. Net of changes in exchange rates and in the scope of consolidation, organic growth amounted to 15.5%. This growth was general, across all regions. It benefited from the continued marked need for digital assets, an improvement in supply conditions in the second half of the year, as well as from the gain of new customers. Recurring operating profit from continuing operations (operating margin) amounted to €49.0 million compared to €45.0 million last year, an increase of 8.9%.

In 2022, the Services activity generated revenue of €492 million, an organic decline of 1.9%, mainly in France and Benelux. Conversely, business grew strongly in Spain. As expected, the Services activity returned to growth in the fourth quarter, benefiting from the start, notably in France, of outsourcing contracts signed in previous quarters. Recurring operating profit from continuing operations (operating margin) amounted to €40.6 million compared to €42.4 million, and thus the profitability rate amounted to 8.3% of revenue (compared to 8.2% a year earlier).

During the 2022 financial year, the Technology Management & Financing activity generated revenue of €989 million, up 12.3%, of which 10.2% on an organic basis, confirming the growth already observed at the end of 2021. The Group benefited from the activity's strong performance, notably in France, Spain and Germany, as well as a of few significant contracts that were accretive in terms of profitability. The recurring operating profit from continuing operations (operating margin) of this activity was €49.8 million, compared with €40.2 million in 2021.

2.1.2. KEY FIGURES BY REGION

Revenue breaks down as follows:

in € millions	2022	2021 restated (1)	Change based on like-for-like standards	Change based on like-for-like standards and perimeter
France	1,457	1,297	12.4%	12.0%
Benelux	349	326	7.0%	2.7%
Southern Europe	573	474	20.8%	9.0%
Northern & Eastern Europe	316	242	30.56	16.1%
Americas	24	28	(15.6%)	(24.4%)
Total revenue	**2,718**	**2,367**	**14.8%**	**10.0%**

(1) In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to “Profit (loss) from discontinued operations” in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by corrections for comparability purposes on for certain sale and leaseback contracts and on certain services included in the TMF contracts.

The France region posted sustained organic growth of 12.0% driven by its Products & Solutions and TMF activities, and despite the decrease observed in Services.

Benelux posted more limited organic growth, driven by the growth of the Products & Solutions activity, while the Services activity remained stable and the Technology Management & Financing activity was down slightly, notably in The Netherlands.

Southern Europe experienced significant organic growth driven by all of the Group’s activities, notably in Spain.

Northern and Eastern Europe posted very strong organic growth, across all the activities present there.

The Americas region, which mainly consists of the TMF activity, experienced an organic decline due to the absence of major contracts with its main regular customers.

2.2. Balance sheet and financial structure

in € millions	31 December 2022	31 December 2021 restated*
Goodwill	554.2	494.9
Other long term assets	163.3	152.8
Residual interest in leased assets	164.6	170.7
Other non-current assets	49.1	63.2
Trade and other receivables (1)	878.9	796.4
Other current assets	180.7	185.4
Cash and cash equivalents	404.8	405.9
Assets held for sale	106.4	69.0
Total assets	**2,501.9**	**2,338.2**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts.

(1) Of which self-funded outstanding rents: €283.7 million at 31 December 2022 versus €208.3 million at 31 December 2021.

in € millions	31 December 2022	31 December 2021 restated*
Equity attributable to owners of the parent	390.3	380.5
Non-controlling interests	66.6	58.3
Total equity	**456.8**	**438.8**
Bonds (1)	360.1	252.0
Financial liabilities (1)	188.2	220.7
Provisions	59.2	68.4
Gross liability for repurchases of leased assets	102.8	98.1
Other financial liabilities (2)	61.2	56.7
Trade and other payables	932.1	882.0
Other liabilities	285.1	290.9
Liabilities held for sale	56.5	30.7
Total equity and liabilities	**2,501.9**	**2,338.2**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts.

(1) In view of cash and cash equivalents of €404.8 million at 31 December 2022 (and €405.9 million at 31 December 2021) and of bonds and financial liabilities, the balance sheet posted a net financial debt of €143.5 million at 31 December 2022 (compared to €66.8 million at 31 December 2021); this net financial debt takes notably into account €283.7 million at 31 December 2022 (and €208.3 million at 31 December 2021) corresponding to self-funded TMF contracts and the expected associated lease payments.

(2) Relating to contingent acquisition-related liabilities

The balance sheet below expresses this in a more economical way:

- by posting the positive cash and cash equivalents from bonds and other financial liabilities in liabilities to show the net financial debt directly on this side of the balance sheet;
- by identifying separately from the trade receivables on the asset side and the net financial debt in liabilities part related to TMF self-funded contracts.

in € millions	31 December 2022	31 December 2021 restated*
ASSETS		
Goodwill	554.2	494.9
Other non-current assets	212.4	216.0
Residual interest in leased assets	164.6	170.7
Trade and other receivables	878.9	796.4
of which outstanding on self-funded contracts	*283.7*	*208.3*
Other current assets	180.7	185.4
Assets held for sale	106.4	69.0
Total assets	**2,097.1**	**1,932.3**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts.

in € millions	31 December 2022	31 December 2021 restated*
LIABILITIES		
Equity	456.8	438.8
Net financial debt	143.5	66.8
of which net financial debt linked to self-funded contracts	*283.7*	*208.3*
of which net financial debt – other	*(140.2)*	*(141.5)*
Gross liability for repurchases of leased assets	102.8	98.1
Other financial liabilities (1)	61.2	56.7
Other non-current liabilities	109.0	108.0
Trade payables	932.1	882.0
Other current liabilities	235.3	251.3
Liabilities held for sale	56.5	30.7
Total equity and liabilities	**2,097.1**	**1,932.3**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts.

(1) Relating to contingent acquisition-related liabilities

Goodwill

At 31 December 2022, goodwill amounted to €554.2 million, up €59.3 million compared with the previous year. This increase was mainly due to the reclassification of goodwill relating to activities held for sale, and the recognition of goodwill following the acquisitions of Sofi Group, Semic and Lydis for a total amount of €53.3 million.

Equity

Total equity stood at €456.8 million, up by €18.0 million compared with end-2021. This increase was mainly due to the net profit for the period, amounting to €65.3 million, plus €18.8 million for items recognised in equity and corresponding to the change in the fair value of an interest rate swap and the impact of actuarial changes on the provision for pension commitments, less the amount of the repayment of issues premiums, amounting to €25.3 million, and the distribution of dividends to the non-controlling shareholders of certain subsidiaries for a total of €6.3 million, as well as by the net buyback of treasury shares during the year in the amount of €25.4 million.

At 31 December 2022, the Econocom Group held 44,177,693 treasury shares valued at €125.9 million which were not recorded in its balance sheet (at the share price on 31 December 2022, *i.e.* €2.85).

The breakdown of equity attributable to owners of the parent and the share attributable to non-controlling interests fluctuated due to acquisitions: accordingly the share attributable to non-controlling interests was €67.8 million versus €58.3 million at 31 December 2021.

Net financial debt

The Group's net financial debt, as of 31 December 2022, amounted to €143.5 million compared to €66.8 million at the end of 2021. This net financial debt breaks down as follows:

in € millions	2022	2021
Cash and cash equivalents	402.4	405.9
Bank debt and commercial paper	(54.2)	(71.9)
Net cash at bank	**348.2**	**334.0**
Convertible bond debt (OCEANE)	(151.2)	(182.5)
Non-convertible bonds (Euro PP)	-	(56.4)
Non-convertible bond debt (*Schuldschein*)	(208.9)	(13.0)
Other	(131.6)	(149.0)
Net financial debt	**143.5**	**66.8**

This net financial debt is to be considered covered against future cash-ins expected from the TMF self-funded contracts in the amount of €283.6 million (vs. €208.3 million in 2021).

Appendix – Definition of key performance indicators

Performance indicators not defined by accounting standards but used by Econocom Group to assist the reader in assessing the Group's economic and financial performance are as follows:

Recurring operating profit from continuing operations (operating margin)

Recurring operating profit from continuing operations, which will be referred to as the operating margin from 2023, includes all income and expenses directly related to the Group's continued activities. It measures the level of operational performance after neutralizing the amortisation of intangible assets from acquisitions generated as a result of business combinations. At 31 December 2022, the main acquisitions of intangible assets made by the Group and whose amortisation was not taken into account for the determination of this aggregate are primarily the ECS customer portfolio and the Smaaart brand from the acquisition of the Sofi Group (renamed Econocom Factory).

Econocom uses the recurring operating profit from continuing operations (operating margin) as the main indicator to monitor the operational performance of its activities.

Other operating income and other operating expenses

"Other operating income" and "other operating expenses" include items that, by their frequency, amount or nature, are liable to undermine the pertinence of the Group's operating performance as a performance indicator. They notably include impairment losses on goodwill and other intangible assets, the results of significant disposals of non-current assets, restructuring expenses, costs relating to workforce adjustment measures, costs of relocating premises, changes in the value of acquisition-related liabilities (contingent consideration), as well as costs related to the various external growth transactions.

EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation)

The Group also uses an intermediate management balance known as "EBITDA". This financial indicator corresponds to recurring operating profit from continuing operations (operating margin) adjusted for depreciation and amortisation, additions to and reversals of provisions for asset impairment and provisions for contingencies and losses, and net impairment losses on current and non-current assets.

in € millions	2022	2021 restated*
Recurring operating profit from continuing operations (operating margin)	139.4	127.7
Depreciation and amortisation (excluding intangible assets from acquisitions) and provisions	22.1	31.6
Net impairment losses on current and non-current assets	4.5	(9.2)
EBITDA	**166.1**	**150.1**

* In accordance with IFRS 5, 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by comparability adjustments on certain sale and leaseback contracts and on certain services included in the TMF contracts.

This indicator is mainly used for the Group's financial communication, as well as in the Group's discussions with its banking partners.NEt

Net recurring profit (loss) (adjusted profit (loss))

Net recurring profit (loss) (the calculation of which is presented above and which will be referred to as adjusted profit (loss) from 2023) is a performance indicator used by Econocom to better assess its economic and financial performance. Net recurring profit (loss) for the year corresponds to net profit (loss) for the year, before the following items:

- amortisation of intangible assets from acquisitions, net of tax effects;
- other operating income and other operating expenses, net of tax effects;
- non-recurring financial income and expenses (mainly financial gains or losses), net of tax effects;
- profit (loss) from discontinued operations, net of tax effects.

Net and gross financial debt

The definition of net financial debt used by the Group (see note 15.3 to the consolidated financial statements) is gross financial debt (see note 15.2) less gross cash and cash equivalents. Gross financial debt includes all interest-bearing debt and debt incurred by receiving financial instruments. It does not include lease liabilities, gross liability for purchases of leased assets or the residual interest in leased assets.

Net financial debt is used both for operational cash management purposes and for financial communication purposes. In this context, the Group also uses ratios contrasting net financial debt against equity (gearing) or EBITDA (net financial debt/EBITDA).

2.3. 2022 statutory accounts of Econocom Group SE

Econocom Group SE, as the Group's holding company, manages a portfolio of securities, receives dividends from its subsidiaries and oversees the Group's development.

It also provides services to the Group's subsidiaries in the areas of management, IT, cash, guarantees, provision of staff, consulting, communication and marketing. These services are billed according to normal market terms.

The figures mentioned hereafter refers to Econocom Group SE's separate financial statements, prepared in accordance with Belgian legislation.

2.3.1. INCOME STATEMENT OF ECONOCOM GROUP SE

The revenue related to the services rendered to the Group's subsidiaries during the year totalled €21.7 million, compared with €14.9 million in the previous year.

Operating loss for the year amounted to - €1.0 million, compared with -€0.6 million in 2021.

Recurring financial profit totalled €51.0 million, compared with €180.5 million in 2021. It consists mainly of dividends received from subsidiaries in the amount of €55.9 million in 2022 (compared to €186.0 million in 2021), net interest income and guarantee commissions invoiced to the subsidiaries in the amount of €2.7 million (compared with €3.2 million in 2021), and the costs of external debts in the amount of €8.0 million (compared with €8.8 million in 2021).

Non-recurring finance loss for the period amounted to €8.3 million (compared to a profit of €98.4 million in 2021). Last year, it included capital gains on disposals and contributions of subsidiaries and the gain on partial buybacks of convertible bonds.

Income tax expense came to €1.3 million. Profit totalled €43.1 million, compared with €278.8 million in the previous year.

2.3.2. BALANCE SHEET OF ECONOCOM GROUP SE

Econocom Group SE's equity stood at €554.3 million, compared with €535.2 million at the end of 2021. This change is attributable to the profit for the year (€43.1 million), the impact of the capital increase carried out as part of the exercise of stock options less the repayment of issue premiums in the amount of €25.8 million.

Receivables and investments in related companies increased by €33.5 million to €930.7 million, mainly due to the acquisition of non-controlling interests in Asystel Italia completed during the year and the capital increase carried out for the Spanish subsidiary Grupo Econocom Espana overcompensating the exit of the Paris Saclay pay in which Econocom Group had invested.

Financial liabilities for a total gross amount of €393.4 million, up €119.7 million over the year, corresponding to the €201.6 million *Schuldschein* bond issued in May 2022 plus accrued interest and Euro PP and *Schuldschein* 2016 repayments, as well as buybacks and cancellations of OCEANEs that took place during the year. In addition, commercial paper (maturities between one and three months) increased by €11.0 million.

2.3.3. SHARE CAPITAL

At 31 December 2022, Econocom Group's share capital totalled €23,731,026.74, divided into 222,929,980 shares with no nominal value.

Changes in share capital since 2012 have consisted of (i) share capital increases in connection with the exercise of stock options by Group managers and (ii) share capital increases either as part of external growth transactions to pay a portion of the acquisition price or as a result of the conversion of bonds.

The items that could have an influence on Econocom Group's share capital correspond to the 2014 and 2017 stock option plans and the OCEANE convertible bond issued on 1 March 2018.

In December 2014, the Board of Directors approved a stock option plan ("2014 Stock Option Plan") and decided to issue, with cancellation of shareholders' pre-emptive subscription rights, 2,500,000 stock subscription rights entitling the holders to subscribe, under certain conditions, to a new Econocom Group share. The Compensation Committee had two years to determine the beneficiaries of the 2014 Stock Option Plan. A total of 2,480,000 stock options were granted to approximately 20 Group managers under the 2014 Stock Option Plan. At 31 December 2022, taking into account the options lapsed due to departures and failure to meet performance conditions, as well as the exercises carried out, there are still 85,000 stock options for 2014 corresponding to options not yet exercised and which would give rise to the issue of 170,000 new shares, each option entitling holders to two Econocom Group shares following the two-for-one split that took place in June 2017.

In June 2017, the Board of Directors also approved a stock option plan (“2017 Stock Option Plan”) and decided to issue, with cancellation of shareholders’ pre-emptive subscription rights, 2,000,000 stock subscription rights entitling the holders to subscribe, under certain conditions, to a new Econocom Group share. The Compensation Committee had until 31 December 2019 to determine the beneficiaries of this plan. At 31 December 2022, taking into account the options forfeited by beneficiaries, the number of 2017 stock options allocated amounted to 90,000 corresponding to a maximum issue of 90,000 new shares.

On 1 March 2018, Econocom launched issued convertible bonds (OCEANE) with a par value of €200 million, maturing in 2023. The holders of Bonds will have a right to the award of Shares that they may exercise at any time from the Issue Date (*i.e.* 6 March 2018) and until the 8th business day (inclusive) preceding the normal or early redemption date on the basis of a conversion or exchange ratio of one Econocom Share per Bond and subject to any subsequent adjustments. In the event of request of conversion of Bonds, the Bond holders will receive, at Econocom’s discretion, new and/or existing Shares of Econocom. Following the bond buybacks in 2022, there are currently 18,291,081 bonds outstanding. If all the bonds were converted (if the conversion price of €8.26 was reached) into new shares, according to the current conversion ratio of 1 share for 1 bond, 18,291,081 new shares would be issued.

Finally, the Extraordinary General Meeting of 19 May 2020 renewed, for a five-year period, the authorisation given to the Board of Directors, in accordance with articles 7:198 and 7:199 of the Belgian Companies Code to carry out one or more capital increases of up to a maximum total amount of €23,512,749.67 (excluding issue premiums). The available authorised capital at 31 December 2022 amounted to €23,512,749.67 (excluding issue premiums).

The Company’s ownership structure is described in section 5, “Corporate governance statement”.

Treasury shares

Econocom Group has a share buyback programme, which allows it to:

- deliver shares to avoid potential dilution of shareholders’ interests due to the exercise of options;
- award to free share plan beneficiaries;
- pay for any external growth transactions;
- cancel shares acquired.

On 30 November 2021, the Extraordinary General Meeting amended Article 12 of the Bylaws relating to the acquisition and disposal of treasury shares, so as to remove the references to the 20% limit of share capital provided for in article 7:215 of the Belgian Companies Code.

On 30 November 2021, pursuant to this amendment, the Extraordinary General Meeting authorised the Board of Directors, for a five-year period, to acquire a maximum of 88,000,000 treasury shares of the Company. The minimum purchase price was set at €1 per share and the maximum price at €10 per share.

In 2022, the following treasury share movements took place:

- Econocom Group acquired 19,256,807 Econocom Group shares, for an acquisition price of €70.2 million;
- Econocom Group transferred 1,300,000 treasury shares to Free Share Plan beneficiaries.

As at 31 December 2022, Econocom Group held 37,394,990 treasury shares acquired under its share buyback programme. The treasury shares represent 16.77% of the total number of shares issued.

The voting rights associated with the shares held by the Company have been suspended. The shares held by the Company do not confer a right to dividends or refunds of issue premiums.

Econocom Group's distributable reserves (statutory data) stood at €7.9 million, in addition to retained earnings in the amount of €268.8 million.

Econocom Group's non-distributable reserves stood at €108.9 million in addition to restricted issue premiums in the amount of €142.4 million.

2.3.4. BUSINESS OVERVIEW

2.3.4.1. Acquisitions, disposals, equity investments and creation of subsidiaries

During 2022, Econocom Group exercised its options to increase its stake in the share capital of its subsidiary Asystel Italia to 100%.

In addition, as part of the management of its subsidiaries and the Group's organisational chart, Econocom merged its subsidiaries Asystel Italia and Bizmatica in Italy and its two French subsidiaries, Econocom SAS and Digital Dimension.

2.3.4.2. Other legal restructuring

As it is the case each year, Econocom Group implemented measures to streamline and simplify its legal organisation.

Measures performed in 2022 were aimed at combining companies with similar activities in the same country. These transactions consisted of mergers of companies in France, Spain, Italy and Belgium as well as disposals of business assets in France.

In addition, the Group closed or liquidated certain subsidiaries with no activity, mainly in England.

3. Risk factors and disputes

Risk factors did not change significantly in 2022. They are described in chapter 4.

4. Outlook for 2023 and return for shareholders

As a result of the Group's strong financial position, the Board of Directors will recommend to the General Meeting to proceed with a refund of the issue premium, considered as paid-in capital, in the amount of €0.16 per share.

This redemption represents an increase of 14.3% compared to the amount per share proposed last year, which was itself up by 16.7% compared to previous years. It demonstrates the Group's financial strength and management's confidence in its future prospects.

Moreover, the Group plans to continue share buybacks.

The Group is targeting a revenue growth by 5% in 2023 as well as an increase in its net consolidated result.

5. Corporate governance statement

5.1. Applicable Corporate Governance Code

The Econocom Group confirms its adherence to the principles of the Belgian Corporate Governance Code, which entered into force on 1 January 2020 ("2020 Code"). This Code is available at:
www.corporategovernancecommittee.be

Econocom publishes its various Internal Regulations and Corporate Governance Charter on its website:
www.econocom.com
section: About us / Governance / Board of Directors, and Executive Committee.

Following the transformation of Econocom Group into a European company on 18 December 2015, the Board of Directors adapted the Internal Rules of the Board of Directors and the Management Committee on 19 May 2016.

Subsequently, the Management Committee's Internal Rules again changed on 7 September 2016, and the Committee was renamed the Executive Committee at that time.

The Internal Rules of the Audit Committee and the Compensation Committee were also reviewed on 23 January 2020 to follow the evolution of the Company's corporate governance and the Compensation Committee was renamed the Compensation and Appointments Committee.

Finally, on 20 October 2022, the Board of Directors adjusted the Internal Rules of the Board of Directors and the Executive Committee, notably to ensure a better consistency of their text, through certain reformulations, and to modify the respective competence thresholds of the Executive Committee and the Board of Directors in terms of external growth/sale/investment/divestment or internal reorganisation transactions.

5.2. Exemptions from the 2020 Code

Econocom Group applies the recommendations of the 2020 Code, except for those which the Board has deemed ill-suited to Econocom Group's size, or that it intends to implement over the long term. The principles with which Econocom Group does not comply, in whole or in part, are described below.

The Group currently only partially applies the recommendations of Principle 3 of the 2020 Code.

Econocom International BV, represented by Jean-Louis Bouchard, combines the roles of Chairman of the Board of Directors, Delegated Director and Chair of the Executive Committee/CEO. The Group thus does not respect the segregation principle between the supervisory power of the Board of Directors and the executive power. On 31 December 2022, Econocom International BV directly held 39.99% of the share capital of Econocom Group. Such a system meets the characteristics of Econocom Group's shareholdings and is aimed at ensuring management stability as Econocom implements its long-term strategy.

Furthermore, the Board of Directors has not yet formally appointed a Secretary in charge of advising it on governance matters. However, since November 2022, this function has been partly performed by Alexandre Schaff, the Group's Company Secretary.

The Econocom Group partially applies the recommendations of Principle 5 of the 2020 Code. The Econocom Group has not formalised a procedure for appointing directors. However, the Compensation and Appointments Committee is in charge of suggesting appointments and formulating recommendations to the Board of Directors on appointments and reappointments of corporate officers and certain executive managers.

Econocom Group only partially complies with the recommendations of Principle 7 on the compensation of Board members and executive managers. The terms of compensation are detailed in the compensation policy for executives, which was approved by the Ordinary General Meeting of 18 May 2021.

As an exception and due to the health crisis, the Company did not encourage shareholders to attend General Meetings in person, in accordance with Principle 8.3 of the 2020 Code. Nevertheless, it provided them with the technology and means of communication necessary for this purpose.

In addition, the Chairman of the Board of Directors does not systematically conduct General Meetings, contrary to the recommendations of Principle 8.4 of the 2020 Code, but he ensures compliance with Article 30 of the Company's Bylaws, which provides that in the absence of such Chairperson, the General Meeting is chaired by a Delegated Director, a Managing Director or the oldest of the Directors.

Econocom Group has not formalised the procedures for assessing the performance of its governance, thereby departing from Principle 9 of the 2020 Code, insofar as the assessment of the performance of its executive management and Board of Directors is part of an ongoing process that does not require any specific formalities.

5.3. Description of internal control and risk management procedures in the context of the preparation of the financial information

The financial information communicated by the Group refers to its consolidated financial statements and to the management of these financial statements published in compliance with IFRS as adopted by the European Union, and approved by the Board of Directors.

This financial information is, at every reporting date, presented to the Group's Audit Committee, and explained to all the Directors.

5.3.1. FINANCIAL ORGANISATION

The Group's financial organisation is both local and global. The Group is organised by business and country. Financial processes are implemented by finance teams, Finance Directors and Financial Controllers, all of whom functionally report to the Group Chief Financial Officer. Business and country Financial Controllers ensure that the reporting rules and practices are applied consistently across the activities, irrespective of the country.

5.3.2. REPORTING AND MANAGEMENT

The accounts are consolidated by a dedicated team on a monthly basis. The consolidated companies send their detailed financial statements *via* the consolidation tool for inclusion in the consolidated financial statements.

Each entity (*i.e.*, company or business unit) draws up a budget. Profit forecasts are adjusted several times during the year and are monitored on a monthly basis based on the activity reports provided to Group Management. These reports are drawn up jointly by the Head of Operations and the Financial Controller of the entity.

The Group Financial Controlling draws up schedules and specific instructions for the various budgets, reports and the items needed for the purpose of consolidation.

5.3.3. ACCOUNTING STANDARDS AND MONITORING

The Group's accounting principles are set out in an accounting principles manual which is used as the basis for preparing financial information. This manual describes the method for recording transactions and presenting financial information.

The team in charge of consolidation is also responsible for keeping abreast of changes to IFRSs.

5.3.4. IT SYSTEMS

The Information Systems Department oversees the various information systems used by the Group. It ensures the gradual harmonisation of the solutions implemented and the continuity of operations. In the preparation of financial information, information flows from IT tools specific to the various activities are centralised in single accounting management and reporting solutions.

5.3.5. RISK FACTORS, SURVEILLANCE AND MONITORING

The monthly reports enable the various operational and financial managers and Group Management to verify that the Group's results are accurate and consistent with the targets set. At the end of each month, they contain a comparison between the management data and the Group's consolidated financial statements in order to ensure that the financial information is reliable.

The Group's Internal Audit Department (outsourced) completes the risk organisation, and is in charge *inter alia* of drawing up a risk map. It also reviews the subsidiaries' financial statements in order to ensure that they comply with Group rules, and verifies that the reports are accurate and that risks are adequately covered. The Group's Internal Audit Department reports directly to the Chairman and the Audit Committee.

When identifying risks that may impact the achievement of financial reporting objectives, Group Management takes into account the possibility of misrepresentations and fraud, and undertakes the required actions to strengthen internal control, if necessary. The Internal Audit conducts specific audits, on the basis of the assessment of potential fraud risks, in order to avoid and prevent fraud. Any findings are systematically reported to the Audit Committee.

5.3.5.1. Risks associated with accounting systems

Risks associated with accounting systems are assessed on a regular basis with a view to implementing improvement plans.

The accounting systems used within the Group have now been harmonised, and are shared by all business lines and subsidiaries except the Satellite companies in which the Group has acquired stakes, some of which still use software other than that used elsewhere in the Group, more adapted to their size.

The various business line IT systems are interfaced with the accounting system in order to ensure that information on transactions is traceable, comprehensive and reliable.

The consolidation system is a standard tool.

5.3.5.2. Risks associated with accounting standards

The Consolidation Department, in conjunction with the Group Financial Controlling Department and the activity and country Financial Controllers, monitors changes in IFRSs and adapts the Group's accounting principles accordingly. It also organises training for finance staff whenever necessary.

5.3.5.3. Main transaction control procedures

In order to ensure the reliability of the financial information on transactions, the Group's Finance Department team verifies each month that the revenue and costs reported are in line with the flows expected at the time the transactions were approved.

The Group Financial Controlling Department draws up regular statistical analyses to ensure that the assumptions made when the lease contracts were recorded are prudent and appropriate.

The subsidiaries' Financial Controlling teams also carry out monthly verifications for each business line.

5.3.6. PERSONS RESPONSIBLE FOR THE PREPARATION OF FINANCIAL INFORMATION

The financial information is prepared under the supervision and responsibility of the Board of Directors, which, since 2004, has had an Audit Committee, the role of which is set out in section 5.5.3 below.

5.4. Ownership structure and limits on shareholder rights

At 31 December 2022, the Econocom Group's share capital consisted of 222,929,980 shares, held as indicated below:

	2022	2021
Companies controlled by Jean-Louis Bouchard	39.99%	40.10%
Public	40.20%	43.12%
Treasury shares	16.77%	8.74%
Held by the Company's subsidiaries	3.04%	8.04%
Total	**100%**	**100%**

The Econocom Group is informed that, apart from the companies controlled by Jean-Louis Bouchard, no individual or legal entity exceeds the 5% shareholding threshold as at 31 December 2022.

There are no shareholders with special controlling rights.

The Extraordinary General Meeting of 19 May 2020 decided to implement a double voting right for registered shares held for more than two years. Accordingly, each Econocom Group share gives its holder the right to cast a vote or, where applicable, two votes at General Meetings.

Article 10 of the Company's Bylaws stipulates that the shares are indivisible. If there are several owners of a security, the Company may suspend the exercise of the related rights until a person is designated as the owner of the security. Treasury shares (16.77%), shares held by the Company's subsidiaries (3.04%) and shares held by the Belgian Caisse des Dépôts et Consignations (0.485%) belonging to bearer shareholders who did not come forward when the Belgian Stock Market converted to electronic shares, also have no voting rights. There are no other particular legal or statutory restrictions with respect to voting rights.

Similarly, with the exception of the provisions limiting purchases and sales by Econocom Group of its treasury shares, the Company's Bylaws do not impose any restrictions on the transfer of its shares.

5.5. Composition and functioning of the governance bodies and Committees

5.5.1. COMPOSITION OF THE BOARD OF DIRECTORS

At 31 December 2022, the Board of Directors had nine members:

Econocom International BV represented by Jean-Louis Bouchard

(term of office expires at the 2024 Ordinary General Meeting)

Computerweg 22, 3542DR Utrecht (Netherlands)

Chairman of the Board of Directors and Delegated Director of Econocom Group

Robert Bouchard

(term of office expires at the 2025 Ordinary General Meeting)

11 Boulevard Flandrin, 75116 Paris

Vice-Chairman of the Board of Directors of Econocom Group and non-executive Director of Econocom Group

Eric Boustouller

(term of office expires at the 2025 Ordinary General Meeting)

14 Rue du Conseiller Collignon, 75116 Paris

Independent Director of Econocom Group

Adeline Challon-Kemoun

(term of office expires at the 2024 Ordinary General Meeting)

32 Avenue Duquesne, 75007 Paris

Independent Director of Econocom Group

Véronique di Benedetto

(term of office expires at the 2025 Ordinary General Meeting)

86 Rue Miromesnil, 75008 Paris

Non-executive Director of Econocom Group

Samira Draoua

(term of office expires at the 2026 Ordinary General Meeting, subject to confirmation of her term of office by the 2023 Ordinary General Meeting)

108 Quai Louis Bleriot, 75016 Paris

Independent Director of Econocom Group

Bruno Grossi

(term of office expires at the 2023 Ordinary General Meeting)

13 Rue Molitor, 75016 Paris

Non-executive Director of Econocom Group

Marie-Christine Levet

(term of office expires at the 2024 Ordinary General Meeting)

91 Rue du Cherche-Midi, 75006 Paris

Independent Director of Econocom Group

Jean-Philippe Roesch

(term of office expires at the 2024 Ordinary General Meeting)

21 Avenue de la Criolla, 92150 Suresnes (France)

Non-executive Director of Econocom Group

At 31 December 2022, the Board of Directors accordingly comprised:

- an Executive Chairman, Econocom International BV (represented by Jean-Louis Bouchard) appointed on 19 May 2020 to replace Jean-Louis Bouchard. It is tasked with managing the Board of Directors and ensuring its efficient running, by monitoring its size and members and those of its Committees, and ensuring good communication with the Executive Committee to guarantee effective decision-making;
- a Vice-Chairman, Robert Bouchard. The Board appoints one or more Vice-Chairs from its members. In the event that the Chairman is unable to attend, the Vice-Chairman chairs the Board meetings;
- two CEOs responsible for the day-to-day management of the Econocom Group: Econocom International BV (appointed on 19 May 2020) and Samira Draoua (co-opted by the Board of Directors on 20 October 2022);
- four non-executive Directors, Véronique di Benedetto, Robert Bouchard, Jean-Philippe Roesch and Bruno Grossi. Véronique di Benedetto exercised operational functions within Econocom Group companies at 31 December 2022. However, she is not considered to be an executive Director, as this status is reserved for Directors holding executive positions at Econocom Group itself, in accordance with a decision of the Board of Directors dated 24 November 2016;
- three Independent Directors within the meaning of article 7:87 §1 and §2 of the Belgian Companies Code, Adeline Challon-Kemoun, Marie-Christine Levet and Eric Boustouller.

The Bylaws do not contain any special rules for appointing Directors or for renewing their term of office. Nor do they impose any age limit on the Board.

Pursuant to a decision of the Extraordinary and Special General Meeting on 18 December 2015, the term of office for Directors has been reduced from six to four years in order to comply with the recommendations of the Corporate Governance Code. Other than their office on the Board of Directors of Econocom Group, certain Directors have other offices, as set out below.

Econocom International BV, which held 60.50% of the voting rights of Econocom Group at 31 December 2022, is controlled and represented by Jean-Louis Bouchard. He also has controlling interests in a number of companies outside Econocom Group and serves as Manager or Chairman within them. Jean-Louis Bouchard is Chairman of Domaine Fontainebleau en Provence, and Manager of SCI Orphée, SCI de Dion Bouton, SARL Écurie Jean Louis Bouchard, SCI JMB, SCI LBB, SNC Fontainebleau International and SCI 1 Montmorency.

In addition to serving on the Board of Econocom Group and its subsidiaries, Bruno Grossi is Manager of Vilnaranda II and Redwood Advisors, Chairman of the Supervisory Board of Vision d'Entreprise and Director of Araxxe.

Robert Bouchard is the permanent representative of GMPC, the legal entity that chairs APL France. He also serves as Chairman of Ecofinance SAS, Manager of GMPC and Co-Manager of SCI Maillot Pergolèse.

In addition to her corporate officer roles at Econocom Group and its subsidiaries, Véronique di Benedetto is Chairwoman of SAS Numeya. She is also an Independent Director of Hexaôm, and serves on the Boards of the "100 000 entrepreneurs" association.

Jean-Philippe Roesch is co-Manager of the non-trading real estate company Cinetic, Manager of the non-trading company La Criolla and Chairman of Orionisa Consulting.

Adeline Challon-Kemoun is a director of the NGO Aviation Sans Frontières and of the Michelin Foundation.

Marie-Christine Levet is a Director of PMU and SoLocal.

Eric Boustouller has been an Independent Director of Graitec since April 2021.

In addition to her corporate offices at the Econocom Group and its subsidiaries, Samira Draoua does not hold any other offices. She was appointed on 20 October 2022, to replace Laurent Roudil, who resigned, for the remainder of his term of office, *i.e.* until the end of the Ordinary General Meeting to be held in early 2026. The Ordinary General Meeting of 31 March 2023 must vote on the confirmation of this term of office.

5.5.2. FUNCTIONING OF THE BOARD OF DIRECTORS

The Board of Directors meets as often as it deems necessary. In 2022, it met eight times. It also made a unanimous written decision.

The table below sets out the attendance of each Director at meetings of the Board and the various Committees in 2022:

	Board of Directors	Audit Committee	Compensation and Appointments Committee
Econocom International BV	7	-	-
Robert Bouchard	7	6	5
Eric Boustouller	8	-	-
Adeline Challon-Kemoun	4	-	3
Véronique di Benedetto	8	-	-
Samira Draoua	-	-	-
Bruno Grossi	8	-	-
Marie-Christine Levet	8	6	5
Jean-Philippe Roesch	8	6	-
Laurent Roudil	2	-	-
Total number of meetings	**8**	**6**	**5**

The Board of Directors is responsible for approving the Company's overall strategy proposed by the Chairman, authorising significant projects and ensuring that there are adequate resources to attain its objectives. It is entrusted with decision-making outside the scope of day-to-day management.

The Board of Directors entrusts the Company's operational management to the Executive Committee, within the limits of the powers stipulated in the Internal Rules of the Executive Committee. It also entrusts the day-to-day management to the Chief Executive Officers or, if applicable, the managing Directors.

The Board appoints the members of the Executive Committee, the Audit Committee and the Compensation and Appointments Committee as well as the Chief Executive Officer(s), and generally ensures that a clear and effective management structure is implemented.

It also oversees the quality of the management duties performed and ensures that they are consistent with the Group's strategic objectives.

The Board may only validly debate and take decisions if at least half of its members are present or represented. Decisions are adopted on the basis of a majority of votes, with abstentions not being counted. In the event of a split decision, the person chairing the meeting has the deciding vote. Decisions of the Board of Directors may also be adopted pursuant to the unanimous consent of the Directors, expressed in writing. However, this procedure may not apply in relation to the approval of separate financial statements and the issuance of authorised capital.

5.5.3. COMMITTEES CREATED BY THE BOARD OF DIRECTORS

Pursuant to the Bylaws, the Board of Directors is authorised to set up specific Committees and to determine their tasks and operating rules.

5.5.3.1. Executive Committee

The Board of Directors has set up an Executive Committee, whose creation was ratified by shareholders at the Extraordinary General Meeting of 18 May 2004.

Following the transformation of Econocom Group into a European company, the Board of Directors revised the Internal Rules of the Executive Committee on 19 May 2016 and 7 September 2016.

The Board entrusted the Executive Committee with Econocom's operational management, in accordance with article 21 of the Bylaws.

The role of the Executive Committee is to recommend strategic guidelines to be set by the Board of Directors, approve the budgets to be established (in accordance with the strategic guidelines defined by the Board of Directors), manage the Group's operational entities (within the scope of the powers of their governing bodies) and monitor their financial and operating performance.

At 31 December 2022, it was composed of the following members: Econocom International BV, represented by Jean-Louis Bouchard, Angel Benguigui, Philippe Goullioud, Long Le Xuan, Patrick Van Den Berg and Samira Draoua.

The Executive Committee is chaired by Econocom International BV, which has been the CEO since September 2022, following the departure of Laurent Roudil.

The Executive Committee meets at least ten times a year.

5.5.3.2. Compensation and Appointments Committee

On 31 August 2011, the Board of Directors set up a Compensation Committee.

On 23 January 2020, the Board of Directors extended the Compensation Committee's responsibilities to Appointments, thereby limiting its scope of action to corporate officers and executives authorised in fact or in law to use the Group's signature. Members of the Executive Committee who are not involved in the Group's Senior Management do not fall within the scope of the Committee's activities.

The Compensation and Appointments Committee mainly advises and assists the Board of Directors. The Committee also performs the duties that may be assigned to it by the Board of Directors in regarding compensation and appointments. It carries out its duties under the supervision of the Board. In this context, it ensures free and open communication with the Chairman of the Board and Executive Management.

A compensation policy for the Company's executives has been determined by the Board of Directors, on the recommendation of the Compensation and Appointments Committee. This was approved by the General Meeting of 18 May 2021.

The Committee has three members appointed by the Board of Directors for four-year terms that cannot exceed their term as Directors. As of 31 December 2022, it was composed of the following members: Marie-Christine Levet, Adeline Challon-Kemoun and Robert Bouchard and was chaired by Marie-Christine Levet.

The Committee met five times in 2022.

5.5.3.3. Audit Committee

The Audit Committee was created by the Board of Directors on 18 May 2004.

The term of office is three years, provided that it does not exceed the holder's term of office as Director.

The Audit Committee meets as often as required. It met six times in 2022. The members of the Audit Committee invite the Statutory Auditor and any other person deemed useful by the Committee as required by the agenda.

The Audit Committee is responsible for helping the Board of Directors perform its duty of controlling Econocom Group's operations. In particular, it examines the quality and relevance of internal and external audit engagements, monitors internal control and risk management procedures, ensures that the accounting policies used are appropriate, and that the Group's financial data are complete and accurate.

Article 3:6 of the Belgian Companies Code stipulates that companies must be able to demonstrate the independence and audit and accounting expertise of at least one of the members of the Audit Committee. Econocom complies with this requirement.

As of 31 December 2022, it was composed of two non-executive Directors (Robert Bouchard and Jean-Philippe Roesch) and an Independent Director (Marie-Christine Levet). It was chaired by Robert Bouchard.

5.5.4. DAY-TO-DAY MANAGEMENT

The Board of Directors has entrusted the day-to-day management to two CEOs and one Managing Director in accordance with articles 15:18 and 7:121 of the Belgian Companies Code and article 21 of the Bylaws.

As of 31 December 2022, the day-to-day management was entrusted to:

- the Director Econocom International BV, represented by Jean-Louis Bouchard;
- the Director Samira Draoua;
- the Managing Director Angel Benguigui Diaz.

These persons may also, each individually, represent the Company in accordance with article 22 of the Bylaws. The subsidiaries' significant decisions are made by their relevant body, in the framework of the overall strategy established by the group pursuant to the guidelines communicated by the Company's CEOs and/or Managing Directors. The powers of Group subsidiaries' executives and the limits to these powers are set out in an internal reference document.

5.5.5 IMPLEMENTATION OF PROVISIONS GOVERNING CONFLICTS OF INTEREST

Article 7:96 of the Belgian Companies Code provides for a specific procedure within the Board of Directors to address conflicts of interest involving one or more Directors when it makes decisions or concludes transactions.

This procedure, like the one referred to in article 7:97 of the Belgian Companies Code, was not implemented during the 2022 financial year.

On 22 November 2012, the Board of Directors also adopted internal rules establishing a procedure governing transactions or other contractual relationships between Econocom Group and the Directors and members of the Executive Committee when such transactions or other contractual relationships are not covered by the provisions of article 7:96 of the Belgian Companies Code.

Transactions falling under the procedure described in these rules are reported to the Audit Committee and the Statutory Auditor.

5.5.6. IMPLEMENTATION OF THE DIVERSITY POLICY

Econocom's commitments, objectives and actions in respect of diversity, as well as the results of this policy, are described in paragraph 1.1.4 of the "Corporate Social Responsibility" report. They mainly concern gender equality and support for people from disadvantaged backgrounds and people with disabilities.

Since 23 November 2017, one-third of the members of Econocom Group's Board of Directors have been women, pursuant to the conditions set out in article 7:86 of the Belgian Companies Code. At 31 December 2022, the Board had four women members: Véronique di Benedetto, Adeline Challon-Kemoun, Samira Draoua and Marie-Christine Levet. Women also sit on each of the various Committees created by the Board of Directors, namely: the Executive Committee (Samira Draoua), the Audit Committee (Marie-Christine Levet) and the Compensation and Appointments Committee (Marie-Christine Levet and Adeline Challon-Kemoun).

5.6. Composition of the financial statement auditing body

The Statutory Auditor of Econocom Group is EY Réviseurs d'Entreprises SRL, a limited liability company, with its registered office at De Kleetlaan 2, 1831 Machelen, Belgium. It was appointed by the General Meeting of 18 May 2021, for a period of three years expiring automatically at the end of the Ordinary General Meeting to be held in 2024.

The Statutory Auditor of Econocom Group is represented by its permanent representative, Marie-Laure Moreau.

5.7. 2022 Compensation report

This report was drawn up in accordance with article 3:6, §3 of the Belgian Companies Code. Its purpose is to describe and provide a complete overview of the compensation granted to the Directors (Executive and non-Executive) and to the members of the Executive Committee of Econocom Group during the financial year covered by said report.

5.7.1. COMPENSATION POLICY FOR DIRECTORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

5.7.1.1. Procedure adopted to define compensation for Directors and members of the Executive Committee and set their individual compensation

On 31 August 2011, the Board of Directors set up a Compensation Committee. The Committee is composed of three non-executive Directors, two of whom are independent as defined in article 7:87 §1 of the Belgian Companies Code.

On 23 January 2020, the Board of Directors extended the Compensation Committee's responsibilities to Appointments, thereby limiting its scope of action to corporate officers and executives authorised in fact or in law to use the Group's signature. Members of the Executive Committee who are not involved in the Group's Senior Management do not fall within the scope of the Committee's activities.

The Compensation and Appointments Committee mainly advises and assists the Board of Directors. The Committee also performs the duties that may be assigned to it by the Board of Directors in regarding compensation and appointments. It carries out its duties under the supervision of the Board. In this context, it ensures free and open communication with the Chairman of the Board and Executive Management.

A compensation policy was approved by the Ordinary General Meeting of 18 May 2021.

1.1 Compensation component

At the request of the Chairman of the Board and with respect to persons within the scope defined above, the Committee is responsible for formulating recommendations and giving its opinion to the Board on:

a) the compensation policy;

b) individual compensation (in particular Directors' fees, fixed and variable compensation, long-term incentives, including shares and stock options, termination benefits);

c) the contractual terms and conditions that support this compensation;

d) the determination and assessment of performance targets linked to individual compensation;

e) stock option or share plans (budget, beneficiaries, characteristics and conditions).

Based on the data provided by the Company's Senior Management, the Committee prepares the compensation report which is subsequently added to the corporate governance statement. In particular, it reviews the change in the total amount paid to the ten highest paid employees. It prepares and comments on the compensation report during the Ordinary General Meeting.

1.2 Appointments component

At the request of the Chairman of the Board, the Committee is responsible for formulating recommendations and giving its opinion to the Board on the appointment and reappointment of corporate officers and the appointment of executives authorised in fact or in law to use the Group's signature.

The Committee ensures the existence of succession plans for the Company's key positions.

The Committee also ensures that appropriate talent development programmes and diversity promotion programmes are in place.

1.3 Implementation of plans relating to the granting of financial instruments

The Board of Directors may grant to the Committee decision-making powers on behalf of the Board of Directors with respect to stock option plans or any other plans for granting financial instruments, including warrants, either under existing or future plans ("the Plans").

In this case, the Committee's conducts its work under the responsibility and supervision of the Board to which it reports. Within the limits of the powers entrusted to the Board and in accordance with its rules, the Committee is subsequently responsible for allocating and distributing, following the recommendation of the Chairman of the Board of Directors, the amount previously set by the Board of Directors.

The Compensation Committee met five times in 2022.

5.7.2. COMPENSATION PAID IN 2022

5.7.2.1. The Board of Directors

The Bylaws provide for Directors' fees.

The Extraordinary General Meeting of 18 December 2015 set the compensation of non-executive Directors at €5,000 per Board meeting and per Director from January 2016, subject to actual attendance at meetings.

Executive Directors do not receive any compensation in respect of their directorships for Econocom Group. Their compensation comes from contractual relationships or their terms of office with one or more Group companies. At its meeting of 24 November 2016, the Board of Directors clarified the status of Executive Director, excluding from the concept Directors having an operational function within subsidiaries but not holding executive positions at Econocom Group. People in this position are considered to be non-executive Directors. However, they do not receive Directors' fees.

Directors not exercising any operational function do not receive any compensation other than the below-mentioned Directors' fees.

A summary of the nature of the compensation paid to Directors is as follows:

	Terms of office in 2022	Nature of compensation
Econocom International BV (EIBV)	Chairman and Delegated Director – represented by Jean-Louis Bouchard	EIBV receives compensation under a service contract (1)
Robert Bouchard	Vice-Chairman Non-executive Director	Directors' fees
Eric Boustouller	Independent Director	Directors' fees
Adeline Challon-Kemoun	Independent Director	Directors' fees
Véronique di Benedetto	Non-executive Director	Compensation in respect of a contract with a Group company
Samira Draoua	Delegated Director	Compensation in respect of a contract with a Group company
Bruno Grossi	Non-executive Director	Directors' fees
Marie-Christine Levet	Independent Director	Directors' fees
Jean-Philippe Roesch	Non-executive Director	Directors' fees
Laurent Roudil	Delegated Director	Compensation in respect of a contract with a Group company

(1) The structure of this compensation is described in Section 5.7.2.5.

5.7.2.2. The Committees

At the Extraordinary General Meeting of 18 December 2015, the compensation of Chairs and members of the Audit Committee and the Compensation and Appointments Committee was set at €3,000 per meeting from January 2016, subject to actual attendance.

5.7.2.3. Executive Directors, non-executive Directors with operational functions and members of the Executive Committee

The compensation of Executive Directors, non-executive Directors with operational functions and members of the Executive Committee comply with the compensation policy adopted by the Ordinary General Meeting of 18 May 2021 and includes a significant variable portion, which may reach 50% of the total compensation.

However, this compensation structure does not apply to Econocom International BV, represented by Jean-Louis Bouchard ("EIBV"), whose compensation is discussed in section 5.7.2.5.

The Ordinary General Meeting, at its meeting on 19 May 2020, for the free share allocation plan of 2020, and on 18 May 2021 for the free share allocation plan of 2021 and 2022 respectively, authorised the Board of Directors to deviate from the rules provided for in article 7:91, §2 of the Belgian Companies Code in respect of the setting of variable compensation for executives and the granting of shares or stock options to current executive Directors and other current executives of the Company.

The variable compensation of executive Directors, non-executive Directors with operational functions and members of the Executive Committee was set in 2022 based on annual performance criteria.

This compensation was subject to the achievement of objectives, both qualitative and quantitative.

A significant proportion of compensation paid to members of the Executive Committee was subject to the achievement of joint quantitative objectives relating to the Group's budget targets, and in particular recurring operating profit from operating activities, revenue and the net financial debt of the Group and/or areas of responsibility specific to each executive. The other qualitative and quantitative objectives are specific to each Executive Committee member and executive Director, and depend on the scope of their duties and responsibilities.

As is the case with all Econocom Group employees, the executive Directors and Executive Committee members who are employees of the Group, are assessed on a continuous basis throughout the year by their managers and at the annual appraisal, which is held in the first quarter of the following year.

The compensation of non-executive Directors with operational functions is set by the Chairman or a member of the Executive Committee.

The Board of Directors believed, given the reliability of the Group's financial information, by way of exemption from the principle laid down by the 2020 Corporate Governance Code, that it was unnecessary to implement a collection right for variable compensation awarded on the basis of incorrect financial information.

5.7.2.4. Non-executive Directors

This section sets out the individual compensation and benefits paid directly or indirectly to non-executive Directors by Econocom Group or any of the Group's other companies in 2022.

Compensation paid in 2022, including social costs

in €	
Robert Bouchard	68,000
Eric Boustouller	40,000
Adeline Challon-Kemoun	29,000
Bruno Grossi	40,000
Marie-Christine Levet	73,000
Jean-Philippe Roesch	58,000
Total	**308,000**

5.7.2.5. Compensation paid to the Chairman of the Board of Directors

Until 19 May 2020, Jean-Louis Bouchard served as Chairman of the Board of Directors, Delegated Director and Chairman of the Group's Executive Committee. He received no compensation whatsoever for these duties, and did not benefit from any special pension or insurance, or any other benefits paid either directly or indirectly by either Econocom Group or any companies in the scope of consolidation. As of 20 May 2020, Econocom International BV (EIBV), a company incorporated under Dutch law, represented by Jean-Louis Bouchard, has assumed all these roles. EIBV does not receive compensation for these duties.

However, EIBV continues to provide leadership services for the Group and therefore receives compensation that covers approximately three quarters of staff costs calculated on the basis of hours of service at an hourly rate defined according to the qualification of the person providing the service within EIBV. This compensation takes into account an annual budget established in advance and the remainder of chargebacks of costs incurred by EIBV on behalf of the Company (management seminars, etc.). This compensation is received from the Company's subsidiaries under service agreements entered into with the entities concerned. EIBV is not eligible for variable compensation, whether in cash or in the form of free shares or stock options.

EIBV billed fees of €2.4 million to Econocom Group and its subsidiaries in 2022 for managing and coordinating the Group. These fees amounted to €1.4 million in 2021. This increase is due to the effects of events external and internal to the Group during the 2022 financial year.

5.7.2.6. Compensation paid to the executive Directors, non-executive Directors with operational functions and members of the Executive Committee in 2022

This section indicates in aggregate the amount of compensation and other benefits granted directly or indirectly to the Executive Directors (excluding the compensation of the Chairman of the Board of Directors commented on in paragraph 5.7.2.5), to the non-executive Directors exercising an operational function and members of the Executive Committee by Econocom Group or a company that is part of the consolidation scope in 2022.

Total compensation paid in 2022, including social costs

in €	
Fixed portion	2,410,900
Variable portion (1)	2,103,309
Pensions and other compensation, including benefits in kind (2)	2,341,781
Social costs (3)	1,523,516
Directors' fees	-
Total	**8,379,506**

(1) Including €1,658 thousand for 2021, and paid in 2022.
(2) Including €10 thousand for 2021, and paid in 2022.
(3) Including €1,398 thousand for 2021, and paid in 2022.

Total compensation for 2022, including social costs

in €	
Fixed portion	2,410,900
Variable portion [(1)]	1,878,872
Pensions and other compensation, including benefits in kind [(2)]	2,342,437
Social costs [(3)]	1,978,342
Directors' fees	-
Total	**8,610,550**

(1) Of which €1,526 thousand yet to be paid in 2022. The non-finalised variable portions were recorded on the assumption that 100% of targets were met.

(2) Of which €11 thousand yet to be paid in 2022.

(3) Of which €111 thousand yet to be paid in 2022.

This information corresponds to the compensation charged. Seven of the managers with operational functions were compensated under their employment contract as employees of Econocom Group's companies. Two indirectly received compensation through a company controlled by Econocom Group, as a corporate officer of an Econocom Group company and/or as a service provider. This lump-sum compensation is included in the summary table above.

Four of the Executive Directors, non-Executive Directors with operational functions and Executive Committee members have a company car.

5.7.3. STOCK OPTIONS AND FREE SHARES GRANTED

Some of the executive Directors, non-executive Directors with operational functions and Executive Committee members benefit from stock option and/or performance share plans.

The General Meeting of 18 May 2021 approved the terms of a performance share plan covering 4,000,000 shares, the vesting of which will take place over two or three years.

On 21 July 2021, the Board of Directors and, by delegation, the Chairman represented by Jean-Louis Bouchard, also allocated 1,800,000 of these performance shares to four of these Executives.

On 19 January 2022, the Board of Directors also allocated 550,000 of these performance shares to one of these Executives.

In addition, the Chairman, represented by Jean-Louis Bouchard, by delegation from the Board of Directors, granted 550,000 stock options to one of these Executives.

During the financial year, 1,300,000 existing shares were vested, 950,000 existing shares were forfeited and 588,000 new shares were acquired through the exercise of 294,000 stock options.

At 31 December 2022, the Executive Directors, non-Executive Directors with operational functions and Executive Committee members held 550,000 stock options entitling them to 550,000 new Econocom Group shares at a total subscription price of €0.2 million, as well as 1,000,000 Econocom Group performance shares which are not yet fully vested.

5.7.4. TERMINATION BENEFITS AND OTHER CONTRACTUAL OBLIGATIONS

The employment contracts of the executive Directors, Executive Committee members and non-executive Directors with operational functions in office at 31 December 2022 contain standard clauses, in particular as regards notice period. They contain no specific clause with respect to pension benefits.

5.8. Appropriation of profit and dividend policy

The Board of Directors will ask the General Meeting of 31 March 2023 to approve the repayment of the issue premium equivalent to paid-up share capital in the amount of €0.16 per share.

This repayment represents an increase of 14.3% compared to the amount per share proposed last year.

In addition, the Group will also continue its treasury share buyback policy.

5.9. Relations with major shareholders

At 31 December 2022, the number of shares issued by Econocom Group totalled 222,929,980, of which Jean-Louis Bouchard held 39.99% *via* Econocom International BV. Treasury shares held by Econocom Group do not carry voting rights, meaning that, at 31 December 2022, Jean-Louis Bouchard held 62.22% of the Company's voting rights, directly and indirectly.

Relations with the majority shareholder, Econocom International BV, correspond to the provision of standard services on arm's-length terms. In addition, the Econocom Group signed lease agreements in France with companies controlled by Jean-Louis Bouchard: SCI Maillot Pergolèse, SCI de Dion Bouton and SCI JMB. These leases were signed on arm's length terms.

5.10. Econocom Group employee share ownership schemes

The Group has set up several incentive plans for its personnel, employees, managers and executives. Two stock option plans set up in 2014 and 2017 are still in progress and have given rise to awards each year from 2014 to 2017, and three free share allocation plans approved by the General Meeting have given rise to awards in 2018, 2020 and 2021. Moreover, a stock option agreement was set up for the benefit of a Group executive.

In 2022, 1,300,000 free shares were definitely transferred by the Board of Directors to an executive, in respect of the 2020 and 2021 Free Share Plans, thereby resulting in the transfer of the same number of treasury shares. The financial impact for the Group corresponds to the market value of the shares transferred. Moreover, a total of 324,000 options exercised at the end of 2021 resulted in the issue during the month of January 2022 of 648,000 new shares. In addition, 356,800 stock options and a total of 1,000,000 free shares were lost due to not being exercised by the beneficiaries following the departure of a beneficiary or the failure to meet individual or collective performance targets. Lastly, under the stock option agreement, 550,000 stock options were granted to an executive.

An updated summary of the Group's commitments in respect of these plans at 31 December 2022 is provided below:

Plan	Year granted	Number of options and free shares	Number of correspon-ding shares*	Expiry and vesting date	Exercise price *(in € per share)*	Exercise price *(in € thousands)*
2014 subscription options	2016	40,000	80,000	Dec. 2023	4.786	383
		45,000	90,000	Dec. 2023	6.80	612
2017 subscription options	2017	90,000	90,000	Dec. 2023	6.04	544
Free shares	2018	50,000	50,000	March 2023	-	-
Free shares	2021	700,000	700,000	July 2023	-	-
		500,000	500,000	July 2024	-	-
Stock options	2022	200,000	200,000	Dec. 2023	0.42	84
		200,000	200,000	Dec. 2024	0.42	84
		150,000	150,000	Dec. 2025	0.42	63
Total			**2,060,000**			**1,769**

* Each one of the options granted prior to the two-for-one share split (in June 2017) entitles the holder to two Econocom Group shares.

These plans cover Econocom Group shares listed on the Euronext Brussels stock exchange. The aim is to build a strong relationship between the Company and its staff and retain its most talented executive officers and employees, thereby promoting a strong alignment of the interests of beneficiaries with those of shareholders.

The granting of some of the stock options and free shares, comprising between 50% and 100% of the stock options and shares allocated, is contingent on their beneficiaries achieving individual, collective, internal and/or external performance goals. The exercise price is set in accordance with current legislation.

The options are non-transferable. There is no hedging of the risk of loss by Econocom Group in the event of a fall in the share price.

The stock options granted in 2016 are part of a stock option plan approved by the Board of Directors on 17 December 2014. If exercised, these options will result in the issuance of new shares.

The free share plan issued in 2016 was approved by the General Meeting of 17 May 2016. The different awards made as part of this plan were approved by the Board of Directors meetings dated 19 May 2016, 26 February 2018 and 27 December 2018. The vesting of free shares by the beneficiary will result in delivery of existing shares.

The stock options granted in 2017 are part of a stock option plan approved by the Board of Directors on 22 June 2017. If exercised, these options will result in the issuance of new shares.

The free share plan issued in 2020 was approved by the General Meeting of 19 May 2020. The awards made under this plan were approved by the Board of Directors on 27 July 2020 and 21 July 2021. The vesting of free shares by the beneficiary will result in delivery of existing shares.

The free share plan issued in 2021 was approved by the General Meeting of 18 May 2021. The awards made under this plan were approved by the Board of Directors on 21 July 2021. The vesting of free shares by the beneficiary will result in delivery of existing shares.

At 31 December 2022, free shares and options which are not fully vested entitle their holders to a total of 2,060,000 Econocom Group shares, including 260,000 shares yet to be issued and 1,800,000 existing shares. In total, the 2,060,000 shares represented 0.92% of the number of shares issued at the end of the period. Lastly, of the total number of shares corresponding to stock options and free shares granted and not yet exercised, 43.7% were still subject to the achievement of future quantitative and/or qualitative, and individual and/or collective performance conditions.

The exercise of all these options would result in an equity increase of €1.8 million.

5.11. External auditor fees

in €	31 Dec. 2022	31 Dec. 2021
Statutory Auditor's fees for auditing the financial statements	397,363	357,700
Statutory Auditor's fees or fees for similar assignments performed in the Group by individuals related to the Statutory Auditor	1,275,790	1,125,394
Fees for non audit-related engagements or specific assessments carried out by the Statutory Auditor for Econocom Group	–	–
Non-audit certification engagements	–	5,000
Tax advisory engagements	–	–
Other non-audit engagements	–	–
Fees for one-off tasks or specific engagements carried out for Econocom Group by persons related to the Statutory Auditor(s)	–	–
Non-audit certification engagements	–	–
Tax advisory engagements	–	–
Other non-audit engagements	–	–

5.12. Treasury shares

See section 5.4 above.

6. Subsequent events

As of the date of finalization of this report, there is no significant event subsequent to year-end closing.

06

consolidated financial statements

1. Consolidated income statement and earnings per share

For the years ended 31 December 2022 and 31 December 2021

in € millions	Notes	2022	2021 restated*
Revenue from continued operations	4.1	**2,718.3**	**2,366.9**
Cost of goods sold or leased	4.2	(1,948.8)	(1,625.0)
Employee benefits expense	4.3	(468.5)	(472.2)
Expenses related to purchased services	4.5	(132.3)	(113.0)
Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions) and provisions	4.6	(22.1)	(31.6)
Net impairment losses on current and non-current assets	4.7	(4.5)	9.2
Taxes (other than income taxes)		(6.5)	(8.5)
Operating financial income	4.8.1	26.1	21.5
Operating financial expenses	4.8.2	(22.2)	(19.6)
Recurring operating profit from continuing operations (operating margin)		**139.4**	**127.7**
Amortisation of intangible assets from acquisitions	4.6	(2.2)	(2.0)
Other operating income	5	0.1	7.2
Other operating expenses	5	(27.5)	(23.6)
Operating profit		**109.8**	**109.2**
Other financial income	6.1	0.5	3.5
Other financial expenses	6.2	(15.0)	(13.4)
Profit before tax		**95.3**	**99.3**
Income tax	7	(22.7)	(29.7)
Net income (loss) from equity accounted companies		-	(0.1)
Profit (loss) from continuing operations		**72.6**	**69.5**
Profit (loss) from discontinued operations	2.2.4	(7.3)	0.7
Consolidated profit (loss)		**65.3**	**70.2**
Net profit (loss) attributable to non-controlling interests		1.5	4.6
Profit for the period attributable to owners of the parent		63.8	65.6

Earnings per share (in €)	Notes	2022	2021 restated*
Basic earnings per share	8	0.36	0.37
Basic earnings per share – continued operations		0.40	0.36
Basic earnings per share – discontinued operations	2.2.4	(0.04)	0.00
Diluted earnings per share	8	0.34	0.34
Diluted earnings per share – continued operations		0.37	0.34
Diluted earnings per share – discontinued operations	2.2.4	(0.04)	0.00
Net recurring profit (loss) (adjusted profit (loss)) per share [(1)]	8	0.53	0.41

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

(1) Net recurring profit (loss) (adjusted profit (loss)) has been the key performance indicator used by Econocom to assess its economic and financial performance. It does not include:

- amortisation of intangible assets from acquisitions, net of tax effects;
- other operating income and expenses, net of tax effects;
- other non-recurring financial income and expense, net of tax effects;
- profit (loss) from discontinued operations.

A reconciliation table between consolidated and net recurring profit (loss) (adjusted profit (loss)) is provided in paragraph 2.1 of the Management Report.

Consolidated statement of comprehensive income

in € millions	2022	2021 restated*
Consolidated profit (loss)	65.3	70.2
Items that will not be reclassified to profit or loss	**8.0**	**2.6**
Revaluation of the liabilities (assets) under defined benefit plans	10.7	3.5
Deferred taxes on the revaluation of liabilities (assets) under defined benefit plans	(2.7)	(0.9)
Items that may be reclassified to profit or loss	**10.8**	**2.8**
Change in value of future cash flow hedges	14.2	0.6
Deferred taxes from the change in value of future cash flow hedges	(3.5)	(0.1)
Exchange differences resulting from the conversion of establishment abroad	0.1	2.4
Other items of the comprehensive income statement	**18.8**	**5.4**
Total comprehensive income for the period	**84.1**	**75.6**
Attributable to non-controlling interests	1.3	4.6
Attributable to owners of the parent	82.8	71.0

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

2. Consolidated statement of financial position

Asset

in € millions	Notes	31 Dec. 2022	31 Dec. 2021 restated*
Non-current assets			
Intangible assets	10.1	43.3	36.6
Goodwill	9	554.2	494.9
Property, plant and equipment	10.2	38.0	31.8
Rights of use assets	10.3	57.6	55.0
Non-current financial assets	10.4	24.4	29.5
Residual interest in leased assets	11.1	114.7	128.0
Other long-term receivables	10.5	21.4	23.3
Deferred tax assets	7.2	27.7	39.9
Total non-current assets		**881.3**	**839.0**
Current assets			
Inventories	12.1	103.6	122.6
Trade and other receivables**	12.2	878.9	796.4
Residual interest in leased assets	11.1	49.8	42.7
Current tax assets		9.5	10.9
Contract assets	12.2	31.3	19.7
Other current assets	12.2	36.3	32.1
Cash and cash equivalents	15.1	404.8	405.9
Assets held for sale	2.2.4	106.4	69.0
Total current assets		**1,620.6**	**1,499.2**
Total assets		**2,501.9**	**2,338.2**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

** of which outstandings on self-funded contracts: €283.7 million at 31 December 2022 versus €208.3 million at 31 December 2021.

Liabilities

in € millions	Notes	31 Dec. 2022	31 Dec. 2021 restated*
Share capital		23.7	23.7
Additional paid-in capital and reserves		302.6	291.2
Profit for the period attributable to owners of the parent		63.8	65.6
Total equity attributable to owners of the parent	16	**390.2**	**380.5**
Non-controlling interests	16.4	66.6	58.3
Total equity		**456.8**	**438.8**
Non-current liabilities			
Bonds**	15.2	199.3	194.3
Financial liabilities**	15.2	91.9	108.3
Gross liability for repurchases of leased assets	11.2	78.7	75.3
Long-term lease liabilities	10.3	41.2	40.7
Other financial liabilities***	13	36.3	9.6
Provisions	17	11.2	5.0
Provisions for pensions and other post-employment benefit obligations	18	30.5	36.5
Other non-current liabilities		13.1	9.3
Deferred tax liabilities	7.2	12.8	16.3
Total non-current liabilities		**515.0**	**495.4**
Current liabilities			
Bonds**	15.2	160.8	57.7
Financial liabilities**	15.2	96.3	112.4
Gross liability for repurchases of leased assets	11.2	24.1	22.8
Short-term lease liabilities	10.3	18.6	18.0
Other financial liabilities***	13	24.9	47.1
Provisions	17	17.4	26.9
Current tax liabilities		10.7	17.2
Trade and other payables	12.3	932.1	882.0
Contract liabilities	12.4	63.7	52.1
Other current liabilities	12.4	124.8	137.2
Liabilities held for sale	2.2.4	56.5	30.7
Total current liabilities		**1,530.1**	**1,404.1**
Total equity and liabilities		**2,501.9**	**2,338.2**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

** Taking into account the cash and cash equivalents appearing as assets for €404.8 million at 31 December 2022 (and €405.9 million at 31 December 2021) and bonds and financial liabilities, the balance sheet shows net financial debt of €143.5 million at 31 December 2022 (versus €66.8 million at 31 December 2021); this net financial debt notably takes into account €283.7 million at 31 December 2022 (and €208.3 million at 31 December 2021) corresponding to TMF activity's self-funded contracts and related expected rents.

*** Relating to contingent acquisition-related liabilities

3. Consolidated statement of changes in shareholders' equity

in € millions	Number of shares	Share capital	Additional paid-in capital	Treasury shares
Balance at 31 December 2020	**220,880,430**	**23.5**	**213.6**	**(23.0)**
Impact on changes in accounting standards or policies*				
Balance at 1 January 2021	**220,880,430**	**23.5**	**213.6**	**(23.0)**
Profit (loss) for the year				
Other comprehensive income (expense), items net of tax				
Total comprehensive income for 2021		**-**	**-**	**-**
Share-based payments				
Refund of issue premiums/Compensation of shareholders			(22.5)	
Capital increase	1,401,550	0.2	3.7	
Net treasury share transactions				(83.0)
Put and call options on non-controlling interests – Change in fair value				
Put and call options on non-controlling interests – Initial recognition				
Other transactions and transactions with an impact on non-controlling interests (see note 16)				
Balance at 31 December 2021	**222,281,980**	**23.7**	**194.8**	**(106.0)**

in € millions	Number of shares	Share capital	Additional paid-in capital	Treasury shares
Balance at 31 December 2021	222,281,980	23.7	194.8	(106.0)
Impact on changes in accounting standards or policies or other impacts*				
Balance at 1 January 2022	222,281,980	23.7	194.8	(106.0)
Profit (loss) for the year				
Other comprehensive income (expense), items net of tax				
Total comprehensive income for 2022		-	-	-
Share-based payments				
Refund of issue premiums/Compensation of shareholders			(25.3)	
Capital increase	648,000	0.1	1.7	
Net treasury share transactions				(25.4)
Put and call options on non-controlling interests – Change in fair value				
Put and call options on non-controlling interests – Initial recognition				
Other transactions and transactions with an impact on non-controlling interests (see note 16)				
Balance at 31 December 2022	**222,929,980**	**23.7**	**171.2**	**(131.4)**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as corrections for comparability purposes on certain services included in TMF contracts (see 1.2.1. and 1.3.2.) as well as comparability adjustements for certain services included in the TMF contracts.

Consolidated reserves and retained earning	Other comprehensive income (expense)	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
204.0	**(12.0)**	**406.1**	**66.9**	**472.9**
(5.5)	0.9	(4.6)		(4.6)
198.5	**(11.1)**	**401.5**	**66.9**	**468.3**
65.6		65.6	4.6	70.2
	5.2	5.2	0.2	5.4
65.6	**5.2**	**71.0**	**4.6**	**75.6**
1.9		1.9		1.9
		(22.5)		(22.5)
		3.9		3.9
		(83.0)		(83.0)
9.6		9.6	(12.6)	(3.0)
		-		-
(1.6)		(1.6)	(0.7)	(2.4)
273.9	**(5.9)**	**380.5**	**58.3**	**438.8**

Consolidated reserves and retained arning	Other comprehensive income (expense)	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
273.9	(5.9)	380.5	58.3	438.8
(10.4)		(10.4)		(10.4)
263.5	(5.9)	370.1	58.3	438.8
63.8		63.8	1.5	65.3
	19.0	19.0	(0.1)	18.8
63.8	19.0	82.8	1.3	84.1
1.2		1.2		1.2
		(25.3)	(6.3)	(31.6)
		1.8		1.8
		(25.4)		(25.4)
17.9		17.9	(19.3)	(1.4)
(32.8)		(32.8)	32.8	-
(0.1)		(0.1)	(0.2)	(0.3)
313.6	**13.1**	**390.2**	**66.6**	**456.8**

4. Consolidated statement of cash flows

in € millions	Notes	2022	2021 restated*
Profit (loss) from continuing operations		72.6	69.5
Elimination of the result of equity accounted companies		-	0.1
Provisions, depreciation, amortisation and impairment	19.1.1	31.0	18.1
Elimination of the change of residual interests in leased assets	19.1.1	(1.3)	5.7
Other non-cash expenses (income)	19.1.1	4.5	(9.9)
Cash flows from operating activities after cost of net financial debt and income tax		**106.9**	**83.4**
Income tax expense	7	22.7	29.7
Cost of net financial debt	19.1.2	8.3	8.7
Cash flows from operating activities before cost of net financial debt and income tax (a)		**137.9**	**121.8**
Change in working capital requirement (b), of which:	19.1.3	9.1	(55.0)
Net investments in self-funded TMF contracts		*(75.4)*	*(22.4)*
Other changes in working capital requirement		*84.5*	*(32.6)*
Tax paid before imputation of tax credits (c)		(23.0)	(23.8)
Net cash flows from (used in) operating activities (a + b + c = d)	19.1	**124.0**	**43.0**
Acquisition of tangible and intangible assets		(23.9)	(16.7)
Disposal of tangible and intangible assets		0.3	3.5
Acquisition of non-current financial assets		(12.5)	(4.6)
Disposal of non-current financial assets		4.2	10.7
Acquisition/disposal of companies and businesses, net of cash acquired/disposed		(58.9)	6.2
Net cash from (used in) investing activities (e)	19.2	**(90.8)**	**(0.9)**

* In accordance with IFRS 5, the restatement of the 2021 figures reflects the reclassification of operations considered as discontinued in 2022 to "Net change in cash and cash equivalents from discontinued operations". Furthermore, the 2021 consolidated cash flow table was impacted by the application of the IFRIC decision on the processing of implementation costs for software in SaaS mode as well as comparability adjustements on certain sale & lease back contracts and certain services in the TMF contracts (see 1.2.1. and 1.3.2.).

in € millions	Notes	2022	2021 restated*
Convertible bonds (OCEANEs) buybacks		(33.8)	(3.3)
Capital increase of parent company		1.8	3.9
Capital increase of subsidiaries		-	0.8
Purchases of treasury shares (net of sales)		(29.6)	(82.9)
Refund of issue premium/Payments to shareholders		(17.5)	(23.9)
Change in lease refinancing liabilities		(21.7)	(13.1)
Increase in financial liabilities		249.4	169.9
Decrease in financial liabilities		(156.7)	(221.3)
Change in factoring and reverse factoring liabilities		(2.8)	3.5
Net change in commercial paper		11.0	(97.5)
Main components of payments coming from leases		(22.6)	(20.5)
Interest paid		(6.8)	(6.0)
Net cash from (used in) financing activities (f)	19.3	**(29.3)**	**(290.4)**
Impact of exchange rates on cash and cash equivalents (g)		2.2	0.7
Net change in cash and cash equivalents from discontinued operations (h)	2.2.4	(9.5)	4.9
Change in net cash and cash equivalents (d + e + f + g + h)		**(3.4)**	**(242.7)**
Net cash and cash equivalents at beginning of period (1)	15.1/19	**405.9**	**648.5**
Change in net cash and cash equivalents		**(3.4)**	**(242.7)**
Net cash and cash equivalents at end of period (1)	15.1/19	**402.4**	**405.9**

* In accordance with IFRS 5, the restatement of the 2021 figures reflects the reclassification of operations considered as discontinued in 2022 to "Net change in cash and cash equivalents from discontinued operations". Furthermore, the 2021 consolidated cash flow table was impacted by the application of the IFRIC decision on the processing of implementation costs for software in SaaS mode as well as comparability adjustments for certain sale & leaseback contracts and certain services in the TMF contracts (see 1.2.1. and 1.3.2.).

(1) Cash and cash equivalents net of bank overdrafts: €2.4 million at 31 December 2022 and €0.0 million at 31 December 2021.

Key movements in the consolidated statement of cash flows are explained in note 19.

5. Notes to the consolidated financial statements

1. Principles of preparation of the financial statements

1.1. Information on the financial statements

The consolidated financial statements of Econocom Group ("the Group") for the year ended 31 December 2022 include:

- the financial statements of Econocom Group SE ;
- the financial statements of its subsidiaries;
- the share of the net assets and profit (loss) of associates and joint ventures.

Econocom is an independent group that designs, finances and oversees companies digital transformation.

Econocom Group SE, the Group's parent company, is a Société Européenne whose registered office is located at Place du Champ de Mars, 5, 1050 Bruxelles, Belgique.

The Company is registered at the Brussels companies registry under number 0422 646 816 and is listed on Euronext in Brussels.

All amounts in the Consolidated financial statements are presented in € millions. The fact that figures have been rounded off to the nearest decimal point may, in certain cases, result in minor discrepancies in the totals and sub-totals in the tables and/or in the calculation of percentage changes.

The Board of Directors meeting of 14 February 2023 adopted and authorised the publication of the consolidated financial statements for the year ended 31 December 2022. These financial statements will be submitted for approval at the General Meeting of 31 March 2023.

1.2. Guidelines applied

As required by European Commission Regulation no. 1606/2002 dated 19 July 2002, Econocom's consolidated financial statements for the 2022 financial year have been prepared in accordance with the International Financial reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The accounting principles applied at 31 December 2022 are the same as those used for year ended 31 December 2021, except for new standards and interpretations applicable as of 1 January 2021 (see 1.2.1.) and corrections for comparability purposes (see 1.3.2).

These financial statements do not take into account any draft standards or interpretations which, at the end of the reporting date, were being developed as exposure drafts by the IASB or the IFRIC (International Financial Reporting Interpretations Committee).

All the standards adopted by the European Union are available on the European Commission website at the following address:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr#overview

1.2.1. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AND APPLICABLE AT 1 JANUARY 2022

The standards, amendments to standards and interpretations, published by the IASB and presented below are mandatory since 1 January 2022.

The following standards did not have a material impact on the Group's financial statements:

- Annual improvements 2018-2020:
  - IFRS 9 – Fees and cost included in the 10 per cent test for derecognition of financial liabilities,
  - IFRS 16 – Extension of practical expedient;
- Amendment to IAS 37, Onerous contracts - cost of fulfilling a contract;
- Amendment to IFRS 3, Reference to the conceptual framework;
- Amendments to IAS 16 "Property, plant and equipment - Proceeds before intended use".

The following standard had an impact on the Group's financial statements:

- IFRIC decision of March 2021, relating to the treatment of the costs of implementing a SaaS (Software as a Service) contract.

This impact is described in note 1.3.2.

1.2.2. STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION

Pending their definitive adoption by the European Union, the Group has not anticipated the application of the following standards and interpretations:

- amendment to IAS 1, presentation of financial statements: classification of Liabilities as Current or Non-current, mandatory from 1 January 2023;
- amendment to IAS 1, disclosure of Accounting Policies and amendment to IFRS Practice Statement 2 "Making materiality judgements", mandatory from 1 January 2023;
- amendment to IAS 8, definition of Accounting Estimates, mandatory from 1 January 2023;
- amendment to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture";
- IFRS 17 "Insurance contracts", the application of which is mandatory from 1 January 2023;
- amendments to IAS 12 "Tax related to Assets and Liabilities arising from a Single Transaction".

The Group is currently in the process of assessing any impacts of the first application of these texts.

1.3. Basis for preparation and presentation of the consolidated financial statements

1.3.1. BASIS FOR REPORTING OF FINANCIAL STATEMENTS

These accounting policies set out below have been consistently applied to all the years presented in the financial statements.

The financial statements were prepared on a historical cost basis, with the exception of:

- certain financial assets and liabilities which are measured at fair value;
- non-current assets held for sale, which are recognised and measured at the lower of net book value and fair value less costs to sell as soon as their sale is deemed highly probable. They are no longer amortised once they are classified as assets (or a group of assets) held for sale.

1.3.2. CHANGES IN PRESENTATION AND ACCOUNTING POLICIES

The consolidated statement of financial position and the consolidated income statement for the 2021 financial year have been amended as follows:

- costs of implementing SAAS contracts (IAS 38) : following the IFRIC decision related to the implementation costs of SaaS contracts, the consolidated financial statements for 2021 have been restated impacting the "Recurring operating profit (operating margin)" for an amount of +€0.2 million, intangible assets for an amount of -€7.3 million, deferred tax assets for an amount of €1.9 million against consolidated reserves for an amount of -€5.5 million ;
- accounting of sale & lease-back contracts: some sale & lease-back contracts of the year 2021 not meeting the IFRS 15.38 criteria described in paragraph 4.1.2.4 “sales and lease-back contracts” below have been restated in the 2021 consolidated income statement with a downward impact on revenue of €35.0 million and costs of goods sold or leased for an amount of €33.2 million euros. The margin of these contracts was recorded in “Financial operating result”, without any impact on the net result;
- presentation of the consolidated income statement : for the sake of better information for readers of the consolidated financial statements and in accordance with IAS 1, the “Operating financial result”, the “Other non-current income and expenses, the “Other financial income and expenses” are now presented by distinguishing income and expenses; furthermore the “Allocations to amortization of intangible assets acquired" are also presented separately; and finally the naming “Operating margin” will replace “Operating income” as from financial year 2023.

As provided in IAS 8, these changes in presentation, methods, and corrections, are retrospective on the 2022 financial year as a whole, as well as on the comparative years.

1.3.3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of Econocom Group’s consolidated financial statements requires the use of estimates and assumptions by Management which may affect the book value of certain items in assets and liabilities, income and expenses, and the information disclosed in the notes to the consolidated financial statements.

Estimates and assumptions are made on the basis of past experience and other elements considered realistic or reasonable, and are a basis for the exercise of judgment in determining the book value of assets and liabilities. The Group uses discount rate assumptions (based on market data) to estimate assets and liabilities.

Group Management regularly reviews its estimates and assumptions in order to ensure that they accurately reflect both past experience and the current economic situation.

Depending on changes in these assumptions, the items in its financial statements could differ significantly, which would affect the value of assets, liabilities, equity or the income statement. The impact of changes in accounting estimates is recognised in the period in which the change occurred.

Use of estimates

The main estimates and assumptions used by the Group are set out in the relevant sections in the notes to the financial statements and cover:

- provisions for risks and other provisions related to the activity;
- employee benefit obligations and share-based payments;
- Group's residual interests in leased assets;
- deferred tax assets and liabilities as well as the current tax expense;
- valuation methods for identifiable assets and liabilities acquired as part of business combinations.

For these estimates, the Group applies the following accounting policies:

- provisions: provisions are recognised to cover probable outflows of resources to a third party with no equivalent consideration for the Group. They include provisions for litigation of any nature which are estimated on the basis of the most probable, conservative settlement assumptions. To determine these assumptions, Group Management relies, where necessary, on assessments made by external consultants (note 17);
- valuation of granted stock options and free shares : the actuarial formulae used are sensitive to assumptions concerning employee turnover, changes in and volatility of the share price of Econocom Group SE, as well as the probability of Management achieving its objectives (see note 16.3.1);
- assessments of the probability of recovering the tax loss carryforwards and tax credits of the Group's subsidiaries (see note 7 on tax loss carryforwards);
- valuation of the Group's residual interest in leased assets: this valuation is performed using the method described in note 11.1 and reviewed each year.

Use of judgement

The Group is required to exercise critical judgement to determine:

- the qualification of dealer-lessor in sale & leaseback contracts;
- the distinction between "agent" and "principal" for revenue recognition;
- the derecognition of financial assets and liabilities;
- identification of an asset or group of assets as held for sale, and discontinued operations.

The Group reviews the valuation and useful lives of operating assets, property, plant and equipment, intangible assets and goodwill annually and whenever there is an indication of impairment during the financial year (note 9.3).

Climate risk

Due to its activities and locations, the Group believes that it is not subject to the physical impacts of climate change. The Group operates mainly in Western Europe, in countries with little exposure to extreme weather events that could harm its activities or assets.

Econocom is nevertheless concerned by the expected changes in digital uses and by the change in the behaviours of its customers regarding their digital equipment. These changes should gradually result in an extension of the useful life of assets and a greater weight of reconditioned equipment compared to new equipment. These changes are perceived by the Group as business opportunities rather than risks. As a result, distribution activities integrated refurbishment services. In particular, the TMF business has had offers of used equipment rental for a long time and the group strengthened its positioning in this sector by acquiring, in the second quarter, the French company SOFI Groupe, an industrial player in the reconditioning of smartphones and IT equipment.

The group is also exposed to the challenges of its sector in terms of energy transition and those of its suppliers in the supply of digital assets.

The Group did not identify any indication of impairment on its non-current assets and the impact related to climate issues was not significant in the financial statements at 31 December 2022.

2. Principles and scope of consolidation

2.1. Accounting principles related to the scope of consolidation

2.1.1. BASIS OF CONSOLIDATION

Basis of consolidation for subsidiaries

These consolidated financial statements include the financial statements of Econocom Group SE and all the subsidiaries it controls.

According to IFRS 10, an investor controls an investee if and only if the investor has all of the following:

- power over the investee, *i.e.* the ability to direct the activities that significantly affect the investee's returns;
- exposure to the investee's variable returns, which may be positive, in the form of a dividend or any other economic or negative benefit;
- the ability to use its power over the investee to affect the amount of the investor's returns.

The Group recognises subsidiaries the group controls under the full consolidation method: the assets, liabilities, income and expenses of subsidiaries are fully consolidated in the consolidated financial statements and the share of equity and profit (loss) attributable to non-controlling interests is presented separately under non-controlling interests in the consolidated balance sheet and income statement.

All intragroup assets, liabilities, equity, income, expenses and cash flows arising from transactions between entities within the Group are fully eliminated on consolidation.

Basis of consolidation for investments in associates and joint ventures

The Group recognises its investments in associates and joint ventures under the equity method: an investment in an associate is initially recognised at its acquisition cost in the consolidated statement of financial position and is subsequently adjusted to recognise the Group's share of the associate's profit (loss) and other comprehensive income (expense) If the Group's share in an associate's losses is greater than its investment in that associate, the Group ceases to recognise its share in future losses. Additional losses are only recognised if the Group is under a legal or constructive obligation to do so or if it has made payments on behalf of the associate.

2.1.2. BUSINESS COMBINATIONS (AND GOODWILL)

Accounting policies

Acquisitions of businesses are recognised in accordance with IFRS 3. The cost of a business combination (or "consideration transferred") is calculated as the aggregate of the acquisition-date fair values of:

- the assets transferred by the Group;
- the liabilities acquired by the Group from the former owners of the acquiree;

- the equity interests issued by the Group in exchange for control of the acquiree;

to which may be added, at the Group's choice, the valuation of non-controlling interests at fair value or at the share of net assets attributable to non-controlling interests.

Acquisition-related expenses are expensed as incurred.

Measuring business combinations (or goodwill)

The difference between the consideration transferred and the acquirer's share in the fair value of the identifiable assets and liabilities and contingent liabilities at the acquisition date is recognised in goodwill on a separate line in the financial statements. These items may be adjusted during the 12 months following the acquisition date. Any contingent consideration due is recognised at its acquisition-date fair value and included in the cost of the business combination. Subsequent changes in the fair value of contingent consideration are recognized in profit or loss.

Acquisitions carried out on favourable terms

If after remeasurement, the net balance of the amounts, at the acquisition date, of the identifiable assets acquired and the liabilities assumed exceeds the aggregate of the cost of business combination, of the amount of non-controlling interests in the acquired company and of the fair value of the interest previously held by the acquirer in the acquiree (if any), the excess amount is recognised directly in profit or loss as a bargain purchase.

Measuring non-controlling (minority) interests

Non-controlling interests entitle the holders to a proportionate share of the entity's net assets in the event of liquidation. Consequently, for each business combination, non-controlling interests can be initially measured:

- either at fair value, resulting in the recognition of additional goodwill (the "full goodwill" method);
- or at the non-controlling interest's share in the recognised amounts of the acquiree's net identifiable assets (the "partial goodwill" method).

Changes in ownership interest

The recognition of subsequent changes in ownership interest (through acquisitions of additional interests or disposals) depends on the definition of the impact on the control of the entity in question.

If control is not affected by the change in ownership interest, the transaction is regarded as between shareholders. The difference between the purchase (or sale) value and the book value of the interest acquired (or sold) is recognised in equity.

If control is affected (as is the case, for example, for business combinations achieved in stages), the interest held by the Group in the acquiree before the business combination is remeasured at fair value through profit or loss.

Impairment of goodwill

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses, determined in accordance with the method described in note 9.3.

Goodwill impairment losses are recorded under "Other operating expenses" in the income statement included in the Group's operating profit.

2.1.3. TRANSLATION OF FOREIGN CURRENCIES TRANSACTIONS

2.1.3.1. Functional currency and presentation currency

The items in the financial statements of each Group entity are measured using the currency of the primary economic environment (or "functional currency") in which the entity operates.

The consolidated financial statements presented in this report were prepared in euros, which is the Group's presentation currency.

2.1.3.2. Recognition of foreign currency transactions

For the purpose of preparing the financial statements of each entity, foreign currency transactions of subsidiaries (*i.e.*, currencies other than the entity's functional currency) are recorded using the exchange rates prevailing at the transaction date.

Monetary items denominated in foreign currencies are translated at the end of each reporting period at the year-end rate. Foreign exchange gains and losses resulting from this translation at year-end exchange rates, or arising on the settlement of these monetary items, are recognised in the income statement for the period in which they occur.

Non-monetary items denominated in foreign currencies and recognised at fair value are translated using the exchange rate prevailing at the date the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are not remeasured.

When a gain or loss on a non-monetary item is recognised directly in equity, the "currency" component of this gain or loss is also recognised in equity. Otherwise, this component is recognised in profit or loss for the period.

2.1.3.3. Translation of the financial statements of foreign entities

The results and financial positions of the Group's entities with functional currencies other than the presentation currency are translated into euros as follows:

- balance sheet items other than equity are translated at the year-end exchange rate;
- income statement and statement of cash flow items are translated at the average exchange rate for the year;
- all resulting exchange differences are recognised under "Foreign currency translation adjustments" within other comprehensive income (expense).

The main exchange rates for the currencies of non-euro zone countries used to prepare the consolidated financial statements are as follows (one euro = xx foreign currency):

Closing exchange rate	2022	2021
Canadian dollar	1.4480	1.4358
Pound sterling	0.8844	0.8400
Moroccan dirham	11.1659	10.5194
Polish zloty	4.6883	4.5816
American dollar	1.0702	1.1368

Average exchange rate	2022	2021
Canadian dollar	1.3771	1.4847
Pound sterling	0.8535	0.8613
Moroccan dirham	10.7017	10.6417
Polish zloty	4.6793	4.5607
American dollar	1.0593	1.1833

2.1.4. LIABILITIES UNDER PUT AND CALL OPTIONS

The Group may grant put options to non-controlling shareholders of some of its subsidiaries. The exercise price of these options is generally measured based on future performance and profitability. These options may be exercised at any time or on a specific date.

The Group initially recognises an "other financial liability" corresponding to the exercise price of put options granted to non-controlling shareholders of the entities concerned. The offsetting entry for this liability is deducted from equity.

The difference between the Group’s liability under put options and the book value of the non-controlling interests is recognised as a deduction from equity attributable to owners of the parent. Put options are remeasured each year; any subsequent changes in the option relating to changes in estimates or to the unwinding of the discount on the option are also recognised in equity. Changes in the liability under put options on non-controlling interests are accounted for in line with the treatment applied upon the acquisition of non-controlling interests (see 2.1.2.).

If the option expires without being exercised, the book value of the financial liability is reclassified to equity

2.1.5. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations requires a specific accounting treatment and presentation of assets held for sale and discontinued operations (corresponding to operations that have been disposed of or classified as held for sale).

A non-current asset or group of directly related assets and liabilities, is classified as “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or asset group) must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to the sale and the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

These assets (or disposal group) are measured at the lower of their carrying amount and estimated sale price less costs to sell. These assets cease to be amortised from the moment they qualify as “assets (or group of assets) held for sale”. They are presented on a separate line on the Group statement of financial position, without restatement of previous periods.

An operation discontinued, sold, or held for sale is defined as a component of an entity with cash flows that can be clearly distinguished from the rest of the entity and which represents a major, separate line of business or area of operations. For all published periods, income and expense relating to discontinued operations are presented separately in the income statement under "Profit (loss) from discontinued operations" and are restated in the statement of cash flows

Profit (loss) from discontinued operations

A discontinued operation is a component which the Group has either disposed of or has classified as held for sale, and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single, coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit (loss) from discontinued operations includes:

- the post-tax profit or loss of discontinued operations generated up until the disposal date, or until the end of the reporting period if the business was not disposed of by the year-end;
- the post-tax gain or loss recognised on the disposal of continued operations that have been disposed of by the year-end

2.2. Changes in the scope of consolidation

The Econocom Group's scope of consolidation is presented in note 2.3 "Main consolidated companies".

2.2.1. ACQUISITIONS OF THE YEAR

So-IT

At the end of December 2021, Exaprobe SAS took exclusive control of So-IT, a company specialising in network integration (simple and complex architectures), security, mobility and information systems consulting. The company was fully consolidated as of FY 2022 within the P&S activity and to the tune of 80% (indirect interest). It was then merged with Exaprobe SAS, with a retroactive effect from 1 January 2022.

Econocom Factory (Sofi Group)

By acquiring a 90% stake in the company in May 2022, Econocom France SAS became the majority shareholder of Econocom Factory, an industrial player in the refurbishment industry in France, with a view to expanding into the digital refurbished market in Europe. Econocom Factory is fully consolidated within the TMF business.

Servicios microinformatica S.A.U. (Semic) & Essentiam services SL

In June 2022, the Group also took control of Servicios microinformatica (holding the integration of the shares of the company Essentiam services SL) by acquiring a majority stake (51%) of this IT solutions provider, specialising in digital transformation services for companies and public organisations. Servicios microinformatica is fully consolidated within the P&S business.

Lydis BV

During the month of July 2022, the Group took control of a 60% stake of Lydis BV in the Netherlands, a distributor on the VoIP (telco) and videoconferencing markets. Lydis BV is fully consolidated within the P&S business.

2.2.2. CHANGES IN OWNERSHIP INTEREST

Asystel Italia

The Group exercised all of its call options regarding non-controlling shareholders; Asystel Italia is now wholly-owned, since July 2022.

Altabox

The Group exercised all of its call options regarding non-controlling shareholders; Altabox is now wholly-owned, since June 2022. It then merged with Econocom Products & Solutions SL, with retroactive effect from 1 January 2022.

2.2.3. CREATION OF COMPANIES

No company was created in 2022.

2.2.4. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

Over the 2022 financial year, the Board of Directors added two scopes to the list of non-strategic activities and entities intended to be discontinued or sold and reclassified one as continuing operations. Consequently, the 2021 income statement and cash flows statement have been restated in order to ensure comparability of periods.

Impacts on the income statement and statement of cash flows

The profit (loss) from these activities is presented on a distinct line of the income statement, under "Profit (loss) from discontinued operations". The application of IFRS 5 impacts the 2022 and 2021 consolidated income statements as follows:

in € millions	2022	2021 restated*
Revenue from operating activities	144.5	159.9
Operating expenses**	(142.1)	(159.6)
Recuring operating profit (operating margin)	**2.3**	**0.2**
Other operating income and expenses	(8.0)	2.9
Operating profit	**(5.6)**	**3.1**
Other financial income and expenses	(0.1)	(0.8)
Profit before tax	**(5.7)**	**2.3**
Income tax	(1.6)	(1.6)
Profit (loss) from discontinued operations	**(7.3)**	**0.7**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

** In accordance with IFRS 5, non-current assets were not amortised, amortisations which would have represented €5.3 million in 2022, *versus* €6.9 million in 2021.

Cash flows from discontinued operations are also presented on a separate line of the statement of cash flows. The application of IFRS 5 impacts the 2022 and 2021 consolidated cash flow as follows:

in € millions	2022	2021 restated*
Net cash flows from (used in) operating activities	(19.0)	11.5
Net cash flows from (used in) investing activities	4.2	(6.0)
Net cash flows from (used in) financing activities	2.2	(3.0)
Impact of change in exchange rate and changes in method	3.0	2.4
Net cash flows from (used in) discontinued operations	**(9.5)**	**4.9**

* In accordance with IFRS 5, the restatement of the 2021 figures reflects the reclassification of operations considered discontinued in 2022 to "Net change in cash and cash equivalents from discontinued operations".

Assets and liabilities held for sale

The assets and liabilities of these activities are presented on separate lines of the statement of financial position. At 31 December 2022 and 31 December 2021, the application of IFRS 5 impacted the consolidated statement of financial position as follows:

in € millions	31 Dec. 2022	31 Dec. 2021
Goodwill	10.7	6.1
Non-current assets	18.0	30.1
Current assets	76.0	27.9
Cash and cash equivalents	1.7	4.8
Assets held for sale	**106.4**	**69.0**
Non-current liabilities	3.0	2.8
Current liabilities	53.5	27.9
Liabilities held for sale	**56.5**	**30.7**

2.2.5. ADJUSTMENTS TO ACQUISITIONS MADE IN THE PREVIOUS FINANCIAL YEAR

Trams

The amount of Trams goodwill was adjusted for the 2022 financial year and during the allocation period, impacting the change in Group equity and non-controlling interests.

2.2.6. DISPOSALS/LIQUIDATIONS FOR THE FINANCIAL YEAR

ASP Serveur

Following the discontinuation of the Company's operations, the Group no longer consolidates it as from 1 June 2022.

Bis NV

Following the discontinuation of its operations, the Company was liquidated during the financial year and the Group no longer consolidates it as from 30 November 2022.

Econocom UK Ltd

The company, which had no activity, was liquidated in August 2022 and the Group has not consolidated it since then.

2.3. List of consolidated companies

The Group's main fully consolidated subsidiaries are as follows:

Country	Name	Cities/ Registration number	2022		2021	
			% interest	% control	% interest	% control
Holdings						
Belgium	Econocom Finance SNC	Brussels / 0830.430.556	100.00%	100.00%	100.00%	100.00%
Spain	Grupo Econocom Espana	Madrid	100.00%	100.00%	100.00%	100.00%
France	Econocom SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Econocom Systèmes SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
Products & Solutions						
Germany	Econocom Service GmbH	Frankfurt	100.00%	100.00%	100.00%	100.00%
Germany	Energy Net	Frankfurt	100.00%	100.00%	100.00%	100.00%
Brazil	Gigigo do Brasil de technologia	Sao-Paulo	100.00%	100.00%	100.00%	100.00%
Belgium	Econocom Products & Solutions Belux SA/NV	Brussels / 0426.851.567	100.00%	100.00%	100.00%	100.00%
Spain	Altabox (2)	Gijón	-	-	80.01%	80.01%
Canada	Aciernet Canada inc.	Montreal	80.00%	100.00%	80.00%	100.00%
Spain	Econocom Products & Solutions SL	Madrid	100.00%	100.00%	100.00%	100.00%
Spain	Servicios microinformatica S.A.U. (Semic)	Lleida	51.00%	51.00%	-	-
Spain	Essentiam services SL	Lleida	51.00%	100.00%	-	-
US	Aciernet USA inc.	Newark	80.00%	100.00%	80.00%	100.00%
France	Econocom Products & Solutions SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Exaprobe SAS	Le Plessis-Robinson	80.00%	80.00%	80.00%	80.00%
France	Aciernet France	Le Plessis-Robinson	80.00%	80.00%	-	-
France	So-IT (2)	Toulouse	-	-	-	-
Italy	Asystel Italia	Milan	100.00%	100.00%	70.00%	70.00%
Italy	BDF	Milan	100.00%	100.00%	100.00%	100.00%
Italy/Poland	Bizmatica group	Milan	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom PSF SA	Luxembourg	100.00%	100.00%	100.00%	100.00%
Mexico	Gigigo Mexico Srl de CV	Mexico	100.00%	100.00%	100.00%	100.00%
Netherlands, Belgium	BIS group	Ridderkerk	100.00%	100.00%	100.00%	100.00%
The Netherlands	Lydis BV	Almere	60.00%	60.00%	-	-
UK	Trams Group	London	60.00%	60.00%	60.00%	60.00%
Singapore	Aciernet Singapore Pte. ltd.	Singapore	80.00%	100.00%	80.00%	100.00%

Country	Name	Cities/ Registration number	2022		2021	
			% interest	% control	% interest	% control
Services						
Belgium	Econocom Digitalent SA/ NV	Brussels / 0671.649.180	100.00%	100.00%	100.00%	100.00%
Belgium	Econocom Managed Services SA/NV	Brussels / 0432.093.428	100.00%	100.00%	100.00%	100.00%
Belgium	A2Z Solutions SA/NV	Brussels / 0448.487.220	100.00%	100.00%	100.00%	100.00%
Spain	Com 2002 SL Nexica	Barcelona	100.00%	100.00%	100.00%	100.00%
Spain	Econocom Servicios	Madrid	100.00%	100.00%	100.00%	100.00%
France	Alcion	Le Plessis-Robinson	99.48%	99.48%	99.48%	99.48%
France	ASP Serveur SAS	La Ciotat	-	-	100.00%	100.00%
France	Digital Dimension SAS (2)	Puteaux	-	-	100.00%	100.00%
France	Econocom Solutions SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	ESR SAS	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
France	Helis Group	Paris	63.02%	63.02%	63.02%	63.02%
France	Infeeny (2)	Puteaux	-	-	100.00%	100.00%
France	Econocom Apps. Cloud & Data	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
France	Econocom Infogérance Systèmes	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
Luxembourg, France, Germany, Romania, USA/ Ita./Spain	SynerTrade group (2)	Puteaux	100.00%	100.00%	100.00%	100.00%
Morocco	Econocom Maroc SARL	Rabat	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Managed Services BV	Utrecht	100.00%	100.00%	100.00%	100.00%
Technology Management & Financing						
Germany	Econocom Deutschland GmbH	Frankfurt	100.00%	100.00%	100.00%	100.00%
Germany	Econocom Deutschland Holding GmbH	Frankfurt	100.00%	100.00%	100.00%	100.00%
Belgium	Atlance SA/NV	Brussels / 0476.489.635	100.00%	100.00%	100.00%	100.00%
Belgium	Econocom Lease SA/NV	Brussels / 0431.321.782	100.00%	100.00%	100.00%	100.00%
Canada	Econocom Canada Inc.	Montreal	100.00%	100.00%	100.00%	100.00%
Spain	Econocom SA (Spain)	Madrid	100.00%	100.00%	100.00%	100.00%
US	Econocom Corporation	Wilmington New Castle Country	100.00%	100.00%	100.00%	100.00%
France	Abeilles Financement (1)	Paris	0.00%	0.00%	0.00%	0.00%
France	Caroline 89 (1)	Paris	0.00%	0.00%	0.00%	0.00%
France	Atlance SAS	Puteaux	100.00%	100.00%	100.00%	100.00%

Country	Name	Cities/ Registration number	2022		2021	
			% interest	% control	% interest	% control
France	Atos Finance Solutions	Puteaux	85.00%	85.00%	85.00%	85.00%
France	Econocom France SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	GIE Econocom Enterprise Solutions (2)	Puteaux	-	-	100.00%	100.00%
France	Lease Explorer	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Lease Flow	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Les Abeilles	Le Havre	100.00%	100.00%	100.00%	100.00%
France	Econocom Factory	St Mathieu de Tréviers	90.00%	90.00%	-	-
Ireland	Econocom Digital Finance Limited	Dublin	100.00%	100.00%	100.00%	100.00%
Italy	Econocom International Italia SpA	Milan	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom Luxembourg SA	Luxembourg	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom Ré SA Luxembourg	Luxembourg	100.00%	100.00%	100.00%	100.00%
Morocco	Econocom Location Maroc SA	Casablanca	100.00%	100.00%	100.00%	100.00%
Mexico	Econocom Mexico SA de CV	Mexico	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Financial Services International BV	Utrecht	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Nederland BV	Utrecht	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Public BV	Utrecht	100.00%	100.00%	100.00%	100.00%
Poland	Econocom Polska SP zoo	Warsaw	100.00%	100.00%	100.00%	100.00%
Czech Republic	Econocom Czech Republic Sro	Prague	100.00%	100.00%	100.00%	100.00%
Romania	Econocom International Romania Srl	Bucharest	100.00%	100.00%	100.00%	100.00%
Switzerland	Econocom Switzerland SA	Lugano	100.00%	100.00%	100.00%	100.00%
UK	Econocom UK Ltd	Richemond Upon Thames	-	-	100.00%	100.00%
UK	Econocom Ltd	Richmond Upon Thames	100.00%	100.00%	100.00%	100.00%

(1) Entities consolidated as special purpose entities.

(2) Mergers:

- Altabox merged with Econocom Products & Solutions SL with retroactive effect from 1 January 2022.
- So-It merged with Exaprobe SAS with retroactive effect from 1 January 2022.
- Digital Dimension SAS merged with Econocom SAS with retroactive effect from 1 January 2022.
- Infeeny merged with Econocom Infogérance Systèmes with retroactive effect from 1 January 2022.
- GIE Econocom Enterprise Solutions merged with the entity Econocom France SAS with retroactive effect from 1 January 2022.
- Synertrade SA Luxembourg merged with Synertrade France SA on 31 December 2022.

2.4. Main impacts of the invasion of Ukraine and the macroeconomic situation

2.4.1. RUSSIAN INVASION OF UKRAINE

Econocom considers that the impacts of the war in Ukraine and the sanctions against Russia and Belarus should not have a significant negative impact on its consolidated financial statements. Econocom does not operate in these three countries and its sales and supplies are limited.

As a result, the Group does not expect any particular impact from this war on the valuation of its assets.

The measures taken against Russian or Belarusian nationals do not impact the Group's shareholding structure.

2.4.2. MACROECONOMIC SITUATION

In general, Econocom is attentive to the overall macroeconomic situation and in particular to the impact that increases in prices and interest rates could have on its customers' activities and notably on their investments, even though investments in IT and digital transformation should generally remain unchanged.

2.4.2.1. Expected effects of inflation

The effects of inflation (and notably the increase in IT equipment prices) should affect the Products and Solutions and TMF activities. Nevertheless, insofar as the supply cycles are relatively short, the increase in the purchase price of this equipment by Econocom is reflected in the selling prices or rents negotiated with its customers so as not to deteriorate the margins of its activities. On the other hand, for the TMF activity, the increase in the prices of IT assets makes it possible to secure the residual value of the assets at the end of the lease period.

The Group therefore did not consider any unfavourable impact in this respect on its future margins.

The expected effects of the increase in salaries should affect Econocom's Services business, which employs more than 60% of the Group's workforce. Under its multi-year contracts, the Group has indexation clauses that limit the effects of inflation and wage increases on its margins. Nevertheless, the Group anticipates a slight decrease in its margins in this activity.

2.4.2.2. Expected effects of increases in interest rates

The Econocom Group is attentive to increases in interest rates on its financing. Nevertheless, the majority of its long-term loans were issued at a fixed rate or at a rate set by an interest rate hedge. This is notably the case for the Schuldshein bond issued in the spring of 2022 and which was subject to such hedging. Similarly, in the vast majority of cases, refinanced leases are refinanced at fixed rates; the expected margin of these contracts is therefore not impacted by subsequent changes in interest rates.

Among its activities, TMF is the most sensitive to interest rates for its future contracts either through the refinancing rates that will be applied or through the cost of financing of assets under non-refinanced contracts. Nevertheless, the Group believes that it will be able to pass on most of this rate increase to its customers, as the residual impact on its margins and on the profitability of the TMF business must be limited. Nevertheless, the Group has anticipated a slight decrease in its TMF margins in its projections.

3. Segment information

The segment information presented in accordance with IFRS 8 has been prepared on the basis of internal management data disclosed to the Executive Committee, the Group's primary operating decision-maker with respect to allocating resources and assessing performance.

Segment information in accordance with IFRS 8 presents this segmentation:

Combined strategic operating business segments	Description	Countries
Products & Solutions	Services ranging from the design of solutions to their deployment, including the sale of hardware and software (PCs, tablets, servers, printers, licences, digital objects, etc.) and systems integration.	Germany, Brazil, Belgium, Canada, Spain, France, Italy, Luxembourg, Mexico, Netherlands, Poland, United Kingdom and Singapore.
Services	Support for transformation towards the new digital world through our expertise (in consulting, infrastructure management, application development and integration of digital solutions).	Belgium, Spain, France, Luxembourg, Morocco and the Netherlands.
Technology Management & Financing	Innovative, tailored financing solutions to ensure more effective administrative and financial management of the ICT and digital assets of the businesses.	Germany, Belgium, Canada, Spain, United States, France, Ireland, Italy, Luxembourg, Netherlands, Poland and United Kingdom.

Each segment has a specific profitability profile and has its own characteristics; segments are managed depending on the type of products and services sold in their economic and geographical environments.

Sales and transfers between segments are carried out on arm's-length terms and are eliminated according to standard consolidation principles.

3.1. Information by operating business segment

3.1.1. RECURRING OPERATING PROFIT FROM CONTINUING OPERATIONS (OPERATING MARGIN)

The following table presents the contribution of each operating business segment to the Group's results:

in € millions	Products & Solutions	Services	Technology Management & Financing	Total
2022 revenue				
Revenue from external customers	1,237.6	491.7	989.0	2,718.3
Internal operating revenue	195.5	45.4	5.9	246.9
Total – Revenue from operating segments	**1,433.1**	**537.1**	**994.9**	**2,965.2**
Recurring operating profit from continuing operations (operating margin)	**49.0**	**40.6**	**49.8**	**139.4**

*in € millions, restated**	Products & Solutions	Services	Technology Management & Financing	Total
2021 revenue				
Revenue from external customers	969.7	516.3	880.9	2,366.9
Internal operating revenue	129.0	42.5	7.2	178.7
Total – Revenue from operating segments	**1,098.7**	**558.8**	**888.1**	**2,545.6**
Recurring operating profit from continuing operations (operating margin)	**45.0**	**42.4**	**40.2**	**127.7**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & lease back contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

Internal transactions include:

- sales of goods and services: the Group ensures that these transactions are performed at arm's length and that it does not carry any significant internal margins;
- cross-charging of overheads and personnel costs.

The Group's segment profit corresponds to "Recurring operating profit from continuing operations" (operating margin). This corresponds to operating profit before other operating profit and expenses and amortisation of intangible assets from acquisitions.

3.1.2. WORKING CAPITAL REQUIREMENTS

in € millions	Products & Solutions	Services	Technology Management & Financing	Holdings	Total
WCR at 31 December 2022	(171.1)	(81.9)	238.9	12.4	**(1.7)**
WCR at 31 December 2021	(140.1)	(85.3)	197.3	8.0	**(20.1)**

3.2. Information by region

3.2.1. REVENUE

The contribution of each operating business segment by region of origin to the Group's revenue is detailed below:

in € millions

2022 revenue	Products & Solutions	Services	Technology Management & Financing	2022
Benelux	170.2	80.5	98.6	349.2
of which Belgium	*78.8*	*61.2*	*69.5*	*209.4*
France	649.8	339.8	467.2	1,456.9
Southern Europe	262.2	71.4	238.8	572.3
Northern & Eastern Europe	146.3	-	169.7	316.0
Americas	9.1	-	14.8	23.9
Total	**1,237.6**	**491.7**	**989.0**	**2,718.3**

*in € millions, restated**

2021 revenue	Products & Solutions	Services	Technology Management & Financing	2021
Benelux	138.4	81.2	106.8	326.4
of which Belgium	*78.8*	*70.8*	*70.6*	*220.1*
France	559.8	370.3	366.5	1,296.6
Southern Europe	177.3	64.8	231.5	473.6
Northern & Eastern Europe	86.7	-	155.2	241.9
Americas	7.4	-	20.9	28.3
Total	**969.7**	**516.3**	**880.9**	**2,366.9**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

3.2.2. NON-CURRENT ASSETS

in € millions

2022	Intangible assets	Goodwill	Property, plant and equipment	Rights of use assets
Benelux	0.9	73.5	7.1	10.7
of which Belgium	*0.5*	*52.9*	*4.0*	*4.8*
France	38.8	285.6	17.9	35.0
Southern Europe	3.6	161.3	12.6	9.6
Northern & Eastern Europe	0.0	33.8	0.4	2.3
Americas	-	-	-	-
Total	**43.3**	**554.2**	**38.0**	**57.6**

in € millions

2021	Intangible assets	Goodwill	Property, plant and equipment	Rights of use assets
Benelux	1.1	60.4	7.1	8.3
of which Belgium	*0.9*	*38.7*	*4.3*	*3.8*
France	33.9	332.2	13.1	34.3
Southern Europe	1.5	84.3	11.2	10.0
Northern & Eastern Europe	0.1	17.1	0.3	2.3
Americas	-	1.0	-	-
Total	**36.6**	**494.9**	**31.8**	**55.0**

Goodwill is allocated to the region in which the acquired company or the parent company of the acquired subgroup was located.

4. Recurring Operating Profit from continuing operations (operating margin)

Recurring operating profit from continuing operations (operating margin), representing operating profit from continuing operations restated for other non-recurring income and expenses, is an analytical line item intended to facilitate the understanding of the Group's operating performance.

4.1. Income from contracts with customers

Revenue from contracts with customers by business line breaks down as follows:

in € millions	2022	2021 restated*
Products & Solutions	1,237.6	969.7
Services	491.7	516.3
Technology Management & Financing	989.0	880.9
Total revenue from continuing operations	**2,718.3**	**2,366.9**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

4.1.1. REVENUE RECOGNITION: ACCOUNTING PRINCIPLES

Revenue recognition

The revenue recognition method varies depending on the nature of the performance obligations of the contract binding Group entities and their respective customers. Performance obligations are the goods or services promised in the contract.

The performance obligation is the unit of account for revenue recognition: the price of the contract is allocated to each individual performance obligation, and a pattern of revenue recognition is determined for each such obligation.

Econocom recognises revenue when it has satisfied (or as it satisfies) a performance obligation by providing the customer with the promised good or service.

A performance obligation is satisfied when control of the good or service is transferred to the customer. This transfer may take place at a point in time or over time. Revenue from continuing operations is recognised:

- over time when one of the following conditions is fulfilled:
  - the customer receives the benefits of the service as the entity performs such services,
  - the customer obtains control of the asset as the asset is created,

- the final asset has no alternative use for the entity and the entity has an enforceable right to payment for performance completed to date;
- in full at a point in time, namely at completion, in all other cases.

Application to the Group's various businesses

Sale of assets

Revenue is recognised when the goods are delivered and ownership is transferred, when the following conditions are met:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Financial lease sales

In accordance with IFRS 16, the revenue recognition rules differ depending on the type of contract (see 4.1.2.).

Sales of services

The following types of contracts and activities are covered:

- outsourcing contracts: these contracts are split into a "build" phase and a "run" phase when the deliverables are distinct; revenue from the two phases is recognised as and when control is transferred. For the "build" phase to be deemed distinct, it must be representative of a service from which the customer can benefit distinctly from the delivery of the "run" phase. If this is not the case, the revenue may only be recognised as the recurring services are performed, and the costs of the "Build" phase must be capitalised if they create a resource that will be used for the future delivery of services;
- maintenance activities operated by Econocom: revenue is recognised on a percentage-of-completion basis;
- activities involving the loan of employees under time-and-materials contracts: revenue is recognised on a time-spent basis;
- development of applications under fixed price contracts: revenue is recognised on a percentage of completion basis as control is transferred;
- infrastructure installation projects: the percentage-of-completion method still applies insofar as the transfer of control takes place over time.

For certain fixed-price contracts providing for a number of different service obligations, the transaction price may sometimes be reallocated to the various performance obligations on a case-by-case basis in order to reflect the economic value of the services rendered (which may differ from their contractual value).

For contracts separated into stages, revenue and margin are recognised depending on the stage of completion in accordance with the method that best reflects the transfer of goods and services to the customer. This results in the recognition of revenue accruals or deferred income when invoicing does not reflect the stage of completion of the work. A contingency provision for the expected loss on a project is recognised if the cost of the project is greater than the expected revenue.

"Principal" *versus* "agent" considerations

In the course of its business, the Group may be required to resell equipment, software and services purchased from third parties. For the supply of these goods and services, Econocom may act as either principal or agent.

Econocom is a principal if its "performance obligation" requires it to provide goods and/or underlying services to the customer. This means that Econocom controls the good or service before it is transferred to the customer.

Econocom also records direct deliveries on the principal basis. By direct deliveries, we understand the sale of materials stored in the warehouses of Econocom's suppliers and shipped directly to the end customer.

These flows are recognised on the principal basis because the Econocom Group:

- contractually sets the prices paid by the end customer;
- has the capacity to choose, up until the last moment, whether to go ahead with a direct delivery;
- is responsible to the end customer for acceptance of equipment;
- is responsible for the management of equipment returns if necessary,

The Econocom Group is an agent if its "performance obligation" requires it to arrange for a third party to provide goods or underlying services, without being able to direct use and obtain key economic benefits. In this case, Econocom does not control the goods and services before they are transferred to the customer.

Management has made a significant judgement related to principal *versus* agent considerations. The impact on the presentation of reported revenue is as follows:

- on a gross basis when Econocom is a principal;
- on a net of cost of sale basis when Econocom is an agent.

Presentation in the balance sheet

Services in progress at the end of the reporting period are recognised in revenue accruals and are estimated based on the sale price. If accrued revenue constitutes an unconditional right to a consideration, *i.e.*, if the passage of time is sufficient for payment of the consideration to fall due, the accrued revenue will constitute a receivable. In all other cases, it constitutes the contract assets. Revenue accruals are classified in "Trade and other receivables".

Advance payments received from customers and prepaid income are the contract liabilities. They are classified in "Other current liabilities".

Contract performance costs are costs that are directly assigned to a customer contract and have not yet been rebilled. For example, they may include dedicated inventories in transit, costs allocated to service obligations, transition fees in outsourcing contracts or marginal costs from obtaining contracts (*i.e.*, costs that Econocom would not have incurred if it had not won the contract). These costs are capitalised if Econocom expects to recover them. These capitalised costs are then classified in "Other current assets".

4.1.2. LEASE ACCOUNTING

Leases can be classified as (i) financial leases, which is the case for the majority of our leases, (ii) operating leases or (iii) financing for certain Sale & Leaseback transactions.

4.1.2.1. Financial leases within the meaning of IFRS 16.62 *et seq.*

A contract is classified as a financial lease when the analysis of the transaction shows that there has been (i) a transfer of control of the leased assets (per IFRS 15.38) and (ii) a transfer to the lessee of most of the risks and rewards inherent to the ownership of the leased assets (per IFRS 16.62).

Econocom considers that there is a transfer of control of the asset leased by Econocom to the customer (pursuant to IFRS 15.38) when:

- the Group has transferred physical possession of the asset to the customer, *i.e.* the customer is able to decide on its use;
- the customer accepted the asset;
- the Group has a current right to payment for the asset;
- the customer bears the significant risks and rewards inherent to the ownership of the asset.

Econocom considers this transfer of risks and rewards according to the substance of the transaction (IFRS 16.62) when:

- the lease term covers most of the economic life of the underlying asset and/or;
- the present value of the lease payments amounts to at least most of the fair value of the underlying asset at the date of conclusion of the lease.

In the event of successive deliveries of leased equipment, revenue and associated purchase costs are recognised *pro rata* to the amount of these successive deliveries.

The accounting recognition is made in accordance with IFRS 16.71, on the date on which the lessee is authorised to exercise their right to use the leased assets. The date of exercise of this right of use of the assets is specified in our general leasing conditions, which defines it as being the date of delivery of the leased assets as evidenced by the signing of a reception document.

Financial leases are recognised as follows:

Balance sheet

- a receivable (or “outstanding lease”) is recorded and corresponds to the present value of the payments expected from the customer and is recognised as an asset;
- a “residual interest” in the leased assets (defined in note 11.1) is recognised as a financial asset on the balance sheet;
- at the end of each period, these two financial assets are accreted, which increased their balance sheet value.

Income statement

- revenue is equal to the present value of the payments that the lessee is required to make during the period of performance and the term of the lease;
- the cost of sales represents the purchase cost of the asset.
- the Group’s residual interest in the leased assets is deducted from the cost of sales based on its present value.
- at the end of each period, accretion effects impact the income statement under “Operating financial income”.

4.1.2.2. Leases qualified as operating leases within the meaning of IFRS 16.9 *et seq.*

When a lease cannot be classified as a financial lease within the meaning of IFRS 16.62 *et seq.*, it is then classified as an operating lease. In this case, the accounting treatment is as follows:

Balance sheet

- Leased equipment is recognised as an asset in the balance sheet under “property, plant and equipment” and depreciated on a straight-line basis over the term of the contract so as to reach the residual value of said equipment at the end of the lease period.

Income statement

- Revenue is recognised at the end of each period and corresponds to the sum of rents due for the period;
- Depreciation is recognised for each period on the basis of the methods indicated above.

4.1.2.3. Revenue recognition in the event of an extension of operating or financial leases

The recognition of revenue and costs in relation to lease extensions follows the initial classification of the lease, namely:

- if the initial lease is qualified as a financial lease, the revenue from the extension will be recognised in full on the first day of the extension; the cost of the leased assets corresponds to the value of the residual interest recorded at the time of the initial transaction;
- if the initial contract is qualified as an operating lease, the revenue from the extension will be recognised over the term of the extension; similarly, the net book value of the leased assets is amortised over the duration of the extension period.

4.1.2.4. Sale & leaseback contracts (IFRS 16.98 *et seq.*)

A sale & leaseback contract consists of a transaction in which:

- an entity (the “seller-lessee”) sells an asset to Econocom (the “buyer-lessor”) then
- the “seller-lessee” leases the good or asset from Econocom (IFRS 16.98 *et seq.*).

For each sale & leaseback transaction, Econocom examines whether the transfer of the good or asset is analysed as a sale under IFRS 16.99 *et seq.*:

- if the analysis of the transaction in accordance with IFRS 15.38 confirms that control of the asset has been transferred to Econocom, then revenue is recognised according to one of the two models presented above:
  - “Financial Lease” (IFRS 16.62) described in note 4.1.2.1. or
  - “Operating Lease” (IFRS 16.9) described in note 4.1.2.2.
- if the analysis of the transaction under IFRS 15.38 results in not recognising a transfer of control of the asset to Econocom by the “seller-lessee”, the transaction will be recognised as financing in accordance with IFRS 9. As a result, the asset will remain with the seller-lessee and Econocom will recognise the margin of the transaction in financial income from operating activities. This margin corresponds to the discounted rents chain less the purchase costs of the leased assets. On the balance sheet, Econocom recognises outstanding leases and trade payables against this margin.

4.2. Cost of goods sold or leased

The cost of goods sold or leased breaks down as follows:

	2022	2021 restated*
Products & Solutions	(1,032.5)	(794.7)
Services	(93.6)	(86.9)
Technology Management & Financing	(822.7)	(743.4)
Total	**(1,948.8)**	**(1,625.0)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

4.3. Employee benefits expense

The following table presents a breakdown of employee benefits expense:

	2022	2021 restated*
Wages and salaries	(339.6)	(338.0)
Social costs	(103.1)	(110.0)
Other employee benefits expenses	(25.8)	(24.3)
Total	**(468.5)**	**(472.2)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

Expenses relating to defined benefit pension plans and included in other employee benefits expense concern the Group's subsidiaries in France, Italy and Belgium. The characteristics of these plans are set out in note 18.

Workforce

The breakdown of the average Group's employees is defined according to the operating business segment to which they belong:

	2022	2021 restated*
Products & Solutions	1,692	1,270
Services	5,446	5,871
Technology Management & Financing	757	685
Holding and support functions	204	215
Total	**8,100**	**8,042**

* The headcount for the 2021 financial year of the activities considered as discontinued in 2022 is not presented.

4.4. Government grants

Government grants are recognised as a deduction from costs (*e.g.* wages and salaries), or within other operating income and expenses, as appropriate.

Government grants are only recognised when the Group is certain to collect them. In accordance with IAS 20, the Group applies different accounting treatment for grants related to assets (or investment subsidies) and grants related to income.

Grants related to assets are recognised in profit or loss over the periods in which the Group expenses the costs that the grants are intended to compensate. In practice, they are recognised over the periods and in the proportions in which depreciation expense is recognised on the depreciable asset covered by the grant, with the deferred income recognised in liabilities. Grants related to income are recognised to offset the costs that they are intended to cover.

Tax credits equivalent to subsidies

Tax credits are accounted for depending on the tax treatment applicable in each country:

- if the tax credit is only calculated based on specific expenses, does not adjust the calculation of the subsidiary's taxable profit, is not limited by the tax liability of the subsidiary, and may be refunded in cash, it is treated as a grant within the meaning of IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" and included within operating profit;
- in all other cases it is recognised within income tax.

French tax credits known as the Crédit d'Impôt Recherche (CIR) are recognised as government grants.

At the end of December 2022, grants amounted to €0.4 million compared to €0.8 million at 31 December 2021.

4.5. Expenses related to purchased services

Expenses related to purchased services break down as follows:

in € millions	2022	2021 restated*
Fees paid to intermediaries and other professionals	(43.9)	(45.5)
Agents' commissions	(29.3)	(22.7)
External services (maintenance, insurance, etc.)	(16.9)	(10.8)
Other external expenses (subcontracting, public relations, transport, etc.)	(42.3)	(34.0)
Total	**(132.3)**	**(113.0)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

4.6. Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions) and provisions

Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions) and provisions break down as follows:

in € millions	2022	2021 restated*
Intangible assets: franchises, patents, licences and similar rights, business assets	(6.8)	(6.4)
Non-current rights of use assets	(16.8)	(19.6)
Other property, plant and equipment	(9.5)	(10.2)
Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions)	**(33.1)**	**(36.2)**
Additions to and reversals of provisions for operating contingencies and expenses	**11.0**	**4.6**
Total	**(22.1)**	**(31.6)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

The amortisation of intangible assets from acquisitions amounted to €2.2 million in FY 2022 compared to €2.0 million in FY 2021; the increase compared to the previous year was due to the recognition of the Smaaart brand upon the acquisition of Econocom Factory.

4.7. Net impairment losses on current and non-current assets

in € millions	2022	2021 restated*
Impairment of inventories	(1.3)	(1.0)
Reversals of impairment of inventories	0.5	3.2
Net impairment losses/gains – inventories	**(0.8)**	**2.2**
Impairment of doubtful receivables	(12.4)	(5.3)
Reversals of impairment of doubtful receivables	8.1	8.6
Gains and losses on receivables	0.5	3.7
Net impairment losses/gains – trade receivables	**(3.7)**	**7.0**
Total	**(4.5)**	**9.2**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

4.8. Financial operating result

Financial income and expenses relating to Technology Management & Financing operations reflect the unwinding of the discount during the year on the gross liability for purchases of leased assets, the Group's residual interest in leased assets and lease payments outstanding.

Exchange losses result mainly from fluctuations in the pound sterling and US dollar.

4.8.1. FINANCIAL INCOME FROM OPERATING ACTIVITIES

The following table breaks down financial income from operating activities by type:

in € millions	2022	2021 restated*
Financial income related to Technology Management & Financing operations	16.4	17.4
Exchange losses	9.0	3.7
Miscellaneous financial income from operating activities	0.7	0.4
Total financial income – operating activities	**26.1**	**21.5**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

4.8.2. FINANCIAL EXPENSES FROM OPERATING ACTIVITIES

The following table breaks down financial expenses from operating activities by type:

in € millions	2022	2021 restated*
Financial expenses related to Technology Management & Financing operations	(9.3)	(10.5)
Exchange losses	(8.7)	(2.7)
Factoring financial expenses	(3.9)	(2.9)
Miscellaneous financial expenses from operating activities	(0.2)	(3.5)
Total financial expenses – operating activities	**(22.2)**	**(19.6)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

5. Other operating income and other operating expenses

Other operating income and other operating expenses, excluded from the recurring operating profit from continuing operations (operating margin) notably comprise:

- restructuring costs and costs associated with downsizing plans;
- costs of relocating premises;
- costs relating to acquisitions (acquisition fees);
- changes in the fair value of acquisition-related liabilities (contingent consideration): changes in the fair value of put and call options to buy out non-controlling interests are recognised directly in equity;
- material gains and losses on disposals of property, plant and equipment and intangible assets, or of operating assets and continuing operations;
- goodwill impairment losses;
- and, more generally, income and expenses that are deemed unusual in terms of their frequency, nature or amount.

in € millions	2022	Other operating income	Other operating expenses
Restructuring costs	(11.0)	0.0	(11.1)
Impairment of non-current assets and cost of vacant space	(2.8)	-	(2.8)
Doubtful receivables & litigation	(8.4)	-	(8.4)
Other	(5.1)	0.1	(5.2)
Total 2022	**(27.4)**	**0.1**	**(27.5)**

*in € millions, restated**	2021	Other operating income	Other operating expenses
Net capital gains on disposals	7.2	7.2	-
Restructuring costs	(7.8)	-	(7.8)
Impairment of non-current assets and cost of vacant space	(4.4)	-	(4.4)
Doubtful receivables & litigation	(2.7)	-	(2.7)
Other	(8.8)	-	(8.8)
Total 2021	**(16.4)**	**7.2**	**(23.6)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

Costs related to reorganisations correspond to the continuation during the period of the performance improvement plans. These costs, net of provision reversals, amounted to €11.0 million and concern all activities and holding companies in an equivalent manner.

Expenses from doubtful receivables and litigation mainly relate to Italian cases.

Lastly, other operating expenses notably include €2.3 million in acquisition costs.

6. Net financial income (expense)

6.1. Other financial income

in € millions	2022	2021 restated*
Convertible bonds (OCEANEs) buybacks	0.2	0.2
Other financial income	0.3	3.3
Financial income	**0.5**	**3.5**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

Other financial income includes capital gains on the disposal of investment securitie

6.2. Other financial expenses

in € millions	2022	2021 restated*
Financial expenses on bonds	(7.2)	(7.8)
Interest on short-term financing	(3.1)	(2.4)
Expenses on non-current liabilities	(0.3)	(0.2)
Interest expense on lease liabilities (IFRS 16)	(1.7)	(1.5)
Financial component of pensions and other post-employment benefits	(0.4)	(0.2)
Other financial expenses	(2.3)	(1.2)
Financial expenses	**(15.0)**	**(13.4)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

7. Income taxes

The income tax expense for the year includes current taxes and deferred taxes.

Current tax is (i) the estimated amount of tax due in respect of taxable profit for a given period, as determined using tax rates that have been enacted or substantively enacted at the end of the reporting period, (ii) any adjustments to the amount of current tax in previous periods, and (iii) any other tax calculated on a net amount of income and expenses.

Deferred taxes are accounted for using the liability method for all temporary differences between the book value recorded in the consolidated balance sheet and the tax bases of assets and liabilities, except for non-tax deductible goodwill. Deferred taxes are determined based on the way in which the Group expects to recover or pay the book value of the assets and liabilities using the tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are not discounted and are offset when they relate to the same tax entity. They are classified in the balance sheet as non-current assets and liabilities.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences or tax losses and tax credit carry forwards can be utilised.

7.1. Recognition of current and deferred taxes

in € millions	**Notes**	**2022**	**2021 restated***
Current tax		(20.4)	(26.7)
Movements in tax provisions	17	-	0.5
Deferred tax	7.2	(2.3)	(3.5)
Total		**(22.7)**	**(29.7)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to “Profit (loss) from discontinued operations” in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

Effective tax rate

in € millions	2022	2021 restated*
Profit before tax on continuing operations	95.3	99.3
Income tax on the profit of continuing operations	(22.7)	(29.7)
Effective tax rate as a percentage of profit before tax	23.8%	29.9%
Effective income tax rate (excluding CVAE and IRAP)	20.9%	27.1%

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

The income tax expense amounted to €19.9 million, plus €2.8 million from the CVAE tax (*Cotisation sur la Valeur Ajoutée des Entreprises*) in France and from the IRAP tax (*Imposta Regionale sulle Attività Produttive*) in Italy, for a total of €22.7 million.

Given the profit (loss) before tax of continuing operations of €95.3 million, the effective tax rate reported reached 23.8% (compared with 29.9% in 2021 restated; excluding CVAE/IRAP, the effective tax rate was 20.9% in 2022 (27.1% adjusted in 2021).

Reconciliation between theoretical tax expense and effective tax expense

in € millions	2022	2021 restated*
Profit before tax on continuing operations	95.3	99.3
Theoretical tax expense at current Belgian rate (25.00%)	**(23.8)**	**(24.8)**
Unrecognised tax losses arising in the year	(4.2)	(6.1)
Previously unrecognised tax losses used in the year	0.2	0.4
Derecognition of previously recognised tax losses	-	-
Recognition of previous deficits	1.6	5.3
Adjustment to current and deferred tax	1.3	(5.9)
Effect of taxes other than on income (1)	(2.8)	(2.8)
Effect of foreign income tax rates and changes in foreign income tax rates	(0.1)	0.7
Tax credits and other	0.8	0.5
Other permanent differences	4.3	2.8
Total differences	**1.1**	**(4.9)**
Effective income tax expense	**(22.7)**	**(29.7)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

(1) Taxes classified as income tax expense correspond to taxes which are based on value added and which meet the requirements of IAS 12. For Econocom, this relates to the tax on value added in France (net of income tax) and to the IRAP tax (*Imposta Regionale sulle Attività Produttive*) in Italy.

7.2. Deferred tax assets and liabilities

Analysis of deferred tax assets and liabilities

in € millions	31 Dec. 2021 restated*	Income/ expense for the year (income statement)	Other comprehensive income (equity)	Reclassifications	Reclas. in assets/ Liabilities held for sale	Changes in scope of consolidation and other	31 Dec. 2022
Pension obligations	7.4	1.0	(2.6)	(0.0)	-	0.0	5.9
Temporary differences arising on provisions	5.4	(0.4)	-	(0.4)	0.0	0.6	5.4
Other assets and liabilities**	7.5	(2.7)	-	(1.1)	-	0.0	3.7
Tax loss carryforwards	22.9	2.6	-	0.0	-	0.0	25.5
Impact of netting DTA/ DTL	(3.2)	-	-	(9.5)	(0.0)	0.0	(12.7)
Total deferred tax assets	**39.9**	**0.5**	**(2.6)**	**(10.9)**	**0.0**	**0.7**	**27.7**
Deferred tax on TMF business	(13.6)	(3.7)	-	0.4	-	0.0	(16.9)
Amortisable intangible assets	(4.0)	(0.6)	(3.6)	0.7	-	(0.7)	(8.1)
Other assets and liabilities	(2.1)	1.9	-	(0.4)	-	0.0	(0.6)
Impact of netting DTA/ DTL	3.4	-	-	9.5	-	(0.0)	12.7
Total deferred tax liabilities	**(16.3)**	**(2.3)**	**(3.6)**	**10.1**	**-**	**(0.7)**	**(12.8)**
Net deferred tax assets (liabilities)	**23.6**	**(1.9)**	**(6.2)**	**(0.8)**	**-**	**0.0**	**14.9**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

** Includes deferred tax assets related to the Italian excess depreciation & amortisation.

in € millions	31 Dec. 2022	31 Dec. 2021 restated*
Recoverable within 12 months, before netting DTA/DTL, by tax jurisdiction	(1.5)	8.1
Recoverable after 12 months, before netting DTA/DTL, by tax jurisdiction	16.3	15.5
Net deferred tax assets (liabilities)	**14.9**	**23.6**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

Tax loss carryforwards

At 31 December 2022, the Group's tax loss carryforwards amounted to €196.6 million, *versus* €184.7 million at 31 December 2021.

The slight increase in tax loss carryforwards mainly concerns entities in Italy and the Netherlands. In parallel with this increase, deficits were consumed or lost in France and Belgium.

Unrecognised deferred tax assets on tax loss carryforwards totalled €23.7 million *versus* €25.9 million at 31 December 2021.

8. Earnings per share

Basic earnings per share are calculated by dividing consolidated profit (loss) by the weighted average number of shares outstanding during the year, in other words excluding treasury shares on a pro rata basis.

Diluted earnings per share are calculated by taking into account all financial instruments carrying deferred rights to the parent company's share capital, issued either by the parent company itself or by any one of its subsidiaries. Dilution is calculated separately for each instrument, based on the conditions prevailing at the end of the reporting period and excluding non-dilutive instruments.

Basic earnings per share

in € millions, except for per share data and number of shares	2022	2021 restated*
Consolidated profit (loss)	65.3	70.2
Consolidated profit (loss) from continuing operations	72.6	69.5
Consolidated profit (loss) from discontinued operations	(7.3)	0.7
Net recurring profit (loss) (adjusted profit (loss)) (1)	95.5	79.1
Average number of shares outstanding	180,041,957	190,767,600
Consolidated earnings per share *(in €)*	0.36	0.37
Earnings per share from continuing operations *(in €)*	0.40	0.36
Earnings per share from discontinued operations *(in €)*	(0.04)	0.00
Net recurring earnings (adjusted earnings) per share (1) *(in €)*	0.53	0.41

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

(1) Net recurring profit (loss) (adjusted profit (loss)) corresponds to consolidated profit (loss), before taking into account the following items:

- amortisation of intangible assets from acquisitions, net of tax effects;
- other operating income and expenses, net of tax effects;
- other non-recurring financial income and expenses, net of tax effects;
- profit (loss) from discontinued operations.

Diluted earnings per share

in € millions, except for per share data and number of shares	2022	2021 restated*
Diluted earnings	68.0	73.6
Diluted earnings from continuing operations	75.3	72.9
Diluted earnings from discontinued operations	(7.3)	0.7
Average number of shares outstanding	180,041,957	190,767,600
Impact of stock options	369,334	633,143
Impact of free shares	2,561,507	2,319,973
Impact of convertible bonds (OCEANEs)	18,291,081	22,439,865
Diluted average number of shares outstanding	201,263,879	216,160,581
Diluted earnings per share *(in €)*	0.34	0.34
Diluted earnings per share from continuing operations *(in €)*	0.37	0.34
Diluted earnings per share from discontinued operations *(in €)*	(0.04)	0.00
Diluted recurring earnings per share *(in €)*	0.49	0.38

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to “Profit (loss) from discontinued operations” in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

In accordance with IFRS standards, the stock option expense recognised in the income statement was not restated.

9. Goodwill and impairment testing

9.1. Definition of Cash Generating Units

The growing proportion of international customers and the pooling of resources among business lines have led the Group to define the scope of its Cash Generating Units (CGUs) as representing its three business segments: Products & Solutions, Services and Technology Management & Financing.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

9.2. Goodwill allocation

For the purposes of the impairment tests carried out at 31 December each year, goodwill was allocated to the following Cash Generating Units.

in € millions	**Products & Solutions**	**Services**	**Technology Management & Financing**	**Total**
2022				
Goodwill at 31 December 2021	**141.7**	**237.2**	**116.0**	**494.9**
Reclassification to assets held for sale	2.0	-	-	2.0
Acquisitions	27.4	-	26.0	53.3
Disposals	-	-	-	-
Foreign currency translation adjustments	-	-	-	-
Trams adjustment	3.9	-	-	3.9
Goodwill at 31 December 2022	**175.0**	**237.2**	**142.0**	**554.2**
Of which gross amount	**175.0**	**241.5**	**142.0**	**558.4**
Of which accumulated impairment	**-**	**(4.3)**	**-**	**(4.3)**

In 2022, goodwill related to the acquired companies concerns So-It, Servicios Informatica, Econocom Factory and Lydis.

At 31 December 2022, only goodwill relating to Econocom Factory, Semic and Lydis was still in the allocation period.

in € millions	Products & Solutions	Services	Technology Management & Financing	Total
2021				
Goodwill at 31 December 2020	**127.1**	**256.6**	**115.7**	**499.5**
Reclassification to assets held for sale	-	(5.1)	-	(5.1)
Acquisitions	14.3	-	0.3	14.6
Disposals	-	(14.3)	-	(14.3)
Foreign currency translation adjustments	0.3	-	-	0.3
Impairment	-	-	-	-
Goodwill at 31 December 2021	**141.7**	**237.2**	**116.0**	**494.9**
Of which gross amount	**141.7**	**241.5**	**116.0**	**499.1**
Of which accumulated impairment	**-**	**(4.3)**	**-**	**(4.3)**

In 2021, goodwill related to companies disposed of and acquired mainly concerned Alterway and Trams.

9.3 Impairment tests and impairment of goodwill

Impairment testing involves determining whether the recoverable amount of an asset, CGU or group of CGUs is lower than its net book value.

The recoverable amount is the higher of fair value less the costs of disposal and value in use.

Value in use is determined based on estimated future cash flows and a terminal value, taking into account the time value of money and the risks associated with the business and the specific environment in which the CGU or group of CGUs operates, and corresponds to the addition of:

- the discounting of cash flow projections on the business plan built over a 4-year horizon, as well as
- the discounting to perpetuity of a normative annual cash flow.

Fair value is the amount that could be obtained from the sale of the tested assets in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal. These amounts are calculated based on market information.

When the recoverable value of the assets of a CGU or group of CGUs is lower than its net book value, an impairment loss is recognised.

Impairment losses are recorded first as a reduction of the book value of goodwill allocated to a CGU and then charged against the assets of the CGU, *pro rata* to the book value of each of the components of the CGU. The impairment loss is recorded on the

"Other operating expenses" line of the income statement.

When the recoverable amount becomes greater than the net book value, impairment losses recognised for tangible and intangible assets other than goodwill may be reversed in subsequent periods, in the amount of the impairment loss initially recognised. It should be noted that impairment losses recorded in respect of goodwill cannot be reversed.

When a relevant CGU is sold, the resulting goodwill is taken into account for the determination of the profit (loss) from the sale.

Results of impairment tests

Based on the impairment tests conducted, goodwill does not need to be impaired.

To reach a risk of impairment, the main assumptions should be as follows:

- for the P&S CGU: no reasonably foreseeable assumption can lead to an impairment;
- for the Services CGU: no reasonably foreseeable assumption can lead to an impairment;
- for the TMF CGU: a deterioration of the business plan of more than 10%.

Key assumptions

The calculation of the value in use of the CGUs is sensitive to the following assumptions:

- discount rate applied to cash flows;
- growth rate of cash flows used beyond the forecast period;
- business plan (revenue projection considering the margin rate on purchases as unchanged but indirect costs as fixed).

	2022		2021	
	Discount rate	Perpetual growth rate	Discount rate	Perpetual growth rate
Products & Solutions	9.75%	2.00%	8.50%	1.50%
Services	9.50%	2.00%	8.50%	1.50%
Technology Management & Financing	9.75%	1.50%	8.50%	1.00%

The growth rate and weighted average cost of capital assumptions were reviewed in light of global market data. The growth rate reflects our best estimate given the current economic environment.

The after-tax discount rate used corresponds to the weighted average cost of capital ("WACC"). The perpetuity growth rate applied by the Group does not exceed the growth rate for the industry. Applying a pre-tax discount rate to pre-tax cash flows would have resulted in a similar value for the CGUs.

The 4-year business plan was determined based on the expected growth of markets for the CGU concerned, taking account of growth levers identified by Management. Margins are determined based on the historical margins observed in the years preceding the start of the budget period. These margins also take account of expected efficiency gains as well as events known to management and that could impact the profitability of the activity.

Sensitivity to changes in assumptions

The table below shows the sensitivity of enterprise values to the assumptions used:

in € millions	Sensitivity to rates				Sensitivity to the business plan
	Discount rate		Perpetual growth rate		
	+1.0%	(1.0%)	+0.5%	(0.5%)	(5%)
Products & Solutions	(110.7)	187.8	39.3	(34.5)	(60.3)
Services	(37.7)	49.3	23.5	(20.5)	(53.0)
Technology Management & Financing	(47.8)	61.2	16.1	(14.2)	(42.0)

The sensitivity of impairment tests to adverse but feasible changes in assumptions is set out below:

- reasonable sensitivity to changes in the discount rate: a simulated increase of up to one percentage point in the discount rate used would not change the findings of the Group's analysis;
- reasonable sensitivity to the long-term growth rate: in a pessimistic scenario where the long-term growth rate is reduced by 0.5 percentage points, the value in use of each CGU would still exceed its book value;
- reasonable sensitivity to the business plan: a 5% reduction in the revenue forecast contained in the business plan, with variable costs adjusted accordingly, would not change the conclusions of the Group's analysis.

Consequently, none of the sensitivity tests reduced the value in use of any of the CGUs to below their carrying amount.

10. Intangible, tangible and financial fixed assets

10.1. Intangible assets

Separately acquired intangible assets

Separately acquired intangible assets are initially measured at cost, which corresponds to their acquisition cost or their acquisition-date fair value for intangible assets acquired in a business combination.

After initial recognition, they are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets with finite useful lives are amortised over their economic useful life. The useful life of concessions, patents and licences is estimated at between three and seven years.

Intangible assets with indefinite useful lives are not amortised.

Internally generated intangible assets

The Group carries out IT development projects. Expenses incurred in relation to these operations can be included in the cost of intangible assets. An internally generated intangible asset resulting from development (or from the development phase of an internal IT project) is only recognised if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to reliably measure the expenditure attributable to the intangible asset during its development. The initial cost of an internally generated intangible asset is equal to the sum of expenditure incurred from the date on which the intangible asset first meets the above-mentioned recognition criteria.

If no internally generated intangible asset can be recognised, development costs are recognised in profit or loss for the year in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less any accumulated amortisation and impairment losses, in accordance with the same method as that used for separately acquired intangible assets.

The useful life of information systems is estimated at between three and seven years.

Intangible assets acquired in business combinations

Intangible assets acquired by the Group in business combinations are measured at their acquisition cost less any accumulated amortisation and impairment losses. They essentially include operating licences and computer software. They are depreciated on a straight line basis over their useful lives.

The customer portfolio acquired from the ECS group was valued using the MEEM method (Multi-period Excess Earnings Method) at €40 million and is being amortised over 20 years.

Useful life	In years
Amortisable business assets	3 - 5
ECS customer portfolio	20
Franchises, patents, licences	3 - 7
IT systems	3 - 7

The Group has no intangible assets with indefinite useful lives except for the goodwill presented in note 9.

Intangible assets in 2022

in € millions	Customer portfolio and business assets	Franchises, patents, licences, etc.	IT systems and other internally generated assets	Other	Total
Acquisition cost					
Gross value at 31 December 2021*	**54.6**	**25.6**	**48.5**	**1.8**	**130.5**
Acquisitions	0.1	1.5	8.3	(0.0)	9.9
Disposals/Retirements	-	(1.8)	(1.9)	-	(3.7)
Changes in scope of consolidation	-	3.8	2.1	-	5.9
Transfers and other movements	(0.0)	0.7	0.5	-	1.1
Net reclassification of assets held for sale	(0.7)	6.6	0.5	1.6	8.0
Gross value at 31 December 2022	**54.0**	**36.5**	**57.8**	**3.4**	**151.8**
Depreciation and impairment					
Accumulated depreciation and amortisation at 31 December 2021*	**(36.6)**	**(22.9)**	**(33.2)**	**(1.2)**	**(93.9)**
Additions	(2.0)	(2.9)	(4.8)	(0.2)	(9.9)
Disposals/Retirements	-	1.8	1.6	-	3.4
Changes in scope of consolidation	-	(1.0)	(1.1)	-	(2.0)
reversal of impairment	-	-	0.0	0.9	0.9
Transfers and other movements	-	-	(0.2)	(0.9)	(1.1)
Net reclassification of assets held for sale	0.3	(4.4)	(0.0)	(1.6)	(5.7)
Accumulated depreciation and amortisation at 31 December 2022	**(38.3)**	**(29.5)**	**(37.6)**	**(3.1)**	**(108.4)**
Net book value at 31 December 2021*	**18.1**	**2.7**	**15.3**	**0.6**	**36.6**
Net book value at 31 December 2022	**15.8**	**7.0**	**20.2**	**0.3**	**43.3**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

Customer portfolios and business assets are intangible assets which are recognised in connection with business combinations, amortised over the useful lives shown above.

Franchises, patents, licences, etc. consist mainly of licences acquired and amortised over their useful lives.

IT systems are mainly the result of developments made by the Group and are amortised over the periods set out above.

2021 intangible assets

in € millions	Customer portfolio and business assets	Franchises, patents, licences, etc.	IT systems and other internally generated assets	Other	Total
Acquisition cost					
Gross value at 31 December 2020	**54.9**	**32.9**	**64.3**	**3.5**	**155.6**
Acquisitions	-	0.7	6.9	0.2	7.9
Disposals/Retirements	(0.1)	(1.6)	(4.8)	(0.6)	(7.1)
Changes in scope of consolidation	(0.2)	(0.9)	(3.5)	-	(4.6)
Transfers and other movements	-	0.6	(14.0)	0.3	(13.1)
Net reclassification of assets held for sale	-	(6.0)	(0.6)	(1.6)	(8.1)
Gross value at 31 December 2021*	**54.6**	**25.6**	**48.5**	**1.8**	**130.5**
Depreciation and impairment					
Accumulated depreciation at 31 December 2020	**(34.4)**	**(28.0)**	**(42.8)**	**(2.8)**	**(108.0)**
Additions	(2.2)	(1.0)	(4.6)	(0.3)	(8.1)
Disposals/Retirements	0.1	1.4	4.4	0.1	6.0
Changes in scope of consolidation	-	0.8	2.7	-	3.6
Transfers and other movements	-	(0.6)	7.0	0.2	6.6
Net reclassification of assets held for sale	-	4.4	-	1.6	6.0
Accumulated depreciation and amortisation at 31 December 2021*	**(36.6)**	**(22.9)**	**(33.2)**	**(1.2)**	**(93.9)**
Net book value at 31 December 2020	**20.5**	**4.9**	**21.5**	**0.7**	**47.6**
Net book value at 31 December 2021*	**18.1**	**2.7**	**15.3**	**0.6**	**36.6**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

10.2. Property, plant and equipment

Property, plant and equipment owned outright

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis over the estimated useful life of the assets taking into account any residual value.

Useful life	In years
Land	Indefinite
Buildings	20 - 50
Fixtures	5 - 10
IT equipment	3 - 7
Vehicles	4 - 7
Furniture	5 - 10

Land is not depreciated.

When an item of property, plant and equipment comprises components with different useful lives, such components are recognised and depreciated separately.

Gains or losses from the sale of property, plant and equipment are determined on the basis of the difference between the proceeds from the sale and the net book value of the asset sold and are included in "recurring operating profit from continuing operations (operating margin)".

No borrowing costs were included in the cost of any of the Group's property, plant and equipment in the absence of any assets requiring a substantial period of time before they are ready for their intended use or sale.

Leases where Econocom is a lessee

Leases, as defined by IFRS 16, are entered in the statement of the consolidated financial position as an asset representing the right of use of the leased asset during the term of the contract.

On the date that the lease takes effect, the right of use is valued at its cost, including:

- the initial amount of the liability, with the advance payments made to the lessor, net of the benefits received from the lessor;
- initial direct costs incurred by the lessee for the conclusion of the contract; and
- the costs of dismantling or restoring the leased asset according to the terms of the contract.

The right of use is depreciated over the useful life of the assets, which leads to a depreciation charge being entered on the income statement.

On the date that the lease takes effect, the rental liability is entered for an amount equal to the discounted value of rents over the duration of the contract, as defined by the Econocom Group. The valuation of the rental liability includes:

- fixed rents (including rentals considered to be fixed in substance);
- variable rents based on a rate or index using the rate or index on the date the contract comes into effect;
- any residual value guarantees awarded to the lessor;
- the exercise price of a purchase option if the exercise of the option is reasonably certain; and
- penalties for cancellation or non-renewal of the contract.

The rental liability is recognised at the depreciated cost, using the effective interest rate method, and leads to the recognition, on the income statement, of an interest charge for the period and variable payments (not taken into account in the initial valuation).

The liability may be revalued to offset the right of use in the following cases:

- revision of the term of the contract;
- modification linked to the valuation of the reasonably certain nature (or not) of the exercise of a purchase option;
- change in the amount of payment expected under the residual value guarantee awarded to the lessor;
- adjustment of rates or indices on which variable rents are based, when the latter are modified.

Leases mainly relate to property assets and the vehicle fleet. The accounting exemptions set out in the standard for the short-term contracts (term below or equal to 12 months) and with no tacit renewal, and leases on low value assets, have been applied.

The rental term is determined on a lease-by-lease basis and corresponds to the firm period of the commitment, taking into account optional periods that are reasonably certain to be exercised, except for vehicles for which Econocom will retain the portfolio approach, through simplification, given that the contracts are somewhat similar irrespective of the country and that this simplification does not give rise to material differences with regard to the recommended method set forth in IFRS 16.

For vehicles, the assumptions and measurement methods of this “portfolio” approach are as follows: a measurement is done at each period end, making it possible to update the lease liability and right of use; amortisations and financial expenses are then determined on a flat-rate basis based on an average term of use of the vehicles (amortisation) and on the rental payments actually paid for the difference.

The discount rate applied on the date of transition is based on the Group’s incremental borrowing rate.

2022 property, plant and equipment

in € millions	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Other property, plant and equipment	Property, plant and equipment held under financial leases	Total
Acquisition cost						
Gross value at 31 December 2021	**29.9**	**51.4**	**17.4**	**15.6**	**0.8**	**115.2**
Acquisitions	1.3	4.3	1.7	6.7	-	14.0
Disposals/Retirements	(0.1)	(1.0)	(0.1)	(0.1)	-	(1.3)
Changes in scope of consolidation	3.6	0.2	0.5	1.6	-	5.9
Transfers and other movements	0.1	0.4	(2.5)	(1.9)	-	(3.8)
Net reclassification of assets held for sale	0.2	0.0	-	0.0	-	0.2
Gross value at 31 December 2022	**35.1**	**55.4**	**17.0**	**21.9**	**0.8**	**130.2**
Depreciation and impairment						
Accumulated depreciation at 31 December 2021	**(17.0)**	**(41.6)**	**(12.1)**	**(11.8)**	**(0.8)**	**(83.4)**
Additions	(2.4)	(4.2)	(2.2)	(0.7)	-	(9.5)
Disposals/Retirements	0.1	0.9	0.1	-	-	1.1
Changes in scope of consolidation	(2.2)	(0.2)	(0.3)	(0.6)	-	(3.3)
Reversals of impairment	-	-	-	-	-	-
Transfers and other movements	-	0.4	2.5	0.1	-	3.0
Net reclassification of assets held for sale	(0.2)	-	-	-	-	(0.2)
Accumulated depreciation and amortisation at 31 December 2022	**(21.7)**	**(44.7)**	**(12.1)**	**(13.0)**	**(0.8)**	**(92.2)**
Net book value at 31 December 2021	**12.9**	**9.8**	**5.3**	**3.8**	**-**	**31.8**
Net book value at 31 December 2022	**13.4**	**10.7**	**4.9**	**8.9**	**0.0**	**38.0**

Other property, plant and equipment relate to assets in progress.

2021 property, plant and equipment

in € millions	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Other property, plant and equipment	Property, plant and equipment held under financial leases	Total
Acquisition cost						
Gross value at 31 December 2020	**31.2**	**53.1**	**15.3**	**19.6**	**1.0**	**120.1**
Acquisitions	1.7	4.1	0.8	2.4	-	9.2
Disposals/Retirements	(1.1)	(5.5)	(1.7)	(2.5)	(0.2)	(11.0)
Changes in scope of consolidation	(0.1)	(1.1)	(0.6)	-	-	(1.8)
Transfers and other movements	(1.6)	0.8	3.5	(3.9)	-	(1.1)
Net reclassification of assets held for sale	(0.2)	-	-	-	-	(0.2)
Gross value at 31 December 2021	**29.9**	**51.4**	**17.4**	**15.6**	**0.8**	**115.2**
Depreciation and impairment						
Accumulated depreciation at 31 December 2020	**(18.1)**	**(43.1)**	**(11.1)**	**(11.8)**	**(0.9)**	**(84.9)**
Additions	(2.0)	(4.9)	(2.5)	(0.8)	-	(10.2)
Disposals/Retirements	1.0	5.3	1.6	1.6	0.2	9.7
Changes in scope of consolidation	0.1	0.9	0.5	-	-	1.4
Reversals of impairment	-	-	-	-	-	-
Transfers and other movements	1.9	0.2	(0.8)	(0.9)	-	0.4
Net reclassification of assets held for sale	0.2	-	-	-	-	0.2
Accumulated depreciation at 31 December 2021	**(17.0)**	**(41.6)**	**(12.1)**	**(11.8)**	**(0.8)**	**(83.4)**
Net book value at 31 December 2020	**13.0**	**10.0**	**4.3**	**7.8**	**-**	**35.2**
Net book value at 31 December 2021	**12.9**	**9.8**	**5.3**	**3.8**	**-**	**31.8**

10.3. Rights-of-use assets

Right-of-use assets related to leases - 2022

in € millions	Buildings & developments	Vehicles	Total
Acquisition cost			
Gross value at 31 December 2021	**88.9**	**33.0**	**121.9**
Acquisitions	12.6	10.9	23.5
Remeasurement and end of contract	(13.6)	(1.7)	(15.3)
Changes in scope of consolidation	2.6	0.8	3.4
Transfers and other movements	(0.8)	(0.2)	(1.0)
Net reclassification of assets held for sale	-	0.3	0.3
Gross value at 31 December 2022	**89.7**	**43.1**	**132.7**
Depreciation and impairment			
Accumulated depreciation at 31 December 2021	**(44.7)**	**(22.2)**	**(67.0)**
Additions	(12.8)	(6.6)	(19.5)
Remeasurement and end of contract	11.0	0.1	11.1
Changes in scope of consolidation	(0.4)	(0.3)	(0.8)
Reversals of impairment	-	-	-
Transfers and other movements	0.8	0.1	0.9
Net reclassification of assets held for sale	-	-	-
Accumulated depreciation and amortisation at 31 December 2022	**(46.2)**	**(28.9)**	**(75.1)**
Net book value at 31 December 2021	**44.2**	**10.7**	**55.0**
Net book value at 31 December 2022	**43.5**	**14.1**	**57.6**

Right-of-use assets related to leases - 2021

in € millions	Buildings & developments	IT equipment	Vehicles	Total
Acquisition cost				
Gross value at 31 December 2020	**77.7**	**1.2**	**39.2**	**118.1**
Acquisitions	23.5	0.3	5.6	**29.4**
Remeasurement and end of contract	(10.7)	-	(4.3)	**(15.0)**
Changes in scope of consolidation	(0.9)	(1.3)	(0.1)	**(2.2)**
Transfers and other movements	(0.6)	(0.2)	-	**(0.9)**
Reclassification to assets held for sale	(0.1)	-	(7.4)	**(7.5)**
Gross value at 31 December 2021	**88.9**	**-**	**33.0**	**121.9**

Depreciation and impairment				
Accumulated depreciation at 31 December 2020	**(43.1)**	**(0.6)**	**(19.7)**	**(63.4)**
Additions	(12.8)	(0.3)	(6.3)	**(19.5)**
Remeasurement and end of contract	9.3	-	0.6	**9.9**
Changes in scope of consolidation	1.3	0.7	-	**2.0**
Reversals of impairment	-	-	-	**-**
Transfers and other movements	0.6	0.2	-	**0.9**
Reclassification to assets held for sale	-	-	3.1	**3.2**
Accumulated depreciation at 31 December 2021	**(44.7)**	**-**	**(22.2)**	**(67.0)**

Net book value at 31 December 2020	**34.6**	**0.6**	**19.5**	**54.7**
Net book value at 31 December 2021	**44.2**		**10.7**	**55.0**

Lease payables

2022 in € million	Total	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
Lease payables	**59.9**	18.6	15.6	18.0	7.6

10.4. Non-current financial assets

Investments in non-consolidated companies are recorded at fair value. Changes in fair value are recognised under Income.

in € millions	Investments in non-consolidated companies (1)	Investments in equity-accounted associates (2)	Other non-current financial assets (3)	Total
Balance at 31 December 2020	**4.9**	**0.5**	**25.1**	**30.5**
Increases	3.5	-	4.8	8.3
Repayments/Disposals	(0.1)	-	(8.8)	(8.9)
Changes in scope of consolidation	0.3	(0.6)	(0.2)	(0.5)
Transfers and other movements	-	-	-	-
Share of profit (loss) of associates and joint ventures	-	0.1	-	0.1
Balance at 31 December 2021	**8.6**	**-**	**20.9**	**29.5**
Increases	0.2	-	2.7	2.9
Financial provisions	(1.1)	-	-	(1.1)
Repayments/Disposals	(0.7)	-	(3.5)	(4.2)
Financial reversals	0.5	-	-	0.5
Changes in scope of consolidation	0.1	-	0.1	0.2
Transfers and other movements	(3.5)	-	0.1	(3.5)
Balance at 31 December 2022	**4.1**	-	**20.3**	**24.4**

(1) This relates to the Group's interest in non-controlled entities for €4.1 million, including principally shares in Hélios (€2.4 million), Histovery (€0.8 million), Kartable (€0.5 million), JTRS (€0.3 million) and Neuradom (€0.2 million).
(2) Since 31 December 2021, there are no longer any entities accounted for using the equity method.
(3) Other non-current financial assets chiefly correspond to guarantees and deposits.

Maturity of non-current financial assets

2022 in € million	1 to 5 years	Beyond 5 years	Indefinite	Total
Investments in nonconsolidated companies	-	-	4.1	4.1
Other investments	-		5.0	5.0
Guarantees given to factors	10.2	-	-	10.2
Other guarantees and deposits	1.4	3.7	-	5.1
Total	**11.6**	**3.7**	**9.1**	**24.4**

2021 in € millions	1 to 5 years	Beyond 5 years	Indefinite	Total
Investments in nonconsolidated companies	-	-	8.6	8.6
Other investments	-	-	7.7	7.7
Guarantees given to factors	8.6	-	-	8.6
Other guarantees and deposits	2.1	2.5	-	4.6
Total	**10.7**	**2.5**	**16.3**	**29.5**

10.5. Other long-term receivables

in € millions	31 Dec. 2022	31 Dec. 2021
Government, long-term grants receivable	1.7	2.7
Other long-term receivables	19.6	20.6
Other long-term receivables	**21.4**	**23.3**

The "Government, long-term grants receivable" item corresponds to income tax receivables. Other receivables relate to loans granted to employees or associates.

The book values of other non financial assets such as other long-term receivables, are reviewed for impairment at the end of each reporting date. If the book value of these assets exceeds their estimated recoverable amount, an impairment loss is recognised within operating profit.

By maturity

in € millions	31 Dec. 2022	31 Dec. 2021
1 to 5 years	20.9	6.7
Beyond 5 years	0.5	16.6
Total	**21.4**	**23.3**

11. Residual interest in leased assets and gross liability for repurchases of leased assets

11.1. Residual interest in leased assets

Residual interest is recognised as an asset when a lease is classified as a financial lease. Residual interest in leased assets reflects a forecasted market value of the assets included in the leases.

They are determined on the basis of a percentage of the purchase value of the equipment (a grid has been set up by category of equipment) and the lease term (this percentage decreases according to said term).

There are three exceptions to the application of this grid:

- an *ad hoc* grid targeting a selection of specific digital equipment is used to replace this general grid;
- in case of renewable contracts, the residual interest of the assets is capped and may not exceed a more limited percentage of the purchase value of the equipment;
- non-digital assets (or similar) leased, known as industrial assets, and recent assets for which the Group has no knowledge of the secondary market value or of comparable assets have a residual interest value of zero, except where an external evaluation can give a value at the end of the contract.

These schedules are reviewed regularly by Group Management on the basis of its experience of the second-hand markets.

If the Group identifies potential capital losses on the amount of residual interest on certain assets, an impairment loss is recorded.

in € millions	31 Dec. 2022	31 Dec. 2021
Residual interest in leased assets non-current portion (between 1 and 5 years)	114.7	128.0
Residual interest in leased assets current portion (less than 1 year)	49.8	42.7
Total	**164.6**	**170.7**

The residual interest recognised at 31 December 2022 was €164.6 million for a portfolio of leased assets representing €5.4 billion (purchase price of the assets on inception of the lease). The Group's residual interest in leased assets therefore stood at 3.0% of the purchase price of the assets in its portfolio (*versus* 3.1% at 31 December 2021).

The impact of discounting on the total amount of the residual interest was €11.8 million at 31 December 2022, *i.e.* pre-discounted values of €176.4 million at 31 December 2022.

Residual interest in leased assets concerns digital assets and industrial assets amounting to €142.4 million and €34.0 million, respectively.

11.2. Gross liability for repurchases of leased assets

In the context of the refinancing of financial leases with refinancing partners, agreements entered into may provide for the refinancing of all or part of the residual interest in leased assets in the form of a repayable advance. This advance, repayable at the end of the initial period of the financial lease, therefore constitutes a liability within the meaning of IFRS 9. This liability is discounted using the same conditions as the financial lease.

The financing of this residual interest by the refinancing partner is carried out on the basis of negotiations on a case-by-case basis; the latter may decide not to make an advance, or to make a partial or total advance of the residual value. In addition, certain financial lease are not refinanced. As a result, residual interest and gross liability for repurchases of leased assets may differ significantly.

This debt is excluded from the calculation of net financial debt used by the Group, presented in note 15.3.

in € millions	31 Dec. 2022	31 Dec. 2021
Total gross liability for repurchases of leased assets – non-current portion (between 1 and 5 years)	78.7	75.3
Total gross liability for repurchases of leased assets – current portion (less than 1 year)	24.1	22.8
Total	**102.8**	**98.1**

The present value of items recorded in "Gross liability for repurchases of leased assets" (current and non-current portions) stands at €102.8 million. The cumulative impact of discounting was €7.1 million in 2022. The pre-discounted value was €109.9 million at 31 December 2022.

12. Operating assets and liabilities

12.1. Inventories

For the Group, inventories are:

- assets held for sale in the ordinary course of business and measured at the lower of cost (weighted average cost) and net realisable value;
- or materials or supplies to be used in the rendering of services, measured at cost and impaired in line with the useful life of the infrastructure to which they relate.

in € millions	31 Dec. 2022			31 Dec. 2021		
	Gross	Impairment	Net	Gross	Impairment	Net
Equipment in the process of being refinanced	**19.2**	**(0.1)**	**19.1**	**19.8**	**(0.5)**	**19.3**
Other inventories	**92.2**	**(7.8)**	**84.5**	**110.0**	**(6.7)**	**103.3**
IT equipment and telecoms	79.6	(3.8)	75.8	49.7	(3.0)	46.7
Spare parts and other inventories	12.7	(4.0)	8.7	60.2	(3.7)	56.6
Total	**111.4**	**(7.9)**	**103.6**	**129.8**	**(7.1)**	**122.6**

Inventories of IT and telecom equipment increased by €29.1 million, largely due to changes in scope in 2022.

Other inventories decreased by €47.9 million following the commissioning, at the end of June 2022, of the two tugs recorded in inventories by Les Abeilles for €48 million in 2021.

Gross value

in € millions	31 Dec. 2021	Changes in inventories	Changes in scope of consolidation	Reclassification under assets held for sale	Other changes	31 Dec. 2022
Equipment in the process of being refinanced	**19.8**	**(4.1)**	**-**	**-**	**3.6**	**19.2**
Other inventories	**110.0**	**(39.7)**	**23.2**	**(1.3)**	**(0.0)**	**92.2**
IT equipment and telecoms	49.7	7.9	23.2	(1.3)	(0.0)	79.6
Spare parts and other inventories	60.2	(47.6)	-	0.0	-	12.7
Total	**129.8**	**(43.8)**	**23.2**	**(1.3)**	**3.6**	**111.4**

Impairment

in € millions	31 Dec. 2021	Additions	Reversals	Reclass. in assets held for sale	Other changes	31 Dec. 2022
Equipment in the process of being refinanced	**(0.5)**	**(0.2)**	**0.5**	**-**	**-**	**(0.1)**
Other inventories	**(6.7)**	**(1.2)**	**0.1**	**(0.0)**	**0.0**	**(7.8)**
IT equipment and telecoms	(3.0)	(0.8)	-	(0.0)	0.0	(3.8)
Spare parts and other inventories	(3.7)	(0.4)	0.1	-	-	(4.0)
Total	**(7.1)**	**(1.3)**	**0.5**	**(0.0)**	**0.0**	**(7.9)**

12.2. Trade and other receivables and other current assets

in € millions	31 Dec. 2022			31 Dec. 2021		
	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables	856.4	(47.2)	809.2	783.0	(50.9)	732.1
Other receivables	70.7	(1.0)	69.7	67.8	(3.5)	64.3
Trade and other receivables	**927.0**	**(48.2)**	**878.9**	**850.8**	**(54.4)**	**796.4**
Costs of implementing and obtaining the contract - assets	**31.3**	**-**	**31.3**	**19.7**	**-**	**19.7**

The trade receivables item is broken down below by activity, for its amount net of impairment.

in € millions	31 Dec. 2022				31 Dec. 2021			
	Receivables invoiced, net of impairment	Revenue accruals	Out-standing rentals	Total	Receivables invoiced, net of impairment	Revenue accruals	Out-standing rentals	Total
Products & Solutions	154.3	48.1	-	202.4	106.0	48.7	-	154.7
Services	13.2	22.1	-	35.3	22.1	22.8	-	44.9
Technology Management & Financing	228.1	5.6	337.8	571.5	234.8	5.3	292.4	532.5
Total	**395.6**	**75.8**	**337.8**	**809.2**	**362.9**	**76.7**	**292.4**	**732.1**

At end-2022, the €337.8 million in outstanding rentals includes a portion that is self-funded or refinanced with recourse for a net amount of €283.7 million, of which €221.1 million is non-current. The current portion includes not only self-funded outstanding rentals but also a portion that will be refinanced (when a refinancing agreement exists).

The changes in revenue accruals during the 2022 financial year were mainly due to the time lag between revenue recognition and invoicing, which leads to the recognition of contract assets (invoices to be issued).

The payment terms of our customers comply with the local regulations of the countries in which we operate and, where applicable, the usual business practices and payment schedules defined in our contracts.

Contract obtention and performance costs are costs that are directly assigned to a customer contract and have not yet been rebilled. The majority of contract assets will be transformed into trade receivables in the coming months.

Other receivables

Other receivables represent amounts receivable from the Public Treasury and miscellaneous amounts due from third parties (suppliers, factor, etc.):

in € millions	31 Dec. 2022	31 Dec. 2021
Tax receivables (excl. income tax)	23.9	32.4
Receivables on factors	27.7	13.7
Government grants receivable	1.0	0.8
Due from suppliers	10.2	11.0
Other	6.8	6.4
Other receivables	**69.7**	**64.3**

Other current assets

Other current assets correspond mainly to prepaid expenses of €36.3 million compared to €32.1 million at 31 December 2021.

Impairment of receivables

Initially, receivables are impaired taking into account expected credit losses, if material:

- short-term receivables (mainly for the Products & Solutions and Services business) are impaired on the basis of an average observed risk of default. This approach is based on the default rates observed individually by each of the Group's subsidiaries;
- long-term receivables (mainly for the TMF business) are impaired by taking into account the customer's risk profile, the value of the underlying assets and a probability of occurrence.

Subsequently, if there is serious doubt as to its recoverability, a loss allowance is recognised for the amount that is not recoverable.

in € millions	31 Dec. 2021	Additions	Reversals	Other changes	Reclassification under assets held for sale	31 Dec. 2022
Impairment of doubtful receivables	**(50.9)**	(14.6)	20.3	(0.1)	(1.8)	**(47.2)**

Reversals of €20.3 million include utilizations for €9.5 million.

12.3. Trade and other payables

in € millions	31 Dec. 2022	31 Dec. 2021
Trade payables	**741.2**	**707.3**
of which reverse factoring trade payables	*104.6*	*75.7*
Other payables	**191.0**	**174.7**
Tax and social liabilities	183.8	168.8
Dividends payable	1.4	0.9
Customer prepayments and other payables	5.7	5.1
Total trade and other payables	**932.1**	**882.0**

12.4. Other current liabilities

Other current liabilities break down as follows:

in € millions	31 Dec. 2022	31 Dec. 2021 restated*
Contract liabilities	**63.7**	**52.1**
Deferred income	109.5	124.4
Other liabilities	15.4	12.8
Other current liabilities	**124.8**	**137.2**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

The changes in the amounts of contract liabilities during the 2022 financial year were mainly due to the receipt of advances from our customers, which led to the recognition of contract liabilities (customer deposits and prepayments).

The majority of contract liabilities are to be converted into revenue in the coming months.

13. Other financial liabilities (contingent acquisition debts)

The contingent acquisition-related liabilities include options to commit to buy back non-controlling interests, contingent consideration and deferred payments, most of which have been granted subject to attainment of future financial targets. They are thus dependent on the estimated future performance of the entities concerned (*e.g.* EBIT multiples, expected future cash flows, etc.).

At the end of 2022, the Group has call options (and non-controlling shareholders have put options) on the remaining shares it does not already own, allowing it to acquire all or part of the share capital of the following entities: Econocom Factory, Exaprobe, Helis, Lydis, Servicios microinformatica and Trams. Under these options, Econocom agreed to acquire the shares and also has the right to be sold the shares by the non-controlling shareholders.

The table below shows changes in contingent acquisition-related liabilities over the year:

in € millions	Put and call options on non-controlling interests	Contingent consideration	Deferred payments	Total contingent acquisition-related liabilities	Current portion	Non-current portion
31 Dec. 2021	**54.6**	**1.5**	**0.6**	**56.7**	**47.1**	**9.6**
Disposals and IFRS 5	-	-	-	-		
Increases against equity or goodwill	28.8	0.8	0.1	29.7		
Disbursements	(21.6)	(0.8)	(8.8)	(31.2)		
Change in fair value through equity	6.2	-	(0.2)	6.1		
Reclassification/ Other	(9.9)	-	9.9	-		
Change in fair value through profit (loss) from non-current operating activities	-	-	-	-		
Change in fair value through recurring operating profit from continuing operations	-	-	-	-		
31 Dec. 2022	**58.1**	**1.5**	**1.6**	**61.2**	**24.9**	**36.3**

Changes in the value of commitments to purchase non-controlling interests are recognised in equity.

Cross-option liabilities and contingent consideration liabilities are measured based on the estimated future performance of the entities concerned (*e.g.* EBIT multiples, expected future cash flows, etc.).

14. Financial instruments

Financial instruments comprise:

- financial assets, which include non-current financial assets (except investments in associates and joint ventures), other long-term receivables, trade and other receivables, other current assets, and cash and cash equivalents;
- financial liabilities, which include current and non-current financial debt and bank overdrafts, operating payables and other current and non-current liabilities; and
- derivative instruments.

14.1. Classification and measurement of financial instruments

Financial instruments (assets and liabilities) are recognised in the consolidated statement of financial position at their initial fair value plus or minus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of that financial asset or financial liability.

The subsequent measurement of financial assets and liabilities is carried out, depending on their category, either at fair value (profit or loss or other comprehensive income (expense)) or at amortised cost.

The classification of a financial asset in each of the three categories (financial asset at amortised cost, financial asset at fair value through profit or loss, financial asset at fair value through other comprehensive income (expense)) is based on the business model applied to it by the company and the characteristics of its contractual cash flows.

The classification of a financial liability in each of two categories (financial liability at amortised cost or financial liability at fair value through profit or loss).

The Group applies the concept of fair value set out in IFRS 13 “Fair Value Measurement”, whereby fair value is “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price)”.

Amortised cost represents the fair value on initial recognition (net of transaction costs), plus interest calculated based on the effective interest rate and less cash outflows (coupons, principal repayments and, where applicable, redemption premiums). Accrued interest (income and expenses) is not recorded at the nominal interest rate of the financial instrument, but based on the instrument’s effective interest rate.

The initial recognition of financial instruments in the consolidated statement of financial position along with their subsequent measurement as described above apply to the following interest rate definitions:

- the coupon rate (coupon), which is the nominal interest rate on the instrument;
- the effective interest rate;

- the market interest rate, which is the effective interest rate as recalculated at the measurement date in line with ordinary market inputs.

At each reporting date, the Group assesses whether the credit risk associated with a financial asset has increased significantly since initial recognition. In this case, the Group assesses the expected credit losses over the life of the asset.

Any loss of value is recognised in the income statement.

Financial instruments carried in both assets and liabilities are derecognised whenever the related risks and rewards are sold and the Group ceases to have control over those financial instruments (see note 22).

14.2. Derivatives

The Group uses the financial markets only for hedging exposure related to its business activities and not for speculative purposes.

Given the low foreign exchange risk, forward purchases and sales of foreign currency are recognised as instruments measured at fair value through profit or loss.

The Group uses interest rate swaps to hedge its exposure, notably on the floating-rate tranches of its Schuldschein notes. These derivate instruments are designated as a cash flow hedges and is eligible for hedge accounting under IFRS 9.

Gains or losses on the hedging instruments are recognised directly in "Other comprehensive income (expense)" until the hedged item is itself recognised in the income statement. Hedging reserves are then transferred to the income statement.

	31 Dec. 2021	Change through profit or loss*	Other comprehensive income (expense)	31 Dec. 2022
Derivative instruments (positive fair value)	-	-	10.2	10.2
Derivative instruments (negative fair value)	-	-	-	-
Total result		**-**		

* not significant

14.3. Classification of financial instruments and fair value hierarchy

IFRS 7 "Financial Instruments: Disclosures" sets out a fair value hierarchy, as follows:

- Level 1: fair value based on quoted prices in active markets;
- Level 2: fair value measured using observable market inputs (other than the quoted market prices included in Level 1);
- Level 3: fair value measured using unobservable market inputs.

The fair value of financial instruments is determined using market prices resulting from trades on a national stock exchange or over-the-counter markets. When no market price is available, fair value is measured using other valuation methods such as discounted future cash flows.

In any event, estimates of market value are based on certain interpretations required when measuring financial assets.

As such, these estimates do not necessarily reflect the amounts that the Group would actually receive or pay if the instruments were traded on the market. The use of different estimates, methods and assumptions may have a material impact on estimated fair values.

In view of their short-term nature, the book value of trade and other receivables and cash and cash equivalents is considered as a good estimation of their fair value.

Derivative instruments and non-consolidated equity investments are measured using Level 2 fair values.

Cash equivalents are recognised at fair value (Level 1).

14.3.1. FINANCIAL ASSETS

The Group's financial assets at 31 December 2022 can be analysed as follows:

in € millions		Book value			Level in the fair value hierarchy		
Balance sheet headings	**Notes**	**Amortised cost**	**Fair value recognised through other comprehensive income**	**Fair value through profit or loss**	**Level 1**	**Level 2**	**Level 3**
Non-current financial assets	10.4	20.3	-	4.1	-	24.4	-
Long-term receivables	10.5	21.4	-	-	-	21.4	-
Residual interest	11.1	164.6	-	-	-	164.6	-
Trade receivables	12.2	809.2	-	-	-	809.2	-
Other receivables	12.2	69.7	-	-	-	69.7	-
Cash and cash equivalents	15.1	-	-	404.8	404.8	-	-
Total financial assets		**1,085.2**	**-**	**408.9**	**404.8**	**1,089.3**	**-**

14.3.2. FINANCIAL LIABILITIES AND OTHER LIABILITIES

In view of their short-term nature, the book value of trade and other payables is considered as a good estimation of their fair value.

The market value of derivative instruments is measured based on valuations provided by bank counterparties or models widely used in financial markets, on the basis of data available at the reporting date.

in € millions		Book value			Level in the fair value hierarchy		
Balance sheet headings	**Notes**	**Amorti-sed cost**	**Fair value through profit or loss**	**Fair value through equity**	**Level 1**	**Level 2**	**Level 3**
Gross debt	15.2	545.9	-	-	-	545.9	-
Non-convertible bonds		*208.9*	-	-	-	*208.9*	-
Convertible bonds		*151.2*	-	-	-	*151.2*	-
Bank debt, commercial paper and other		*54.2*	-	-	-	*54.2*	-
Liabilities relating to contracts refinanced with recourse		*131.6*	-	-	-	*131.6*	-
Gross commitments on residual financial assets	11.2	102.8	-	-	-	102.8	-
Lease liabilities	10.3	59.9	-	-	-	59.9	-
Acquisition-related liabilities	13		1.5	59.7			61.2
Other non-current liabilities		13.1	-	-	-	13.1	-
Trade payables	12.3	741.2	-	-	-	741.2	-
Other payables (excluding derivative instruments)	12.3	191.0	-	-	-	191.0	-
Other current liabilities	12.4	15.4	-	-		15.4	-
Total financial liabilities and other liabilities		**1,669.3**	**1.5**	**59.7**	**-**	**1,669.3**	**61.2**

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15. Cash, gross financial debt, net financial debt

15.1. Cash and cash equivalents

These include cash on hand and demand deposits, other highly-liquid investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are included in "Financial liabilities within current liabilities in the balance sheet. Changes in fair value are recognised through profit or loss under "Financial income – operating activities".

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts. Cash and cash equivalents can be broken down as follows at end-2022 and end-2021:

in € millions	31 Dec. 2022	31 Dec. 2021
Cash in hand	**384.4**	**382.9**
Demand deposits	0.1	0.1
Sight deposits	384.3	382.9
Cash equivalents	**20.4**	**22.9**
Term accounts	-	0.7
Marketable securities	20.3	22.2
Cash and cash equivalents	**404.8**	**405.9**
Bank overdrafts	(2.4)	(0.0)
Cash and cash equivalents net of bank overdrafts	**402.4**	**405.9**

The cash and cash equivalent balances corresponding to the share of Econocom's partners in companies fully consolidated but not wholly owned by Econocom totalled €8.2 million at 31 December 2022 *versus* €17.5 million at 31 December 2021.

15.2. Gross financial debt

Gross financial debt includes all interest-bearing debt and debt incurred through the receipt of financial instruments.

It does not include:

- the gross liability for purchases of leased assets and residual interests in leased assets;
- the derivative instrument hedging Schuldschein notes; and
- lease liabilities.

in € millions	31 Dec. 2022	31 Dec. 2021
Convertible bond (OCEANE)	-	181.5
Non-convertible bond (Euro PP)	-	-
Non-convertible bond debt (Schuldschein)	199.3	12.7
Bonds – non-current	**199.3**	**194.3**
Other debt	68.0	66.9
Financial lease liabilities (1)	23.9	41.4
Financial liabilities – non-current	**91.9**	**108.3**
Non-current interest-bearing liabilities	**291.1**	**302.6**
Convertible bond (OCEANE) – current portion	151.2	0.9
Non-convertible bond (Euro PP) – current portion	-	56.4
Non-convertible bond (Schuldschein bond) – current portion	9.6	0.3
Bonds – current portion	**160.8**	**57.6**
Commercial paper	32.5	21.5
Factoring financial liabilities (2)	14.5	12.8
Reverse factoring financial liabilities	0.1	5.2
Financial lease and similar liabilities (1)	17.8	22.6
Other current borrowings and debt with recourse	29.1	50.5
Financial liabilities – current portion (3)	**93.9**	**112.6**
Current interest-bearing liabilities	**254.8**	**170.1**
Total gross financial debt (3)	**545.9**	**472.7**

(1) Primarily, liabilities relating to contracts refinanced with recourse. This debt is backed by customers' rental payments in which the Group retains a portion of the credit risk. The Group has therefore added back a similar amount of unassigned receivables in accordance with IAS 32 "Financial Instruments: Presentation".

(2) Factoring liabilities consist of residual risks arising from factoring agreements.

(3) Excluding bank overdrafts.

Convertible bonds

In March 2018, Econocom Group issued OCEANE bonds in the amount of €200 million (€198.4 million after allocation of issue costs). Their main characteristics are detailed below:

- maturity: five years;
- annual coupon: 0.5%;
- issue price: €8.26.

If these bonds are not converted, they will be redeemed in cash on 6 March 2023 at a price of €8.26.

OCEANE bonds are compound instruments within the meaning of IAS 32. The characteristics of the OCEANE bonds provide for the possibility of conversion into a fixed number of shares for a fixed amount of cash. An equity component has been calculated by subtracting the debt component of the OCEANE, measured at the rate of the debt without a conversion option, in application of sections 29-30 of IAS 32, which define the "equity" component as residual. On initial recognition, and net of issue costs, the equity component amounted to €16.7 million and the debt component to €181.7 million.

Since November 2020, the Econocom Group bought back convertible bonds (OCEANEs) for a total amount of €47.9 million. As a result, the "debt" component was derecognised against the cash paid for repayment, the difference being recognised in the income statement for an insignificant amount of €0.2 million in 2022, and of €0.9 million in 2021 and 2020. The "Equity" component initially recognised and representing the premium sold attaching to the conversion option, is vested by the issuer and remains recognised in equity.

Non-convertible bonds

Euro PP

In May 2015, Econocom Group SE took part in a €101 million bond issue (Euro PP) with eight institutional investors. The issue was in two tranches of €45.5 and €55.5 million, with respective maturities of five and seven years. They paid fixed-rate interest (2.364% in five years and 2.804% in seven years) and were redeemable upon maturity (*in fine*).

In June 2022, the Group repaid the last instalment.

Schuldschein 2016

In late November 2016, Econocom Group SE issued €150 million in Schuldschein notes on the Frankfurt market.

These notes, redeemable at maturity, comprise three tranches: €13 million at seven years, and €22 million and €115 million at five years. Notes belonging to the first two tranches pay fixed-rate interest (2.088% at seven years and 1.611% at five years). The interest on the third tranche includes a fixed-rate portion of 1.5% and a floating-rate portion indexed to six-month EURIBOR. An interest rate swap was put in place to cover the risk related to this floating rate. The swap hedged the risk of a rise in interest rates; however, it provided that if EURIBOR was negative, Econocom bore the interest rate risk.

In the first half of 2022, the Group repaid €5 million in advance on the last €13 million of the final portion.

Schuldschein 2022

In May 2022, Econocom Group SE issued a €200 million Schuldschein bond on the Frankfurt market.

This bond, which is repayable *in fine*, breaks down into five tranches:

- €15 million at three years, at a fixed rate for 2.127%

- €43 million at three years, at a floating rate indexed to EURIBOR 6 months
- €19 million at five years, at a fixed rate for 2.565%
- €113 million at five years, at a floating rate indexed to EURIBOR 6 months
- €10 million at seven years, at a fixed rate of 3.081%.

Interest rate swaps were put in place to cover the risk related to these floating rates. The swaps hedge the risk of a rise in interest rates; however, they provide that if EURIBOR is negative, Econocom bears the interest rate risk.

This transaction made it possible to secure the Group's liquidity under favourable conditions (notably thanks to the implementation of pre-hedging and hedging transactions that enabled it to post an average rate of 2.1%) and to extend the average maturity of the debt.

Commercial paper (NEUCP)

Since October 2015, Econocom has diversified its financing resources with the implementation of a commercial paper programme (NEUCP) at Econocom Group level with the Banque de France. Through this programme, capped at €200 million, the Group optimises its short-term resources to finance its WCR. With a 7-year presence in this market, Econocom has benefited from regular access to this source of liquidity thanks to referrals from institutional investors confirming the Group's good standing.

Analysis of non-current interest-bearing liabilities by maturity

2022 *in € million*	**Total**	**1 to 5 years**	**Beyond 5 years**
Lease payables relating to contracts refinanced with recourse (non-current portion)	23.9	23.9	-
Bonds	199.3	189.3	10.0
Other debt	68.0	54.2	13.8
Total	**291.1**	**267.4**	**23.8**

2021 *in € millions*	**Total**	**1 to 5 years**	**Beyond 5 years**
Lease payables relating to contracts refinanced with recourse (non-current portion)	41.4	41.4	-
Bonds	194.3	194.3	-
Other debt	66.9	51.3	15.5
Total	**302.6**	**287.0**	**15.5**

15.3. Net financial debt

The concept of net financial debt as used by the Group represents gross financial debt (see note 15.2) less gross financial cash (see note 15.1 "Cash and cash equivalents"). This indicator is used for financial communication purposes, notably to calculate certain performance ratios.

Net financial debt - 2022

in € millions	31 Dec. 2021	Cash flows	Non-cash flows				31 Dec. 2022
			Amortised cost of the loan	Changes in scope of consolidation	Conversion	Other	
Cash and cash equivalents *	405.9	(2.7)	-	7.5	1.5	(7.3)	404.8
Bank overdrafts **	0.0	(2.1)	-	(0.2)	-	-	(2.4)
Cash and cash equivalents net of bank overdrafts (1)	**405.9**	**(4.8)**	**-**	**7.3**	**1.5**	**(7.3)**	**402.4**
Commercial paper and credit lines	(71.9)	17.6	-	-	-	-	(54.2)
Net cash at bank	**334.0**	**12.8**	**-**	**7.3**	**1.5**	**(7.3)**	**348.2**
Convertible bond (OCEANE)	(182.5)	34.7	(3.5)	-	-	-	(151.2)
Bond debt (Euro PP)	(56.4)	57.1	(0.7)	-	-	-	-
Bond debt (Schuldschein)	(13.0)	(192.6)	(3.2)	-	-	-	(208.9)
Leases refinanced with recourse	(64.0)	21.9	-	-	0.4	-	(41.7)
Factoring financial liabilities with recourse	(12.8)	(1.8)	-	-	0.1	-	(14.5)
Reverse factoring liabilities	(5.2)	4.9	-	-	-	0.2	(0.1)
Other non-current liabilities	(67.0)	1.5	-	(9.8)	-	-	(75.3)
Sub-total	**(400.8)**	**(74.3)**	**(7.4)**	**(9.8)**	**0.4**	**0.2**	**(491.7)**
(Net financial debt)/ Cash surplus	**(66.8)**	**(61.5)**	**(7.4)**	**(2.5)**	**1.9**	**(7.1)**	**(143.5)**

* Positive gross cash and cash equivalents.

** Including current bank overdrafts totalling €2.4 million at 31 December 2022 and €0.0 million at 31 December 2021.

(1) The -€3.4 million change in net cash and cash equivalents net of bank overdrafts as shown in the statement of cash flows is equal to the sum of monetary outflows (-€4.8 million), cash acquired (€7.3 million) less translation adjustments (€1.5 million) and translation losses (-€7.3 million).

Net financial debt corresponds to the amount after financing of Technology Management & Financing self-funded contracts in the amount of €283.7 million.

Net financial debt - 2021

in € millions	31 Dec. 2020	Cash flows	Non-cash flows: Amortised cost of the loan	Non-cash flows: Changes in scope of conso-lidation	Non-cash flows: Conversion	Non-cash flows: Other	31 Dec. 2021
Cash and cash equivalents *	649.3	(244.4)	-	7.5	1.4	(7.9)	405.9
Bank overdrafts **	(0.8)	0.7	-	-	-	0.1	0.0
Cash and cash equivalents net of bank overdrafts (1)	**648.5**	**(243.8)**	**-**	**7.5**	**1.4**	**(7.8)**	**405.9**
Commercial paper and credit lines	(155.9)	84.5	-	-	-	(0.5)	(71.9)
Net cash at bank	**492.7**	**(159.2)**	**-**	**7.5**	**1.4**	**(8.3)**	**334.0**
Convertible bond (OCEANE)	(182.2)	4.4	(4.6)	-	-	-	(182.5)
Bond debt (Euro PP)	(56.3)	1.6	(1.6)	-	-	-	(56.4)
Bond debt (Schuldschein)	(150.0)	139.0	(2.0)	-	-	-	(13.0)
Leases refinanced with recourse	(76.2)	12.8	-	-	(0.6)	-	(64.0)
Factoring financial liabilities with recourse	(7.5)	1.7	-	(6.8)	(0.1)		(12.8)
Reverse factoring financial liabilities	-	(5.2)	-	-	-	-	(5.2)
Other non-current liabilities	(0.1)	(67.5)	-	-	-	0.7	(67.0)
Sub-total	**(472.5)**	**86.6**	**(8.2)**	**(6.8)**	**(0.6)**	**0.7**	**(400.8)**
(Net financial debt)/Cash surplus	**20.2**	**(72.6)**	**(8.2)**	**0.7**	**0.7**	**(7.6)**	**(66.8)**

* Positive gross cash and cash equivalents.

** Including current bank overdrafts totalling €0.0 million at 31 December 2021 and €0.8 million at 31 December 2020.

(1) The -€242.7 million change in net cash and cash equivalents net of bank overdrafts as shown in the statement of cash flows is equal to the sum of monetary outflows (-€243.8 million), cash acquired (€7.5 million) less translation adjustments (€1.4 million) and translation losses (-€7.8 million).

16. Equity

16.1. Share capital

Following the exercise of 648,000 stock options, Econocom Group SE issued 648,000 new shares in 2022, bringing its share capital to €23,731,027. The total number of shares was thus increased to 222,929,980.

	Number of shares			Value in € millions		
	Total	Treasury shares	Outstanding	Share capital	Issue premium	Treasury shares
At 1 January 2021	**220,880,430**	**9,779,167**	**211,101,263**	**23.5**	**213.6**	**(23.0)**
Purchases of treasury shares, net of sales	-	27,823,984	(27,823,984)	-	-	(83.0)
Exercise of options and award of free shares	-	(300,000)	300,000	-	-	-
Capital increase	1,401,550	-	1,401,550	0.2	3.7	
Destruction of treasury shares	-	-	-	-	-	-
Refund of issue premium	-	-	-	-	(22.5)	-
At 31 December 2021	**222,281,980**	**37,303,151**	**184,978,829**	**23.7**	**194.8**	**(106.0)**
Purchases of treasury shares, net of sales	-	8,174,542	(8,174,542)	-	-	(25.4)
Exercise of options and award of free shares	-	(1,300,000)	1,300,000	-	-	-
Capital increase	648,000	-	648,000	0.1	1.7	-
Destruction of treasury shares	-	-	-	-	-	-
Refund of issue premium	-	-	-	-	(25.3)	-
At 31 December 2022	**222,929,980**	**44,177,693**	**178,752,287**	**23.7**	**171.2**	**(131.4)**

At 31 December 2022, the number of dematerialised shares amounted to 160,930,730 and the number of registered shares to 61,999,250, *i.e.* a total of 222,929,980 shares.

Bearer shares

In 2020, one shareholder claimed his shares, representing 7,424 Econocom shares. At 31 December 2020, the number of r shares registered in the name of Caisse des Dépôts et Consignations in the register of shares therefore amounted to 1,078,244 shares.

In 2021 and 2022, as there were no shareholder claims, the number of Econocom Group shares registered in the name of Caisse des Dépôts et Consignations in the register of shares remained unchanged at 31 December 2022 at 1,078,244 shares.

16.2. Changes in equity attributable to owners of the parent

At 31 December 2022, equity attributable to owners of the parent amounted to €380.5 million (€385.9 million at 31 December 2021). The table below shows changes in this item:

in € millions	**Attributable to owners of the parent**
At 31 December 2021 restated	**380.5**
Impact of changes in accounting standards or policies and other impacts* (IAS 38)	(10.4)
At 1 January 2022	**370.1**
Comprehensive income	82.8
Share-based payments, net of tax	1.2
Refund of issue premiums/Payments to shareholders	(25.3)
Capital increase	1.8
Treasury share transactions	(25.4)
Change in fair value of liabilities under put options	(6.1)
Impact of put options granted to non-controlling shareholders	(8.8)
Miscellaneous (transactions impacting non-controlling interests and other transactions)	(0.1)
At 31 December 2022	**390.2**

* Correction on residual interest in leased assets for -€10.4 million.

16.3. Changes in equity not recognised in profit or loss

16.3.1. ECONOCOM GROUP SHARE-BASED PAYMENTS

The Group regularly awards stock purchase and subscription options, as well as free shares, to Management, certain corporate officers and selected employees. These transactions are recognised at fair value at the grant date using the Black-Scholes-Merton mathematical option pricing model.

Fair value, corresponding to the estimated cost of the services provided by the beneficiaries, is recognised on a straight-line basis in "Employee benefits expense" over the vesting period. An offsetting entry is recorded to equity. Subsequent changes in the fair value of the options do not impact the initial measurement.

At the end of each reporting period, the Group revises the assumptions used to calculate the number of equity instruments. The impact of this revised estimate, if any, is taken to profit or loss and the expenses accrued adjusted accordingly. The offsetting entry is recorded in equity.

16.3.1.1. Stock subscription and purchase option plans

Stock subscription and purchase option plans have been granted to some of the Group's employees and corporate officers for an agreed unit price. Stock subscription and purchase option plans are equity-settled share-based payment transactions. In accordance with the number of options expected to vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, equity is increased by the proceeds received.

The characteristics of these plans are detailed below. It should be noted that the number of options granted remains unchanged but that owing to the share split, the number of rights attached to each option has doubled.

Stock option plans		**2014 subscription Options (1)**		**2017 subscription options (2)**	**2022 acquisition options 2022**	**Total**
Year granted	**2014 (3)**	**2015**	**2016**	**2017**	**2022**	
Options outstanding at 31 December 2021	**-**	**356,800**	**85,000**	**90,000**	**-**	**531,800**
Options granted during the period	-	-	-	-	550,000	550,000
Options exercised during the period	-	-	-	-	-	-
Options lapsed, forfeited or cancelled	-	(356,800)	-	-	-	(356,800)
Options outstanding at 31 December 2022	**-**	**-**	**85,000**	**90,000**	**550,000**	**725,000**
Rights granted in number of shares (comparable) at 31 December 2021	648,000	713,600	170,000	90,000	-	1,621,600
Rights granted in number of shares (comparable) at 31 December 2022	**-**	**-**	**170,000**	**90,000**	**550,000**	**810,000**
Option exercise price *(in €)*	5.52	7.70	11.48	6.04	0.42	
Share purchase price *(in €)*	2.76	3.85	5.85	6.04	0.42	
Average share price at the exercise date	3.50	-	-	-	-	
Expiry date	**Dec. 2021**	**Dec. 2022**	**Dec. 2023**	**Dec. 2023**	**Dec. 2022 Dec. 2023 Dec. 2024**	

(1) In December 2014, the Board of Directors approved a plan to issue 2,500,000 stock subscription rights. These options were issued by the Compensation Committee in 2014 (2,075,000 options), 2015 (360,000 options) and 2016 (105,000 options). The formula adopted will allow Econocom Group to issue new shares upon exercise of these options.

(2) In May 2017, the Board of Directors approved a plan to issue 2,000,000 stock subscription rights, 1,950,000 of which were issued in December 2017 by the Compensation Committee. These options will also give rise to the issue of new shares.

(3) Of which 324,000 options (giving entitlement to 648,000 shares) were exercised at the end of December 2021 and resulted in the allocation of underlying shares in January 2022.

The fair values of the options were measured at the grant date using the Black-Scholes-Merton mathematical option pricing model. The table below shows the measurements along with the main assumptions used:

General information		Initial measurement assumptions (IFRS 2)					
Plan	**Year granted**	**Options outstanding**	**Fair value**	**Volatility**	**Vesting period**	**Estimated future dividend in %**	**TISR (1)**
2014	2016	85,000	1.65	30%	4 years	2%	0.02%
2017	2017	90,000	1.08	29%	4 years	2%	0.13%
2022	2022	550,000	2.89	38%	3 years	4.26%	0.36%

(1) TISR: risk-free interest rate.

Options are measured at fair value at the grant date in accordance with IFRS 2.

Volatility is calculated by an actuary based on a four-year record of daily prices preceding the option grant date, in line with the maturity of the options.

A detailed description of these stock option plans can be found in section 5.10 of the Management Report.

16.3.1.2. Free share plan

In January 2022, the Board of Directors of Econocom granted a total of 550,000 free shares.

Vesting may be subject to the achievement of individual and/or collective objectives, that may be internal and/or external to the Econocom Group.

As at 31 December 2022, 1,250,000 free shares had not been fully vested.

	Free shares unvested as of 31 Dec. 2021	Award	Vesting	Loss or cancellation	Free shares unvested as of 31 Dec. 2022	Vesting date
2018	50,000	-	-	(50,000)	-	March 2022
	50,000	-	-	-	50,000	March 2023
2020	900,000	-	(900,000)	-	-	July/Sept. 2022
2021	400,000	-	(400,000)	-	-	July 2022
	900,000	-	-	(200,000)	700,000	July 2023
	700,000	-	-	(200,000)	500,000	July 2024
2022	-	275,000	-	(275,000)	-	January 2023
	-	275,000	-	(275,000)	-	January 2024
Total	**3,000,000**	**550,000**	**(1,300,000)**	**(1,000,000)**	**1,250,000**	**-**

Each tranche is subject to performance and, where applicable, stock market price conditions.

16.3.1.3. Share-based payment expense in the income statement

The total expense recorded in profit or loss in 2022 in respect of share-based payments amounted to €5.4 million, and was recognised in "Employee benefits expense".

The total expense recorded in profit or loss in 2021 in respect of share-based payments amounted to €1.9 million, and was recognised in "Employee benefits expense".

16.3.2. PROVISIONS FOR PENSIONS AND OTHER POST

The impact of provisions for pensions and other post-employment benefits on consolidated equity is set out in note 18.

16.3.3. TREASURY SHARES

Treasury shares and the related transaction costs are recorded as a deduction from equity. When they are sold, the consideration received in exchange for the shares net of the transaction costs is recorded in equity.

At 31 December 2022, the Group held 44,177,693 treasury shares (*i.e.* 19.82% of the total number of shares) through the parent company Econocom Group SE and its subsidiaries.

16.3.4. REDEMPTION OF SHARES

The Board of Directors recommends that at the General Meeting shareholders vote to refund the issue premium considered as paid-in capital, in an amount of €0.16 per share. The table below also shows the dividend per share paid by the Group in respect of previous years.

	Issue premium refund proposed in 2023 (1)	Issue premium refunded in 2022	Issue premium refunded in 2021
Total dividend in € millions	28.6	25.9	22.5
Amount per share in €	0.16	0.14	0.12

(1) Calculated based on the total number of shares outstanding at 31 December of each year.

As this refund of the issue premium is subject to the approval of the General Meeting, it is not recognised as a liability in the consolidated financial statements for the year ended 31 December 2022.

16.3.5. CURRENCY TRANSLATION RESERVES

Currency translation reserves correspond to the cumulative effect of the consolidation of subsidiaries with functional currencies other than the euro. Foreign exchange gains and losses recorded in equity attributable to owners of the parent and non-controlling interests represented a decrease of -€2.2 million *versus* a decrease of -€4.8 million at 31 December 2021. At 31 December 2022, changes in this item result chiefly from fluctuations in the value of the following currencies: pound sterling, the US dollar and the Polish zloty.

16.4. Change in non-controlling interests

At 31 December 2022, non-controlling interests amounted to €66.6 million (€58.3 million at 31 December 2021 reported). The table below shows changes in this item:

in € millions	Non-controlling interests
At 31 December 2021 restated	**58.3**
Share of comprehensive income attributable to non-controlling interests	1.3
Shareholder remuneration	(6.3)
Impact of put options granted to non-controlling shareholders	13.5
Miscellaneous transactions impacting reserves of non-controlling interests	(0.2)
At 31 December 2022	**66.6**

The share of profit (loss) recognised in the income statement for non-controlling interests represented €1.5 million for 2022 (compared with + €4.6 million in 2021).

16.5. Information regarding non-controlling interests

At 31 December 2022, non-controlling interests primarily concerned Aciernet, Econocom Factory, Exaprobe, Helis, Lydis, Servicios microinformatica and Trams.

Together these companies accounted for 11.5% of total assets and 14.8% of consolidated equity at 31 December 2022. Taken individually, none of these entities represents a significant percentage of Econocom Group's total assets or consolidated equity.

Current accounts granted to these companies by Econocom Finance SA amounted to -€8.0 million at 31 December 2022, compared to -€31.2 million at 31 December 2021.

After eliminating items between these companies and other Group companies, these entities contributed €350.1 million to revenue in 2022.

17. Provisions

The Group recognises provisions when it has a legal or constructive obligation towards a third party as a result of past events which is likely to result in an outflow of resources that can be measured reliably.

The amount recognised represents the best estimate of the expenditure expected to be required to settle the present obligation, taking into account the risks and uncertainties known at the reporting date.

Long-term provisions

Long-term provisions cover risks which are not reasonably expected to materialise for several years, and concern social risks. They are discounted if required.

Short-term provisions

Short-term provisions primarily correspond to provisions for claims related to the Group's normal operating cycle and which are expected to be settled within 12 months.

They mainly include:

- provisions for social risks (including risks arising from reorganisation measures);
- tax and legal risks (disputes in progress with customers, suppliers, agents or tax authorities);
- deferred commissions (calculated contract by contract based on the residual value of leased assets, less any residual commercial value of the contracts concerned);
- other provisions.

Contingent liabilities

Other than the general risks described in note 20, the Group did not identify any material risks not provisioned in its financial statements.

Provisions for restructuring and social risks

Provisions for restructuring and social risks in the amount of €7.8 million cover future costs related particularly to the reorganisation of certain entities, on the one hand, and litigation with former employees, on the other.

Provisions for tax, legal and commercial risks

This item includes provisions for legal and commercial risks in the amount of €15.7 million, which mainly cover the risks related to ongoing litigation with customers.

Change in 2022 provisions

in € millions	31 Dec. 2021	Changes in scope of consolidation	Additions	Reversals (not used)	Reversals used	Other and exchange differences	31 Dec. 2022
Restructuring and social risks	6.7	0.5	2.7	(0.9)	(2.4)	1.2	7.8
Tax, legal and commercial risks	16.2	3.8	8.5	(2.4)	(6.0)	(2.0)	18.1
Deferred commissions	1.4	-	0.0	(0.0)	(0.1)	(0.1)	1.2
Other risks	7.7	-	0.2	(1.7)	(2.9)	(1.7)	1.6
Total	**31.9**	**4.3**	**11.4**	**(5.1)**	**(11.3)**	**(2.6)**	**28.7**
Long-term	5.0	4.3	3.8	(0.0)	(2.3)	0.4	11.2
Short-term	26.9	0.1	7.6	(5.1)	(9.0)	(3.0)	17.4
Profit (loss) impact of movements in provisions							
Recurring operating profit from continuing operations (operating margin)			2.3	(3.6)	(9.7)		
Other operating income and expenses			9.2	(1.4)	(1.7)		
Income tax expense			-	-	-		
Profit (loss) from discontinued operations			-	-	-		

Change in 2021 provisions

in € millions	31 Dec. 2020	Changes in scope of consolidation	Additions	Reversals (not used)	Reversals used	Other and exchange differences*	31 Dec. 2021
Restructuring and social risks	4.9	1.0	3.6	(1.5)	(1.6)	0.2	6.7
Tax, legal and commercial risks	23.0	(0.4)	5.1	(2.7)	(5.4)	(3.4)	16.2
Deferred commissions	1.4	-	0.2	(0.1)	(0.0)	-	1.4
Other risks	20.0	(2.8)	1.0	(2.4)	(1.2)	(7.0)	7.7
Total	**49.2**	**(2.2)**	**9.9**	**(6.7)**	**(8.2)**	**(10.2)**	**31.9**
Long-term	11.5	0.9	0.3	(1.0)	-	(6.7)	5.0
Short-term	37.7	(3.1)	9.6	(5.7)	(8.2)	(3.5)	26.9
Profit (loss) impact of movements in provisions							
Recurring operating profit from continuing operations (operating margin)			7.9	(5.8)	(6.8)		
Other operating income and expenses			2.0	(0.4)	(1.4)		
Income tax expense			-	(0.6)	-		
Profit (loss) from discontinued operations			-	-	-		

* Mainly corresponding to balance sheet reclassifications

18. Provisions for pensions and assimilated commitments

18.1. Description of pension plans

Post-employment benefits are granted under defined contribution plans or defined benefit plans.

18.1.1. DEFINED CONTRIBUTION PLANS

A defined contribution plan is a plan under which the Group pays fixed contributions to an external entity that is responsible for the plan's administrative and financial management. The employer is therefore free of any subsequent obligation as the agency is in charge of paying employees the amounts to which they are entitled (basic Social Security pension plan, supplementary pension plans).

Special case: pension plans in Belgium

The Belgian "Vandenbroucke Law" states that employers must guarantee a minimum return on employee contributions. All Belgian defined contribution plans are therefore treated as defined benefit plans in accordance with IFRS.

As from 1 January 2016, the Group has been required to guarantee a minimum return for contributions paid in. The return depends on the yield on Belgian 10-year government bonds but should be between 1.75% and 3.25%. There will be no distinction made between employer and employee contributions.

Employers are exposed to a financial risk as a result of this guaranteed minimum return for defined contribution plans in Belgium, since they have a legal obligation to pay additional contributions if the plan does not have sufficient assets to pay all benefits relating to past service costs.

These plans are classified and accounted for as IAS 19 defined benefit plans.

18.1.2. DEFINED BENEFIT PLANS

Defined benefit plans are characterised by the employer's obligation to its employees. Provisions are therefore accrued to meet this obligation.

The defined benefit obligation is calculated using the projected unit credit method, which uses actuarial assumptions as regards salary increases, retirement age, mortality, employee turnover and the discount rate.

Changes in actuarial assumptions, or the difference between these assumptions and actual experience, result in actuarial gains or losses. These are recognised in other comprehensive income for the period in which they occur, in accordance with the Group's accounting principles.

For the Group, defined benefit post-employment plans primarily concern the benefits described below:

- severance pay in France:
  - lump-sum benefits calculated according to the employee's years of service and his/her average compensation over the last 12 months prior to his/her departure,
  - the calculation is based on inputs defined by the Human Resources Department in France in November each year,

- the calculated amount is set aside under provisions in the balance sheet;

- termination benefits in Italy:
  - rights vested by employees for each year of service pro rata to their gross annual compensation, revised every year and paid in advance or upon retirement, voluntary departure or termination,
  - the calculated amount is set aside under provisions in the balance sheet.

At Econocom International Italia and Asystel Italia, all rights arising after 1 January 2007 have been transferred to an external entity and provisions therefore only concern rights vested at 31 December 2006 for which the Group was still liable at 31 December 2022.

Since Italy requires rights to be transferred to a third party or treasury fund as from a certain threshold only, certain rights relating to Bizmatica were kept on the Group's books.

- "Group" insurance in Belgium:
  - defined contribution plans, which provide a guaranteed return on payments made by the employer and the employee, payable as either a lump-sum benefit or equivalent annuity, or compensation in the event of death during employment. As the payment guaranteed by the insurance company is uncertain, the Group presents these plans as defined benefit plans, even though the amount of such plans in the balance sheet is subject to only minimal changes.

The Group has plan assets in France and Belgium. The expected rate of return on plan assets has been set at the same level as the rate used to discount the obligation.

Provisions for pensions and other post-employment benefit obligations for activities held for sale are recognised under "Liabilities held for sale".

The amounts which Econocom expects to pay directly in 2023 in respect of its employer contribution to the bodies in charge of collecting contributions, will represent around €1.1 million.

18.2. Actuarial assumptions and experience adjustments

Actuarial valuations depend on a certain number of long-term variables. These variables are reviewed every year.

	France		Other countries (1)	
	2022	2021	2022	2021
Retirement age	55-65 years old	55-65 years old	64-65 years old	60-65 years old
Salary increase rate and rights vested	3.00%	2.40%	2.70% - 3.20%	2.40%
Inflation rate	2.20%	1.90%	2.20%	1.90%
Discount rate	3.50%	0.90%	3.50%	0.90%
Mortality table	INSEE 2016-2018	INSEE 2014-2016		-

(1) Individually, the "Other countries" had an immaterial impact.

The employee turnover rate was determined based on statistics for each country and business. The employee turnover rate is applied depending on the age band of each employee and, for certain countries, depending on the employee's status (managerial grade/non-managerial grade).

A decrease of around 0.25 percentage points in the discount rate would lead to an increase in the provision of approximately €0.7 million. A 0.25 percentage point increase in the discount rate would lead to a €0.7 million decrease in the provision.

In accordance with IAS 19, the discount rates applied to determine the amount of the obligation are based on the yield on long-term private-sector bonds over a term matching that of the Group's obligations.

in € millions	31 Dec. 2022	31 Dec. 2021
Present value of obligation (a)	57.8	64.7
Present value of assets (b)	27.4	26.7
Impact of discontinued activities and disposals (c)	0.3	1.8
Provision for pension obligations (a) – (b) – (c)	**30.2**	**36.2**
Long-service awards	0.4	0.3
Provisions for pension and other post-employment benefit obligations	**30.5**	**36.5**

18.3. Income and expenses recognised in profit or loss

Items of pension cost

in € millions	31 Dec. 2022	31 Dec. 2021 restated*
Service cost	(5.9)	(3.8)
Curtailment/termination	1.8	2.6
Interest expense	(0.4)	(0.2)
Expected return on plan assets	0.3	0.1
Total costs recognised in profit or loss	**(4.2)**	**(1.3)**
Total costs recognised in other items of comprehensive income	**(10.5)**	**(4.3)**

* In accordance with IFRS 5 (see 2.2.4), 2021 income and expenses of operations considered as discontinued in 2022 are reclassified to "Profit (loss) from discontinued operations" in the 2021 income statement. Moreover, the 2021 consolidated income statement was impacted by the IFRIC decision on the treatment of the costs of implementing software in SaaS mode as well as comparability adjustments on certain sale & leaseback contracts and on certain services included in TMF contracts (see 1.2.1. and 1.3.2.).

Service cost is shown within "Employee benefits expense" in the income statement. Interest expense, corresponding to the cost of discounting the obligation, is included in "Financial expenses". Reductions /terminations are mainly recognized under "Employee benefits expense".

18.4. Changes in provisions recorded in the balance sheet

Changes in the 2022 provision

in € millions	31 Dec. 2021	Changes in scope of consolidation	Income statement	Benefits paid directly	IFRS 5	Actuarial gains and losses (1)	31 Dec. 2022
France	31.4	0.1	3.7	(0.5)	(0.0)	(8.4)	26.4
Other countries	4.8	-	0.5	(0.7)	1.4	(2.1)	3.8
Provisions for pensions	**36.2**	**0.1**	**4.2**	**(1.2)**	**1.4**	**(10.5)**	**30.2**
Long-service awards (France)	0.3	-	0.0	-	-	-	0.4
Total	**36.5**	**0.1**	**4.2**	**(1.2)**	**1.4**	**(10.5)**	**30.5**

(1) Cumulative revaluation differences carried in other comprehensive income (expense) represented a net negative amount of €9.7 million in 2022 and -€1.0 million in 2021, *i.e.* a change of €10.6 million between the two periods, resulting primarily from the change in actuarial assumptions and from changes in scope of consolidation.

Changes in the 2021 provision

in € millions	31 Dec. 2020	Changes in scope of consolidation	Income statement	Benefits paid directly	IFRS 5	Actuarial gains and losses	31 Dec. 2021
France	34.2	(0.4)	1.4	(0.6)	-	(3.2)	31.4
Other countries	7.3	-	(0.1)	-	(1.5)	(1.1)	4.8
Provisions for pensions	**41.5**	**(0.4)**	**1.3**	**(0.6)**	**(1.5)**	**(4.3)**	**36.2**
Long-service awards (France)	0.2	-	0.1	-	-	-	0.3
Total	**41.8**	**(0.4)**	**1.4**	**(0.6)**	**(1.5)**	**(4.3)**	**36.5**

18.5. Changes in plan assets

Changes in 2022 plan assets

in € millions	31 Dec. 2021	Effects from changes in scope of consolidation	Expected return	Benefits paid by employer	Benefits paid by fund	Curtailment/ termination	Actuarial gains and losses	31 Dec. 2022
France	1.5	-	0.0	-	(0.5)	-	-	1.0
Other countries (1)	25.2	-	0.2	1.1	(0.7)	0.2	0.4	26.4
Total	**26.7**	**-**	**0.3**	**1.1**	**(1.2)**	**0.2**	**0.4**	**27.4**

(1) Including €26.4 million at 31 December 2022 relating to Belgian entities.

These plan assets are mainly invested in financial investments with banks and insurance companies.

Changes in 2021 plan assets

in € millions	31 Dec. 2020	Effects from changes in scope of consoli-dation	Expected return	Benefits paid by employer	Benefits paid by fund	Curtailment/ termination	Actuarial gains and losses	31 Dec. 2021
France	2.0	-	0.0	-	(0.6)	-	-	1.5
Other countries (1)	25.4	(0.6)	0.1	1.0	(1.4)	0.2	0.5	25.2
Total	**27.4**	**(0.6)**	**0.1**	**1.0**	**(2.0)**	**0.2**	**0.5**	**26.7**

(1) Including €25.2 million at 31 December 2021 relating to Belgian entities.

18.6. Estimated payments under defined benefit plans (no discounting) over a ten-year period

Timing of estimated payments to be made to employees under the main defined benefit plans, either by the plan (plan assets) or directly by Econocom if there are no plan assets:

in € millions	Due in less than 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
Estimated payments	3.0	1.7	4.9	4.3	31.8	45.6

19. Notes to the consolidated statement of cash flows

Definition of cash flows

Cash flows are presented in the statement of cash flows, which analyses changes in cash flows from all activities, including continuing and discontinued operations as well as activities held for sale.

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts.

Year-on-year changes in cash and cash equivalents can be broken down as follows in 2022 and 2021:

in € millions	2022	2021
Net cash and cash equivalents at 1 January	405.9	648.5
Net cash and cash equivalents at 31 December	402.4	405.9
Change in net cash and cash equivalents	**(3.4)**	**(242.7)**

19.1. Comments on the net cash flows from (used in) operating activities

Net cash flows from (used in) operating activities totalled +€124.0 million in 2022 compared to +43.0 million in 2021, reflecting:

- cash flow from operating activities totalling €137.9 million in 2022 versus €121.8 million in 2021;
- an increase in outstandings related to self-funded contracts in the Technology Management & Financing activity for €75.4 million in 2022 (compared to €22.4 million in 2021); the change between 2022 and 2021 is the result of an increase in the leasing of strategic assets financed with equity;
- overcompensated by decreases in other working capital requirement items for an amount of €84.5 million in 2022 (compared to an increase of €32.6 million in 2021), including a decrease of €47.6 million in inventories.

19.1.1. NON-CASH EXPENSES (INCOME)

in € millions	Notes	2022	2021 restated*
Elimination of share of profit (loss) of associates and joint ventures		**-**	**0.1**
Depreciation/amortisation of tangible and intangible assets	10.1/10.2/ 10.3	38.0	38.3
Net additions to (reversals from) provisions for contingencies and expenses	17	(5.0)	(4.4)
Change in provisions for pensions and other post-employment benefit obligation	18	3.0	0.9
Impairment of non-current financial assets	10.4	0.6	-
Impairment of trade receivables, inventories and other current assets	12.1/12.2	(5.6)	(16.7)
Total provisions, depreciation, amortisation and impairment		**31.0**	**18.1**
Change in residual interest in leased assets (1)		**(1.3)**	**5.7**
Cost of discounting residual interest in leased assets and gross commitments on residual financial assets		(1.3)	(1.3)
Losses (gains) on disposals of property, plant and equipment and intangible assets		0.1	-
Gains and losses on fair value remeasurement	13	0.0	(0.6)
Expenses calculated for share-based payments	16	5.4	1.9
Impact of sold operations and changes in consolidation methods and other income/expenses with no effect on cash and cash equivalents		0.3	(9.9)
Other non-cash expenses (income)		**4.5**	**(9.9)**
Non-cash expenses (income)		**34.3**	**14.0**

(1) Changes in the Group's residual interest in leased assets compare the undiscounted value of the residual interest from year to year, adjusted for currency impacts. The impact for the period of discounting is eliminated in the "Other non-cash expenses (income)" item

* In accordance with IFRS 5, the restatement of the 2021 figures reflects the reclassification of operations considered discontinued in 2022 to "Net change in cash and cash equivalents from discontinued operations".

19.1.2. COST OF NET DEBT

The reconciliation of financial expense booked in the income statement with financial expense relating to the cost of debt as presented in the statement of cash flows can be presented as follows:

in € millions	2022 consolidated income statement	Discounting and change in fair value	Currency impact and other	Cost of net debt in 2022
Financial income – operating activities	3.9	(1.3)	2.4	5.0
Other financial income and expenses [(1)]	(14.5)	0.6	0.7	(13.3)
Total	**(10.6)**	**(0.7)**	**3.0**	**(8.3)**

(1) Including accrued interest on amortised OCEANEs in the amount of €2.6 million.

19.1.3. CHANGE IN WORKING CAPITAL REQUIREMENT

Change in working capital requirement can be analysed as follows:

in € millions	Notes	31 Dec. 2021 restated*	Change WCR 2022	Reclass. assets/ liabilities held for sale	Other changes [(1)]	31 Dec. 2022
Other long-term receivables, gross	10.5	23.3	(1.7)	0.0	4.4	26.1
Inventories, gross	12.1	129.8	(43.8)	(1.3)	26.8	111.4
Trade receivables, gross	12.2	850.8	42.8	3.4	30.0	927.0
Residual interest in leased assets [(2)]	11.1	170.7	-	-	(6.1)	164.6
Current tax assets		10.9	-	(0.9)	(0.4)	9.5
Contract assets	12.2	19.7	10.1	1.4	0.1	31.3
Other current assets	12.2	32.1	(7.3)	(0.2)	11.7	36.3
Trade receivables and other operating assets		**1,237.3**	**0.2**	**2.4**	**66.5**	**1,306.4**
Other non-current liabilities		(9.3)	0.3	0.0	(4.0)	(13.1)
Gross commitments on residual financial assets [(3)]	11.2	(98.1)	(2.9)	0.4	(2.2)	(102.8)
Current tax liabilities		(17.2)	0.1	1.4	5.1	(10.7)
Trade and other payables	12.3	(882.0)	(9.4)	1.0	(41.8)	(932.1)
Contract liabilities	12.4	(52.1)	(9.2)	(2.2)	(0.2)	(63.7)
Other current liabilities	12.4	(137.2)	11.8	0.2	0.4	(124.8)
Trade and other operating payables		**(1,195.9)**	**(9.4)**	**0.8**	**(42.8)**	**(1,247.2)**
Total change in working capital requirements			**(9.1)**			

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the processing of implementation costs for software in SaaS mode, as well as corrections for comparability purposes for certain services included in the TMF contracts (see 1.2.1. and 1.3.2.).

(1) Mainly corresponding to changes in the scope of consolidation, in fair value and translation adjustments.

(2) Changes in the residual interest in leased assets are shown in cash flows from operating activities.

(3) Corresponding to changes in residual financial assets excluding the currency effect and discounting in the period.

19.2. Breakdown of net cash flows from (used in) investing activities

Net cash flows from investing activities totalled -€90.8 million compared to -€0.9 million in 2021, primarily reflecting:

- -€58.9 million in net cash outflows mainly related to the acquisitions of Econocom Factory, Servicios Microinformatica and Lydis, as well as conditional acquisition debt payments;
- -€23.6 million in cash outflows related to investments in property, plant and equipment and intangible assets (see note 10);
- -€8.3 million in net cash outflows related to the recapitalisation of discontinued entities.

19.3. Breakdown of net cash flows from (used in) financing activities

Net cash flows from financing activities amounted to -€29.3 million, compared to -€290.4 million in 2021, mainly reflecting:

- +€199.1 million on the issuance of a new Schuldschein net of associated fees;
- -€60.5 million to the repayment of Euro PP bonds (last tranche) and Schuldschein 2016 (see note 15);
- cash outflows of -€29.6 million relating to treasury share buybacks;
- cash outflows in the amount of -€33.8 million relating to OCEANE buybacks (see note 15);
- -€24.9 million in repayments of issue premiums by the Econocom Group;
- +€7.3 million in net dividends received;
- +€11.0 million in net issues of commercial paper;
- -€11.5 million in net repayments of financial liabilities;
- -€2.8 million in net changes in factoring and reverse factoring financial liabilities;
- lease payments in the amount of -€22.6 million related to leases where Econocom is the lessee (buildings and vehicles) and presented here in accordance with IFRS 16;
- the decrease in lease refinancing liabilities of -€21.7 million;
- interest payments totalling -€6.8 million in the year (including coupon payments on bonds);
- Econocom Group capital increase in the amount of +€1.8 million.

20. Risk management

20.1. Capital management policy

The Group seeks a level of gearing that maximises value for shareholders while maintaining the financial flexibility that is required to implement its strategic projects.

Treasury shares are detailed in note 16.3.3.

The only potentially dilutive instruments are free shares granted under performance share plans, stock options (see note 16) and convertible bonds (see note 15).

20.2. Risk management policy

The Group's activities are subject to certain financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), liquidity risk and credit risk.

The Group's overall financial risk management policy focuses on reducing exposure to credit risk and interest rate risk by transferring financial lease receivables to refinancing institutions and by using factoring solutions on a non-recourse basis in the Services and Products & Solutions businesses. Financial market risks (interest rate and foreign exchange risk) and liquidity risks are handled by Group Management.

20.2.1. MARKET RISK

At the end of the year, Group Management fixes all of the rates to be applied in the following year's budgeting process.

The Group manages its exposure to interest rate and foreign exchange risks by using hedging instruments such as swaps and foreign exchange forward contracts. These derivative financial instruments are used purely for hedging and never for speculative purposes.

Foreign exchange risk

The Group operates chiefly in the eurozone; however, following the expansion of operations in non-eurozone countries in Europe, as well as North and South America, the Group may be exposed to foreign exchange risk on other currencies. The table below summarises the sensitivity of certain consolidated income statement lines to an increase or decrease of 10% in exchange rates against the euro, linked to the translation of the subsidiaries' foreign currency accounts.

Sensitivity of income statement

in € millions	Contribution to the consolidated financial statements						Sensitivity to a change of:	
	EUR	GBP	USD	PLN	Other currencies	Total	+10%	(10%)
Revenue from continuing operations	2,585.3	101.3	13.1	7.5	11.0	**2,718.3**	(12.1)	+14.8
Recurring operating profit from continuing operations (operating margin)	131.2	2.5	0.5	0.3	4.9	**139.4**	(0.7)	+0.9
Profit (loss)	**55.0**	**1.5**	**4.0**	**0.2**	**4.6**	**65.3**	**(0.9)**	**+1.1**

Since the subsidiaries' purchases and sales are mainly denominated in the same currency, this exposure is limited. The group does not deem this risk to be material.

The Group may also be required to manage financial leases agreements denominated in US dollars in its Technology Management & Financing business. Foreign exchange risk is hedged naturally due to the specific way in which these agreements work. Regardless of movements in the dollar, the impact on profit or loss is not material.

Interest rate risk

Econocom's operating income and cash flows are substantially independent of changes in interest rates. Sales of leases to refinancing institutions are systematically based on fixed rates. Income arising on these contracts is therefore set at the outset and only varies if the contract is amended.

As regards gross debt, the table below presents a breakdown of fixed-rate and floating-rate debt:

in € millions	At 31 Dec. 2022		At 31 Dec. 2021	
	Outstanding	% total debt	Outstanding	% total debt
Fixed rate (1)	424.7	78%	353.1	75%
Floating rate (2)	121.2	22%	119.6	25%
Gross debt (2) (see note 15.2)	**545.9**	**100%**	**472.7**	**100%**

(1) Including OCEANE (issued in March 2018) and the issue in 2022 of a "Schuldschein" bond with a variable rate; however, an interest rate hedge was put in place so that this variable-rate exposure be considered at a fixed-rate.

(2) Excluding bank overdrafts.

At 31 December 2022, some of the Group's debt is at floating rates and comprises short-term borrowings (credit lines, commercial paper or NEUCP), and short-term factoring agreements.

The interest rate sensitivity analysis shows that a 1% (100 basis point) rise in short-term interest rates would result in a €2.5 million impact on in profit (loss) before tax.

Change in residual interest in leased assets

The Group is exposed to the risk of fluctuations in the residual interest of leased assets within the scope of its Technology Management & Financing business. It deals with this risk by calculating the future value of equipment using the diminishing balance method, thereby guarding against the risk of obsolescence. This method is described in note 11.1.

The method is regularly compared with actual transactions, and annual statistics are compiled to validate the suitable and prudent nature of the selected method.

20.2.2. EQUITY RISK

The Group does not hold any unlisted or listed shares apart from treasury shares.

As the treasury shares held by Econocom Group at 31 December 2022 are deducted from shareholders' equity in the consolidated financial statements as of their acquisition, it is not necessary to compare their book value to their actual market value.

20.2.3. LIQUIDITY RISK

The Financing Department is responsible for ensuring that the Group has a constant flow of sufficient funding:

- by analysing and updating cash flow forecasts on a monthly basis;
- by negotiating and maintaining sufficient outstanding lines of financing;
- by optimising the Group's cash pooling system in order to offset cash surpluses and internal cash requirements.

The credit lines negotiated in place at 31 December 2022 are shown below:

in € millions	Total amount available	Total amount drawn down
Unconfirmed credit lines	86	-
Confirmed credit lines [1]	333	-
Total credit lines	**419**	**-**

(1) including €130 million currently being signed (the credit committee agreement was received before the end of December 2022)

The credit lines ensure that the Group has the liquidity needed to fund its assets, short-term cash requirements and development at the lowest possible cost.

In October 2015, Econocom set up a commercial paper programme (NEUCP) on the French market. At 31 December 2022, the amount outstanding under this programme (capped at €200 million) was €32.5 million.

The characteristics of bonds are set out in note 15.2.

Based on its current financial forecasts, Econocom Management believes it has sufficient resources to ensure the continuity and development of its activities.

Maturity analysis for financial liabilities (excluding derivative instruments) and other liabilities (including liabilities under put and call options)

The following maturity analysis for financial liabilities (principal and interest) shows remaining contractual maturities on an undiscounted basis:

2022 in € million	Total commitment	Less than 1 year	1 to 5 years	Beyond 5 years
Lease liabilities	59.9	18.6	41.2	-
Gross commitments on residual financial assets	109.9	25.8	84.1	-
Liabilities relating to contracts refinanced with recourse	124.3	34.7	75.8	13.8
Bank debt, commercial paper and other	61.5	56.4	5.0	0.1
Convertible loans bonds (OCEANE)	152.9	152.9	-	-
Non-convertible loans bonds (Euro PP/Schuldschein)	234.0	14.4	209.0	10.6
Acquisition-related liabilities	61.2	24.9	36.3	-
Other non-current liabilities	13.1	3.7	6.6	2.8
Trade payables	741.2	741.2	-	-
Other payables (excluding derivative instruments)	190.8	190.8	-	-
Other current liabilities	15.4	15.4	-	-
Total	**1,764.2**	**1,278.7**	**458.0**	**27.3**

2021 in € millions	Total commitment	Less than 1 year	1 to 5 years	Beyond 5 years
Lease liabilities	58.7	18.0	40.7	-
Gross commitments on residual financial assets	104.3	24.2	80.1	-
Liabilities relating to contracts refinanced with recourse	149.0	65.6	67.8	15.5
Bank debt, commercial paper and other	71.9	45.0	26.9	-
Convertible loans bonds (OCEANE)	187.8	0.9	186.9	-
Non-convertible loans bonds (Euro PP/Schuldschein)	70.6	57.3	13.3	-
Acquisition-related liabilities	56.7	47.1	4.7	4.8
Other non-current liabilities	9.3	5.4	4.0	-
Trade payables	707.3	707.3	-	-
Other payables (excluding derivative instruments)	174.7	174.7	-	-
Other current liabilities	12.8	12.8	-	-
Total	**1,603.2**	**1,158.5**	**424.5**	**20.2**

20.2.4. CREDIT AND COUNTERPARTY RISK

The Group has no significant exposure to credit risk. It has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. The Group's exposure is also limited as it does not have any concentration of credit risk and uses factoring solutions for the Distribution and Services businesses, as well as non-recourse refinancing with bank subsidiaries and credit insurance in the Technology Management & Financing business. Nevertheless, in some cases, the Group does not refinance leases; the leases for which Econocom carries the counterparty risk represent approximately 10% of the TMF activity. The Group concentrates its strategic transactions bearing credit risk within its subsidiary Econocom Digital Finance Limited to ensure a consistent risk management approach.

The Group only invests with investment grade counterparties, thus limiting its credit risk exposure.

Maximum credit risk exposure

As the Group has no credit derivatives or continuing significant involvement in the transferred assets, its maximum exposure in this respect is equal to the book value of its financial assets (see note 14.1).

Aged balance of past due receivables

2022 in € million	Book value	Receivables not past due	Breakdown by maturity			
			Total past due	Less than 60 days	Between 60 and 90 days	Over 90 days
Trade receivables – refinancing institutions, gross	28.7	14.8	13.9	12.0	0.9	1.0
Other receivables, gross	827.7	685.0	142.7	62.2	8.5	72.0
Impairment of doubtful receivables	(47.2)	(23.3)	(23.9)	(0.0)	(0.1)	(23.8)
Trade and other receivables, net	**809.2**	**676.4**	**132.8**	**74.2**	**9.3**	**49.3**

21. Off-balance sheet commitments

21.1. Commitments received as a result of acquisitions

Vendors warranties in connection with acquisitions carried out in prior years were non-significant.

21.2. Commitments given in respect of disposals

In the context of disposals in previous years, the vendor warranties granted by the Group were not material.

21.3. Bank covenant

There is only one covenant associated with our loans. A breach would not result in early redemption; rather, it would force the Group to pay a higher interest rate until the ratio is brought back within the relevant bounds. The ratio is calculated as of 31 December of each year, and corresponds to the ratio of financial debt to pro-forma EBITDA. This ratio may not exceed 3.

At 31 December 2022, this covenant was respected.

21.4. Guarantee commitments

in € millions	Total guarantees given – 2022
Guarantees given by Econocom to banks for securing credit lines and borrowings (1)	382.9
Guarantees given by Econocom to refinancing institutions to cover certain operational risks, residual financial values, and invoice and payment mandates granted to Econocom (2)	296.6
Guarantees given to customers and suppliers for the Group's sales activities and other	202.3
Total guarantees given	**881.8**

(1) Including €67.7 million recognised in financial liabilities. The guarantees relating to financing lines not yet drawn at 31 December 2022 totalled €315.3 million and €355.1 million at 31 December 2021.

(2) Including €193.4 million refinanced at 31 December 2022, including €41.7 million in the balance sheet relating to liabilities under financial leases with recourse. The amount of guarantees given to refinancers and not refinanced at 31 December 2022 was €103.1 million compared with €91.3 million at 31 December 2021.

The Group's off-balance sheet commitments can be analysed as follows by maturity and type of commitment:

in € millions	Less than one year	1-5 years	More than five years	At 31 Dec. 2022	At 31 Dec. 2021
Commitments given	**58.8**	**605.5**	**217.5**	**881.8**	**952.6**
Commitments given to banks	25.2	334.7	23.1	382.9	462.4
Commitments given to refinancers	-	102.2	194.4	296.6	298.2
Commitments given to customers and suppliers	32.0	167.8	0.1	199.8	190.9
Other guarantees	1.6	0.9	-	2.5	1.1
Commitments received	**-**	**6.6**	**0.0**	**6.7**	**6.0**
Guarantees and pledges	-	6.6	0.0	6.7	6.0

22. Information on the transfer of financial assets and liabilities

Financial assets

The Econocom Group derecognises all or part of a financial asset (or group of similar assets) when the contractual rights to the cash flows on the asset expire or when the Group has transferred the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of owning the asset (IFRS 9.3.2.3).

In the event that the Group has transferred contractual rights to receive the cash flows of a financial asset, the Econocom Group observes different situations that may or may not lead to the derecognition of the financial asset (IFRS 9.3.2.6):

- if the Group has retained control of the financial asset or most of the risks and rewards of the ownership of the financial asset, the latter is retained as an asset to the extent of the Group's continued involvement in said asset;
- conversely, if the Group has not retained control of the financial asset, the Group derecognises it and then records separately, if necessary, an asset or liability representing the rights and obligations created or retained at the time of the transfer of the asset.

Accounting treatment of the full or partial derecognition of financial assets (IFRS 9.3.2.12)

When a financial asset is derecognised in full, a gain or loss on disposal is recorded in the income statement for the difference between the book value of the asset and the consideration received or receivable, adjusted where necessary for any gains or losses recognised in other comprehensive income (expense) and accumulated in equity.

When a financial asset is partially derecognised, the Group allocates the previous book value of the financial asset between the part that continues to be recognised in connection with the Group's continuing involvement and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. The difference between the book value allocated to the part derecognised and the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income (expense), is recognised in profit or loss. A cumulative gain or loss carried in other comprehensive income is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts.

Financial liabilities

The Econocom Group only derecognises a financial liability (or part of a financial liability) when it is extinguished, or when the obligation specified in the contract is extinguished or cancelled.

22.1. Derecognition of outstanding leases

An entity retains an involvement in a divested asset when it retains the risks and rewards inherent in that asset. Conversely, an entity has no involvement in a divested asset if it has no interest in the future performance of the asset and no responsibility to make future payments in respect of the same asset.

The Econocom Group distinguishes between three types of outstanding lease refinancing contracts:

- simple and non-recourse disposals of outstanding leases: in this case, Econocom retains no interest in the future performance of the asset and no responsibility to make a payment for the asset in the future; the asset is then derecognised;

- disposals of outstandings with recourse: Econocom's involvement is maintained due to the fact that it retains part of the risks related to the contractual relationship and the ownership of the assets (within the meaning of IFRS 9.3.2.6b); the asset is then kept on the balance sheet;
- refinancing through financial leases: Econocom's involvement is maintained due to the fact that it retains part of the risks related to the contractual relationship (within the meaning of IFRS 9.3.2.6b); the asset is then maintained on the balance sheet.

The Group's active risk management policy is aimed at limiting both credit risk and any other continuing involvement. As a result, the outstanding leases entered into by the Group with its customers are, in most cases, refinanced without recourse. The Group then derecognises these refinanced non-recourse outstanding loans.

It should be noted, however, that during these non-recourse refinancing transactions, the Group frequently sells, with an obligation to repurchase, the equipment underlying the leases at the same time as the outstanding amounts of these same contracts. These repurchase obligations, called "Gross commitments on residual financial assets", are presented in balance sheet liabilities as detailed in note 11.2.

In February 2021, Les Abeilles obtained financing of €30 million for three tugs over a period of seven years. Considering that this financing is equivalent to a disposal without recourse of the finance lease receivables held by Les Abeilles of the French Navy in respect of the contract they entered into, it was deconsolidated on 31 December 2022 for an amount of €20 million.

Econocom Digital Finance Limited is notably financed through two contracts assimilated to disposals without recourse of the outstanding leases it holds. In this respect, €70.8 million were deconsolidated at 31 December 2022 (compared with €55.6 million at 31 December 2021).

In certain, limited, cases, the Econocom Group retains its exposure to the credit risk on its outstanding leases transferred. In this situation, the Group transfers to the refinancer, for the duration of the lease, the ownership of the equipment underlying the leases as collateral for the transaction. In these cases of refinancing with recourse, the Group keeps the refinanced lease outstanding as trade receivables ("continuing involvement" within the meaning of IFRS 9) and recognises a financial liability equal to the total outstanding refinanced with recourse. These payables and debts amounted to €41.7 million at 31 December 2022, compared to €64.0 million at 31 December 2021.

22.2. Treatment of factoring and reverse factoring

Factoring

In order to diversify the sources of financing of its working capital requirements and reduce credit risk, some of the Group's Services and Products & Solutions subsidiaries use factoring programmes and sell, throughout the year, a portion of their receivables to factoring companies. Factoring with contractual subrogation involves the transfer of ownership of trade receivables and all associated rights to the factor. This means transfer of the right to receive cash flows.

As required under IFRS 9 "Financial instruments: Recognition and Measurement", these receivables are derecognised when substantially all the risks and rewards of ownership are transferred to the factor. Where this is not the case, they are maintained in the balance sheet after the transfer and a financial liability is recorded as an offsetting entry for the cash received.

At the end of December 2022, the Group had presented receivables to the factoring companies amounting to €266.6 million, of which €214.2 million financed without recourse. The unfunded amount of €37.9 million is presented in non-current financial assets and in other receivables.

in € millions	**2022**	**2021**
Receivables presented to factoring companies:	266.6	237.7
of which non factored receivables	*37.9*	*22.4*
*of which receivables sold with recourse **	*14.5*	*12.8*
Receivables sold without recourse	**214.2**	**202.5**

* Receivables sold with recourse are maintained as assets and a financial liability is recorded as a liability for the amount of financing received.

Reverse factoring

Reverse factoring is a transaction for the sale of trade receivables to a factor, organised by the debtor company of the receivables. Reverse factoring agreements involve three parties who sign two contracts: a contract for the assignment of receivables between the supplier and the factor and an agreement between the factor and the customer who undertakes to pay the invoices assigned by the supplier to the factor. Agreements of this type have been signed by the Group in France, Belgium and Spain, with around ten factors, all of which are leading financial institutions.

Under IFRS 9, the debt is not extinguished if it is not legally extinguished and its terms and conditions are not substantially modified. In this case, the debt remains under trade payables. Otherwise, it is reclassified under financial liabilities.

Econocom used reverse factoring for an amount of €104.7 million at 31 December 2022 (compared to €80.9 million at end-2021). In view of the aforementioned provisions of the standard and of the characteristics of the contracts, the Group deemed that these amounts break down as follows:

in € millions	**2022**	**2021**
Reverse factoring liabilities recognised as trade payables	104.6	75.7
Reverse factoring liabilities recognised as financial liabilities	0.1	5.2
Total reverse factoring payables	**104.7**	**80.9**

The total expense related to factoring and reverse factoring, recognised under “operating financial expenses”, amounted to €3.9 million in 2022 compared to €2.9 million in 2021.

23. Information on related parties

This note presents material transactions between the Group and its related parties.

23.1. Management compensation

The Group's key management personnel are the Chairman, the Vice-Chairman, the managing Directors and the members of the Executive Committee.

The compensation conditions for the Chairman, the Vice-Chairman and the persons delegated to day-to-day management are set by the Board of Directors following a recommendation of the Compensation and Appointments Committee. The Board has given its Chairman a mandate to determine the compensation of the other senior managers of the Group upon the recommendations of the Compensation and Appointments Committee.

in € millions	2022	2021
Short-term benefits (including social costs)	(3.7)	(4.8)
Retirement benefits and other post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	(2.5)	-
Share-based payments	(4.2)	(2.8)
Directors' fees [(1)]	-	-
Total	**(10.5)**	**(7.7)**

(1) The table only shows compensation paid to key management personnel and excludes Directors' fees paid to non-executive Directors.

The table above shows the amounts expensed for the members of the Executive Committee and the managing Directors. This table does not show fees billed to Econocom group entities by management, which are disclosed in note 23.2 below.

The compensation policy for Directors and members of the Executive Committee is set out in further detail in the Board of Directors' Management Report in section 5.7.1.

23.2. Related-party transactions

Transactions between the parent company and its subsidiaries, which are related parties, are eliminated on consolidation and are not presented in this note.

The related-party transactions outlined below primarily concern the main transactions carried out with the Chairman of the Board of Directors, its Vice-Chairman, the managing Directors and the executive Directors, or with companies controlled by the Group or over which it exercises significant influence. These transactions exclude the components of compensation presented above.

Transactions between related parties are carried out on an arm's length basis.

in € millions	Income		Expenses		Receivables		Payables	
	2022	2021	2022	2021	2022	2021	2022	2021
Econocom International BV (EIBV)	0.1	0.2	(1.8)	(1.4)	-	-	0.1	0.1
SCI de Dion-Bouton	-	-	(2.8)	(2.8)	2.5	2.4	-	-
SCI JMB	-	-	(1.2)	(1.2)	0.3	0.5	-	0.3
SCI Maillot Pergolèse	-	-	(0.2)	(0.2)	-	-	-	-
APL	-	-	(0.4)	(0.8)	0.1	-	0.3	0.1
Orionisa consulting	-	-	(0.2)	(0.1)	-	-	-	-
Métis	-	-	(2.5)	(1.3)	-	-	2.0	0.8
Total	**0.1**	**0.2**	**(9.0)**	**(7.7)**	**2.9**	**2.9**	**2.4**	**1.2**

Relations with companies controlled by Jean-Louis Bouchard

SCI Dion-Bouton, of which Jean-Louis Bouchard is Managing Partner, owns the building in Puteaux. It received €2.8 million in rent in 2022 (€2.8 million in 2021). In addition, the Econocom group booked receivables of €2.5 million representing the deposits paid by Econocom France SAS to SCI Dion-Bouton.

Econocom International BV (EIBV) – of which Jean-Louis Bouchard is a Partner – is a non-listed company that directly holds 40.0% of the share capital of Econocom Group SE at 31 December 2022. It billed fees of €1.8 million to Econocom Group SE and its subsidiaries in 2022 for managing and coordinating the Group. These fees amounted to €1.4 million in 2021. It was also rebilled an amount of €0.1 million by Econocom Group entities.

SCI JMB, which owns the premises in Villeurbanne and of which Jean-Louis Bouchard is Managing Partner, billed the Group a total amount of €1.2 million for rent in 2022 (€1.2 million in 2021). Econocom SAS has a receivable of €0.3 million in guarantees.

Transactions with SCI Maillot Pergolèse, owner of the premises located in Les Ulis, of which Jean-Louis Bouchard is a Partner and Robert Bouchard Manager, represented rents and rental expenses of €0.2 million in 2022.

Other relations with related parties

APL, of which Robert Bouchard is Manager, invoiced operational services in the amount of €0.4 million in 2022 (€0.8 million in 2021).

Métis, controlled by Philippe Gouillioud, provided services for an amount of €1.3 million in 2022 (€1.3 million in 2021). Econocom Products & Solutions SAS has a €2.0 million debt in respect of compensation and indemnities due, including an end-of-contract indemnity for an amount of €1.2 million, provisioned this year.

In 2017, Econocom Group committed to invest €3 million in investment fund Educapital I FCPI, which is managed by a management company (Educapital SAS), of which Marie-Christine Levet, an independent Director on the Econocom Group Board of Directors, is chairwoman and shareholder. As of 31 December 2021, €2.4 million had already been contributed.

24. Subsequent events

As of the date of finalization of this report, there is no significant event subsequent to year-end closing.

07

shareholders

1. Share performance and shareholders

1.1. Econocom Group SE share performance

2020	Price *(in €)*				Volume	
	Highest *(in €)*	Lowest *(in €)*	Last *(in €)*	Price	Number of shares	Value of shares processed *(in € thousands)*
January	2.64	2.18	2.57	2.43	5,218,108	**12,657**
February	2.88	2.42	2.53	2.67	4,586,770	**12,246**
March	1.37	2.62	1.45	1.79	9,268,272	**16,632**
April	1.98	1.43	1.76	1.80	4,544,070	**8,166**
May	1.98	1.60	1.98	1.77	3,774,087	**6,688**
June	2.20	1.77	1.80	1.98	3,556,799	**7,042**
July	2.39	1.68	2.35	2.06	5,729,737	**11,825**
August	2.53	2.22	2.53	2.41	3,212,973	**7,731**
September	2.80	2.18	2.58	2.53	8,349,002	**21,107**
October	2.65	1.76	1.89	2.13	7,045,390	**15,034**
November	2.49	1.87	2.37	2.22	5,763,940	**12,778**
December	2.56	2.36	2.46	2.47	3,577,779	**8,840**
Total 2020	**2.88**	**1.37**	**2.46**	**2.18**	**64,626,927**	**140,745**

2021	Price *(in €)*				Volume	
	Highest *(in €)*	Lowest *(in €)*	Last *(in €)*	Price	Number of shares	Value of shares processed *(in € thousands)*
January	2.78	2.37	2.55	2.52	4,172,326	**10,504**
February	3.19	2.53	3.08	2.95	6,967,963	**20,576**
March	3.48	3.09	3.35	3.29	6,622,027	**21,774**
April	3.58	3.29	3.33	3.43	4,056,338	**13,913**
May	3.40	3.08	3.28	3.23	3,630,484	**11,735**
June	3.63	3.18	3.20	3.41	2,379,750	**8,104**
July	3.70	3.11	3.67	3.38	2,672,224	**9,045**
August	3.74	3.17	3.59	3.49	2,152,230	**7,514**
September	3.69	3.13	3.33	3.34	3,056,633	**10,207**
October	3.69	2.81	3.66	3.18	5,837,449	**18,588**
November	3.94	3.18	3.36	3.60	4,712,484	**16,985**
December	3.67	3.31	3.65	3.51	2,178,589	**76,367**
Total 2021	**3.94**	**2.37**	**3.65**	**3.23**	**48,438,497**	**156,582**

2022	Price *(in €)*				Volume	
	Highest *(in €)*	Lowest *(in €)*	Last *(in €)*	Price	Number of shares	Value of shares processed *(in € thousands)*
January	3.88	3.33	3.53	3.59	2,440,238	**8,772**
February	3.68	3.04	3.62	3.49	3,907,219	**13,648**
March	4.12	3.15	4.03	3.71	6,619,933	**24,567**
April	4.07	3.42	3.65	3.66	1,625,849	**5,951**
May	3.77	3.52	3.65	3.62	2,232,976	**8,090**
June	3.76	3.22	3.34	3.46	1,919,634	**6,641**
July	3.50	3.95	3.32	3.23	1,285,480	**4,150**
August	3.42	3.10	3.11	3.23	727,795	**2,348**
September	3.15	2.43	2.55	2.81	1,006,303	**2,830**
October	2.89	2.49	2.76	2.68	985,072	**2,640**
November	3.10	2.67	2.82	2.86	695,576	**1,987**
December	3.00	2.63	2.85	2.86	1,020,904	**2,919**
Total 2022	**4.12**	**2.43**	**2.85**	**3.46**	**24,466,978**	**84,544**

1.2. Name, registered office and incorporation

Company name: Econocom Group SE

Registered office: Place du Champ de Mars 5, 1050 Brussels (Tel. +00 32 2 790 81 11).

Legal form, incorporation, published documents

Econocom was incorporated as a limited company (*société anonyme*) under Belgian law on 2 April 1982, under a deed held by Jacques Possoz, notary, and published in the Belgian Official Gazette (*Moniteur belge*) of 22 April 1982 (no. 820–11). It was transformed into a European Company by decision of the General Meeting of 18 December 2015 under a deed of the same date held by Tim Carnewal, notary, published in the Belgian Official Gazette (*Moniteur belge*) of 31 December 2015.

Econocom is a European Company governed by the provisions of regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company (the "SE Regulation") and Directive No. 2001/86/EC of 8 October 2001 supplementing the Statute for a European Company with regard to the involvement of employees and the provisions of Belgian law in respect of European Companies, as well as, for all other matters not yet covered or only partially covered by the SE Regulation, Belgian law applicable to limited companies insofar as they are not contrary to specific provisions applicable to European Companies. Econocom is a listed company within the meaning of article 1:11 of the Belgian Companies and Associations Code (*Code des sociétés et des associations*).

It is registered with the Brussels register of companies of under number 0422.646.816.

Term: indefinite.

Financial year: 1 January to 31 December.

1.3. Corporate purpose (article 3 of the Bylaws)

The Company's purpose is, in all countries:

- the design, construction, operational and administrative management, and financing of computer, digital and technological, information and data processing, and telecommunication systems and solutions, or such systems and solutions as they relate to the Internet of Things (IoT);
- the purchase, sale, leasing and trading of all types of hardware, software and computer, technological, digital or telecommunications solutions, for businesses and individuals alike, and more broadly any accessory connected with such solutions, as well as any advice, services and related financial transactions.

To this end, the Company may acquire, manage, operate and sell patents, trademarks, and technical, industrial and financial knowledge.

It may establish branch offices or subsidiaries in all countries.

It may acquire interests in any company with similar or complementary activities in any country by means of asset transfers, acquisitions, partial or total mergers, subscriptions to initial capital or capital increases, financial investments, disposals, loans or any other means.

It may perform, in all countries, all industrial, commercial, financial, securities and property transactions related in whole or in part, directly or indirectly, to one or other branch of its purpose, or one that is liable to expand its purpose or facilitate its achievement.

It may provide guarantees or grant real or other personal guarantees in favour of companies or individuals, in the broadest sense.

It may conduct its activities in its own name or on behalf of third parties, for its own account or for the account of others.

1.4. Share capital

1.4.1. SHARE CAPITAL (ARTICLE 5 OF THE BYLAWS)

At 31 December 2022, the Company's share capital stood at €23,731,026.74 and was composed of 222,929,980 ordinary shares with no stated nominal value, held in registered, or dematerialised form. The capital is fully paid-up.

1.4.2. CHANGES IN SHARE CAPITAL BY THE GENERAL MEETING (ARTICLE 6 OF THE BYLAWS)

The share capital may be increased or reduced by a decision of the General Meeting in accordance with the conditions required for amending the Bylaws.

For capital increases approved by the General Meeting, the price and conditions for issuing new shares are set at the same meeting based on recommendations from the Board of Directors.

Existing shareholders have a pre-emptive right to subscribe for the new shares in cash, in proportion to the number of shares they hold, within a time limit set at the General Meeting and in accordance with conditions determined by the Board of Directors.

Shares with no stated par value below the carrying amount of the nominal value of existing shares may only be issued in compliance with legal requirements.

Pre-emptive subscription rights may, however, in the Company's best interests, be limited or cancelled by decision of the General Meeting ruling in accordance with the conditions required for amending the Bylaws or by the Board of Directors, within the authorised capital, in favour of one or more designated persons who are not employees of the Company or its subsidiaries, all in accordance with legal provisions.

The Board of Directors may sign agreements, containing the clauses and conditions it deems appropriate, with any third party in order to ensure that all or part of the shares to be issued are subscribed.

The share capital may be redeemed without being reduced by repaying a portion of the distributable profits to securities representing this share capital, in accordance with the law.

1.4.3. CHANGES IN SHARE CAPITAL

At 31 December 2022, the Company's share capital stood at €23,731,026.74 and was composed of 222,929,980 registered shares with no stated nominal value, held in registered, or dematerialised form. The capital is fully paid-up.

At 31 December 2022, authorised unissued capital (excluding issue premiums) stood at €23,512,749.67.

The changes in share capital over the last three financial years are described below.

The following changes to the share capital occurred in 2020:

The Extraordinary General Meeting of 19 May 2020 decided to cancel 24,500,000 treasury shares, with no change in the share capital of Econocom Group.

In addition, the same General Meeting introduced a double voting right for shareholders included in the registered list for more than two years.

At 31 December 2020, the share capital amounted to €23,512,749.67, represented by 220,880,430 shares.

The following changes to the share capital occurred in 2021:

As part of the exercise of stock options by the beneficiaries of the 2014 Stock Option Plan, Econocom Group issued:

- on 13 August 2021, 400,000 shares, bringing the share capital to €23,555,349.67, represented by 221,280,430 shares;
- on 1 September 2021, 50,000 shares, bringing the share capital to €23,560,674.67, represented by 221,330,430 shares;
- on 29 September 2021, 50,000 shares, bringing the share capital to €23,565,999.67 represented by 221,380,430 shares;
- on 29 October 2021, 110,000 shares, bringing the share capital to €23,577,714.67, represented by 221,490,430 shares;
- on 9 December 2021, 218,650 shares, bringing the share capital to €23,601,000.89 represented by 221,709,080 shares;
- on 17 December 2021, 572,900 shares, bringing the share capital to €23,662,014.74, represented by 222,281,980 shares.

At 31 December 2021, the share capital amounted to €23,662,014.74, represented by 222,281,980 shares.

The following changes to the share capital occurred in 2022:

As part of the exercise of stock options by the beneficiaries of the 2014 Stock Option Plan, Econocom Group issued:

- on 24 January 2022, 648,000 shares, bringing the share capital to €23,731,026.74, represented by 222,929,980 shares.

At 31 December 2022, the share capital amounted to €23,731,026.74, represented by 222,929,980 shares.

Changes in the Company's share capital and number of shares since 1 January 2011 are summarised in the table below:

Transaction date	Type of issue	Change in the number of shares	Change in share capital *(in €)*	Issue premium *(in €)*	Total transaction *(in €)*	Number of shares	Share capital subscribed *(in €)*
1 Jan. 2012						26,172,897	17,076,677.70
14 Sept. 2012	Cancellation of treasury shares	(2,000,000)	-	-	-	24,172,897	17,076,677.70
14 Sept. 2012	Four-for-one share split	72,518,691	-	-	-	96,691,588	17,076,677.70
12 Sept. 2013	Capital increase as payment for an acquisition	9,527,460	1,682,642.38	50,734,212.37	52,416,854.75	106,219,048	18,759,320.08
18 Nov. 2013	Capital increase as payment for a takeover bid	6,313,158	1,114,965.29	36,763,982.71	37,878,948.00	112,532,206	19,874,285.37
31 Dec. 2013	Cancellation of treasury shares	(6,014,892)	-	-	-	106,517,314	19,874,285.37
24 Jan. 2014	Capital increase through convertible bonds (OCEANEs)	20,000	3,732.00	101,268.00	105,000.00	106,537,314	19,878,017.37

Transaction date	Type of issue	Change in the number of shares	Change in share capital *(in €)*	Issue premium *(in €)*	Total transaction *(in €)*	Number of shares	Share capital subscribed *(in €)*
25 Feb. 2014	Capital increase through convertible bonds (OCEANEs)	266,028	49,640.82	1,347,006.18	1,396,647.00	106,803,342	19,927,658.19
26 March 2014	Capital increase through convertible bonds (OCEANEs)	210,592	39,296.47	1,066,311.53	1,105,608.00	107,013,934	19,966,954.66
28 May 2014	Capital increase through convertible bonds (OCEANEs)	708,428	132,192.66	3,587,054.34	3,719,247.00	107,722,362	20,099,147.32
18 June 2014	Capital increase through convertible bonds (OCEANEs)	7,850,228	1,464,852.54	39,748,844.46	41,213,697.00	115,572,590	21,563,999.86
29 Dec. 2014	Cancellation of treasury shares	(3,053,303)	-	-	-	112,519,287	21,563,999.86
17 Feb. 2017	Capital increase through convertible bonds (OCEANEs)	400,000	76,640.00	4,299,240.00	4,375,880.00	112,919,287	21,640,639.86
3 March 2017	Capital increase through convertible bonds (OCEANEs)	1,198,194	229,573.97	12,883,101.71	13,112,675.68	114,117,481	21,870,213.83
16 March 2017	Capital increase through convertible bonds (OCEANEs)	800,000	153,280.00	8,603,440.00	8,756,720.00	114,917,481	22,023,493.83
21 March 2017	Capital increase through convertible bonds (OCEANEs)	1,144,500	219,286.20	12,311,386.50	12,530,672.70	116,061,981	22,242,780.03
24 March 2017	Capital increase through convertible bonds (OCEANEs)	657,418	125,961.29	7,072,897.29	7,198,858.58	116,719,399	22,368,741.32
31 March 2017	Capital increase through convertible bonds (OCEANEs)	1,961,518	375,826.85	21,106,537.80	21,482,364.65	118,680,917	22,744,568.17
6 April 2017	Capital increase through convertible bonds (OCEANEs)	3,889,298	189.50	41,855,117.90	42,600,307.40	122,570,215	23,489,757.66
2 June 2017	Two-for-one share split	122,570,215	-	-	-	245,140,430	23,489,757.66
21 June 2019	Capital increase by the exercise of subscription options	240,000	22,992	639,408	662,400	245,380,430	23,512,749.67
19 May 2020	Cancellation of treasury shares	(24,500,000)	-	-	-	220,880,430	23,512,749.67

Transaction date	Type of issue	Change in the number of shares	Change in share capital *(in €)*	Issue premium *(in €)*	Total transaction *(in €)*	Number of shares	Share capital subscribed *(in €)*
13 August 2021	Capital increase by the exercise of subscription options	400,000	42,600	1,061,400	1,104,000	221,280,430	23,555,349.67
1 Sept. 2021	Capital increase by the exercise of subscription options	50,000	5,325	132,675	138,000	221,330,430	23,560,674.67
29 Sept. 2021	Capital increase by the exercise of subscription options	50,000	5,325	132,675	138,000	221,380,430	23,565,999.67
29 Oct. 2021	Capital increase by the exercise of subscription options	110,000	11,715	291,885	303,600	221,490,430	23,577,714.67
9 Dec. 2021	Capital increase by the exercise of subscription options	218,650	23,286.22	580,187.78	603,474	221,709,080	23,601,000.89
17 Dec. 2021	Capital increase by the exercise of subscription options	572,900	61,013.85	1,520,190.15	1,581,204	222,281,980	23,662,014.74
24 Jan. 2022	Capital increase by the exercise of subscription options	648,000	69,012	1,719,468	1,788,480	222,929,980	23,731,026.74

On 19 May 2020, the Extraordinary General Meeting renewed the authorisation granted to the Board of Directors, for a five-year period as from the publication of the revised Bylaws, to increase the share capital in accordance with articles 7:198 and 7:199 of the Belgian Companies Code, on one or several occasions, under conditions it deems fit, in the maximum amount of €23,512,749.67.

At the end of this Extraordinary General Meeting, the Board of Directors was granted an authorisation to sell Company shares, in cases provided for by the Belgian Companies Code, including to one or more identified persons. If necessary, this authorisation may be extended to the disposal of treasury shares of the Company by its subsidiaries.

On 30 November 2021, the Extraordinary General Meeting amended Article 12 of the Bylaws relating to the acquisition and disposal of treasury shares, so as to remove the references to the 20% limit of share capital provided for in article 7:215 of the Belgian Companies Code. This ceiling was set on 19 May 2020 by the Extraordinary General Meeting, thereby authorising the Board of Directors to buy back treasury shares for a five-year period.

On 30 November 2021, pursuant to this amendment, the Extraordinary General Meeting authorised the Board of Directors, for a five-year period, to acquire a maximum of 88,000,000 treasury shares of the Company.

The minimum purchase price was set at €1 per share and the maximum price at €10 per share. In addition, the Board of Directors was authorised to pledge treasury shares of the Company, in accordance with article 7:226 of the Belgian Companies Code. This authorisation is also valid for a five-year period.

At 31 December 2022, Econocom Group held 37,394,990 treasury shares representing 16.77% of the total number of shares outstanding.

1.5. Rights attached to shares

1.5.1. PARTICIPATION IN GENERAL MEETINGS AND VOTING RIGHTS

1.5.1.1. Participation in General Meetings

1.5.1.1.1. Right to participate in General Meetings

All shareholders are entitled to attend Econocom Group's General Meetings, regardless of the number of shares they hold, provided that they meet the admission requirements set out in the "General Meetings" section of this chapter.

Holders of bonds, subscription rights and certificates issued in connection with the Company may attend the General Meeting in a non-voting capacity only, provided that they meet the admission requirements applicable to shareholders.

1.5.1.1.2. Right to call General Meetings

Shareholders who represent one-tenth of Econocom's share capital are entitled to ask the Board of Directors or Statutory Auditor to call a General Meeting.

1.5.1.1.3. Right to add matters to the agenda and to table draft resolutions

Shareholders who, alone or jointly, hold at least 3% of Econocom Group's share capital may ask for items to be added to the agenda of General Meetings and file resolution proposals concerning agenda items.

This right does not apply to Meetings called following a first Meeting that could not validly make decisions due to a failure to meet quorum requirements.

Shareholders wishing to exercise this right must:

(i) prove that they actually hold at least 3% of the Econocom Group's share capital on the date of filing of their request; and

(ii) ensure that their shares representing at least 3% of the share capital are duly registered at the record date.

Ownership is established either by a certificate stating that the corresponding shares are recorded in the Company's share register or by a certificate issued by an authorised account holder or clearing institution certifying that the corresponding number of shares is registered in the account held by the account holder or clearing agent.

Shareholders may send their requests to the Company by post or email. Where appropriate, these requests must also include the items to be added to the agenda together with the related resolution proposals and/or the text of the newly proposed resolutions concerning items already on the agenda. Requests must also indicate the postal or email address to which Econocom should send confirmation of receipt. Requests must reach the Company no later than the 22nd day preceding the date of the relevant General Meeting.

Econocom will confirm receipt of any requests within 48 hours, and will publish a revised agenda no later than 15 days before the General Meeting. Proxy forms and postal voting forms are also published on the Company's website (www.econocom.com).

However, all proxies and postal voting forms previously submitted to Econocom remain valid for the agenda items they cover. The proxy holder may deviate from the voting instructions given by the shareholder for items on the agenda for which alternative resolution proposals have been made if the execution of these instructions is liable to compromise the interests of the shareholder he/she represents. The proxy holder must in any event inform the shareholder of any such votes. The proxy must also indicate whether the proxy holder is entitled to vote on new items added to the agenda by shareholders or whether he/she should abstain.

1.5.1.1.4. Right to ask questions

After the Notice of Meeting has been published, all shareholders are entitled to put questions to Econocom's Directors or Statutory Auditor concerning their reports. After the Notice of Meeting has been published, all shareholders are also entitled to put questions to Econocom's Directors regarding items on the agenda of the General Meeting. The Directors and Statutory Auditor are required to answer these questions, provided they do not harm the Company's commercial interests or any confidentiality undertakings made by the Company, its Directors or its Statutory Auditor. Questions relating to the same subject may be grouped together for and answered together by the Directors and the Statutory Auditor.

Questions may be submitted before the General Meeting (by post or by electronic means, to the address shown in the Notice of Meeting) or during the Meeting (verbally). Questions submitted by post or by electronic means must reach Econocom Group no later than the sixth calendar day before the Meeting. They will only be answered if the shareholder meets the admission requirements for the relevant General Meeting.

1.5.1.1.5. Other rights to information

All Econocom Group shareholders have rights to information.

Most rights to information concern General Meetings. They include, among other things, the right to consult or to obtain a copy at no cost of:

(i) the text of the meeting notices and, if available, of the amended agenda;

(ii) the total number of shares and voting rights;

(iii) the documents to be presented to the General Meeting (annual financial statements, reports and other documents described in article 7:148 of the Belgian Companies Code);

(iv) for every subject to addressed on the agenda, any decision proposed or, when the subject does not require the adoption of a decision, a comment by the Board of Directors;

(v) if available, any proposed decision introduced by shareholders, as soon as possible after receipt by the Company; and

(vi) proxy forms and forms for voting by mail. These documents/items may be consulted on Econocom's website (www.econocom.com) and during normal office hours on working days at Econocom Group's registered office located at Place du Champ de Mars 5, 1050 Brussels, from the date of publication of the Notice of Meeting. Holders of registered shares will receive a copy of these documents together with the Notice of Meeting.

1.5.1.2. Right to vote at General Meetings

1.5.1.2.1. Principle

Each share entitles its holder to one vote, subject to any restrictions provided by law - with the exception of fully paid-up shares registered in the Company's register of shareholders for at least two (2) uninterrupted years in the name of the same shareholder, which confers two (2) votes, subject to applicable legal regulations.

As a general rule, the General Meeting alone is responsible for:

- approving the annual statutory financial statements (no such approval is required for the consolidated financial statements prepared in accordance with IFRS);
- appointing and removing Directors and the Statutory Auditor;
- granting discharge to the Directors and Statutory Auditor;
- setting the amount of compensation for the Directors and Statutory Auditor for the performance of their duties;
- distributing profits;
- filing claims against Directors;
- authorising certain actions by the Board of Directors;
- approving the compensation report;
- authorising the acquisition of treasury shares;
- taking decisions that involve the liquidation, merger or certain types of restructuring of the Company; and
- approving any amendments to the Bylaws.

General Meetings cannot vote on items that are not on the agenda.

1.5.1.2.2. Quorum and voting requirements

Except as provided by law, decisions are taken by a majority vote regardless of the number of shares represented at the Meeting.

General Meetings can only validly deliberate and decide to amend the Bylaws if those attending the meeting represent at least one-half of the share capital. To be adopted, resolutions must be approved by a majority of three-quarters of votes cast.

If the amendments to the Bylaws concern the Company's corporate purpose, the General Meeting can only validly deliberate and decide on said amendments if those in attendance represent one-half of the share capital and one-half of any profit shares if any. To be adopted, amendments must be approved by a majority of at least four-fifths of votes cast. The quorum and voting requirements also apply when the General Meeting votes to authorise the acquisition or disposal of treasury shares, or to authorise such an acquisition without the authorisation of the General Meeting to protect the Company from serious and imminent harm.

An attendance list indicating the names of shareholders and the number of shares registered for voting purposes is signed by each shareholder or by their proxy prior to entering the meeting.

1.5.1.2.3. Proxy voting

All shareholders can choose to be represented at the General Meeting by a proxy, who may or may not be a shareholder of the Company, in accordance with articles 7:142 to 7:145 of the Belgian Companies Code.

The Board of Directors may decide on the form of proxy. Proxies must reach the Company no later than the sixth day preceding the date of the Meeting. All proxy voting forms that reach the Company before the revised agenda is published, pursuant to article 7:130 of the Belgian Companies Code, remain valid for the agenda items covered.

1.5.1.2.4. Distance voting

Shareholders who satisfy the attendance requirements specified below may vote at all General Meetings either by post or, where permitted in the Notice of Meeting, by electronic means. Shares will be taken into consideration for the purposes of voting and quorum requirements only if the form provided by the Company has been duly completed and reaches Econocom at the latest on the sixth day before the date of the General Meeting. If the Notice of Meeting allows shareholders to opt for distance voting through electronic means, it must provide a description of the means used by the Company to identify shareholders that choose to do so.

1.5.2. DISTRIBUTION OF PROFITS

All shares carry the same rights to participate in Econocom's profits.

The Company's profit for the year is calculated in accordance with applicable legal regulations. A total of 5% of profits is allocated to the legal reserve. This allocation is no longer required when the legal reserve equals 10% of the share capital.

Acting on a recommendation of the Board of Directors, every year the General Meeting independently determines how the residual profit balance will be used and allocated by simple majority vote of members present, within the limits set by articles 7:212 and 7:214 of the Belgian Companies Code. No profits are distributed when, at the end of the last reporting period, net assets as shown in the annual financial statements total less than paid-up capital or would total less than paid-up capital if profits were distributed or if net assets exceed called-up capital plus any reserves not available for distribution pursuant to the law or to the Company's Bylaws.

In accordance with the Belgian Companies Code, the Board of Directors may distribute an interim dividend deducted from profit for the year. The Board sets the amount of any such interim dividend and the dividend payment date.

1.5.3. LIQUIDATION

In the event that Econocom is dissolved for any reason and at any time, the liquidation process will be managed by one or more liquidators appointed by the General Meeting, or, if no such liquidators are appointed, by the Board of Directors in office at that time, acting as a Liquidation Committee.

For this purpose they will have the broadest powers conferred by articles 2:87 et seq. of the Belgian Companies Code. The General Meeting determines the fees payable to the liquidators. The liquidators can only assume their duties after their appointment by the General Meeting has been approved by the Commercial Court pursuant to articles 2:83 et seq. of the Belgian Companies Code.

Once all liabilities, expenses and liquidation fees have been settled, the net assets will be used first to refund the outstanding paid-up share capital in cash or in securities.

If the shares are not all paid up in equal proportions, before making any allocations, the liquidators ensure that all shares are on a wholly equal footing, either by additional calls for funds charged against shares not fully paid up or by prior cash reimbursements for shares paid up in excess of the requisite amount.

The remaining balance is allocated equally among all shares.

1.5.4. PRE-EMPTIVE SUBSCRIPTION RIGHTS IN THE EVENT OF A CAPITAL INCREASE

In the event of a capital increase in cash involving the issuance of new shares, or if the Company were to issue convertible bonds or stock warrants exercisable in cash, existing shareholders have, in principle, a pre-emptive right to subscribe for the new shares, convertible bonds or stock warrants in proportion to the percentage of share capital they already own at the issuance date.

The Company's General Meeting may, however, limit or cancel such pre-emptive rights under specific conditions upon presentation of a report of the Board of Directors. Any such decision is subject to the same quorum and voting requirements as a decision to increase the Company's share capital. Shareholders may also allow the Board of Directors to limit or cancel said pre-emptive rights in the event of a capital increase within the authorised capital limits.

1.5.5. CHANGES IN RIGHTS ATTACHED TO SHARES

Rights attached to shares issued by Econocom Group may be modified by the Extraordinary General Meeting, voting in accordance with the conditions required for amending the Bylaws. Any changes approved apply to all shareholders.

1.6. General Meeting

Ordinary General Meeting

On 30 November 2021, the Extraordinary General Meeting modified the date of the Ordinary General Meeting provided for in Article 27 of the Bylaws. Henceforth, the Ordinary General Meeting meets automatically on the last day of March each year, at 11:00 am. If the day is a statutory holiday, the meeting takes place on the following business day.

At Ordinary General Meetings, the Board of Directors submits to shareholders the annual statutory financial statements prepared in accordance with applicable accounting standards, the annual consolidated financial statements prepared in accordance with IFRS, and the reports of the Board of Directors and Statutory Auditor on the statutory and consolidated financial statements. The Meeting decides whether to approve the statutory financial statements, the appropriation of income, the discharge of Directors and the Statutory Auditor and, where applicable, the appointment, removal or re-election of the Statutory Auditor and/or certain Directors.

Extraordinary General Meetings and Special General Meetings

A Special General Meeting, or, where appropriate, an Extraordinary General Meeting, may be called by the Board of Directors or by the Statutory Auditor as often as is required in the Company's interest. Any such Meeting must be called at the request of the Chairman of the Board of Directors, a managing Director, a Statutory Auditor, or one or more shareholders representing at least one-tenth of the Company's share capital (article 27 of the Bylaws).

Content of General Meeting convening notices

General Meeting notices must contain at least the following information:

- the date, time and place of the General Meeting;
- the agenda, indicating the items to be discussed as well as resolution proposals;

- a clear and accurate description of the formalities to be completed by shareholders in order to attend the General Meeting and exercise their voting rights, in particular the deadline by which shareholders should indicate their intention to attend the Meeting, as well as information regarding:
  - the right of shareholders to add items to the agenda, file resolution proposals, and ask questions, as well as the period in which these rights may be exercised and the email address to which shareholders should send their requests. Where applicable, the Notice of Meeting also indicates the deadline for publishing the revised agenda. The Notice may contain only the details of these periods and the email address to be used, provided that more detailed information on shareholder rights is posted on the Company's website,
  - the procedure to follow in order to vote by proxy, and in particular the proxy voting form, the conditions in which the Company will accept notifications of the appointment of proxies sent by electronic means, along with the timeframe within which the proxy voting rights may be exercised,
  - where appropriate, the procedure and timeframe set by or pursuant to the Bylaws allowing shareholders to participate in the General Meeting remotely and opt for distance voting prior to the Meeting (articles 28 and 34 of the Bylaws);
- the record date, along with a statement indicating that only people who are shareholders at that date are entitled to attend and vote at the General Meeting;
- the address where shareholders can obtain, for example, the full text of the documents and resolution proposals described, along with the procedure to follow in order to obtain such documents;
- the exact website address on which the information mentioned below will be available.

Availability of documents on Econocom's website

As from the date of publication of the General Meeting convening notice and up to the date of the General Meeting, the following information is posted for shareholders on the Company's website (www.econocom.com):

- the notice of meeting as well as, where applicable, the agenda completed and published in accordance with article 7:130, paragraph 3, of the Belgian Companies Code;
- the total number of shares and voting rights at the date of the Notice of Meeting, including separate totals for each class of shares, when the Company's share capital is divided into two or more share classes;
- the documents to be submitted to the General Meeting;
- for each item placed on the General Meeting agenda, a resolution proposal or, when the matter to be discussed does not require any resolution to be adopted, the Board of Directors' comments thereon. The resolution proposals formulated by shareholders pursuant to article 7:130 of the Belgian Companies Code are posted online as early as practicably possible after they have reached the Company;
- the proxy voting form and, where applicable, the postal voting form, unless these forms are sent directly to each shareholder.

When the forms mentioned above cannot be posted online due to technical reasons, the Company must explain on its website how to obtain a hard copy of them. In this case, Econocom is required to send the forms promptly and free of charge to the postal or email address indicated by any shareholder that so requests them.

The information mentioned in this section will be available on Econocom's website (www.econocom.com) for five years as from the date of the General Meeting to which they relate.

Formalities and notice periods

Notification of all General Meetings must be made by announcements placed at least 30 days before said Meeting in:

- the Belgian Official Gazette (*Moniteur belge*);
- a newspaper with national circulation, unless the notice concerns an Ordinary General Meeting held in the place and at the time and date indicated in the Bylaws, and whose agenda is confined to the review of annual financial statements, the annual report, the Statutory Auditor's report and the vote to grant discharge to Directors and the Statutory Auditor;
- any media as may reasonably be relied on to efficiently disseminate information to the public throughout the European Economic Area and which is readily accessible in a non-discriminatory manner.

Holders of registered shares as mentioned in the Belgian Companies Code, along with Company Directors and the Statutory Auditor must be notified of the General Meetings 30 days before they are due to take place. This notification is sent by ordinary letter unless the recipients have individually and expressly agreed in writing to receive notification by another means, although no proof of compliance with this formality is required. Notices of Meetings are also available on Econocom's website (www.econocom.com).

If another Meeting has to be called because a first meeting did not meet the quorum, and provided that the date of any second Meeting was indicated in the paragraph above in the first Notice of Meeting and that no items have since been added to the agenda, the 30-day period specified above is reduced to at least 17 days before the Meeting.

Formalities to be completed in order to attend General Meetings

Shareholders may only attend and vote at General Meetings if their shares are registered in their name at the record date, *i.e.*, by midnight (CET) on the fourteenth day preceding the Meeting, either in the Company's share register or in the books of an authorised account holder or clearing institution, regardless of the number of shares held by the shareholder at the date of the General Meeting.

The shareholders shall inform the Company (or the person designated for this purpose) of their intention to attend the General Meeting no later than the sixth day preceding the date of said Meeting, in accordance with the formalities provided in the Notice of Meeting, and provided that shareholders present the share certificate delivered by the authorised account holder or clearing institution.

Holders of bonds or subscription rights issued in connection with the Company may attend the General Meeting in a non-voting capacity only, provided that they meet the admission requirements applicable to shareholders.

1.7. Provisions that could delay, defer or prevent a change in control of the Company

1.7.1. GENERAL INFORMATION

Laws relating to takeover and squeeze-out bids and their implementing orders, as well as the Belgian Companies Code and other applicable laws, contain various provisions (such as the requirement to disclose major shareholdings – see section 8 of this chapter – and competition provisions) that may be applicable to the Company, and which place certain restrictions on hostile takeover bids or other changes of control. These provisions could discourage potential takeover bids that other shareholders may consider to be in their interests and/or prevent shareholders from selling their shares at a premium.

In certain conditions, the Board of Directors may defer or prevent the issuance of shares that could have a dilutive impact on existing shareholdings.

1.7.2. AUTHORISED SHARE CAPITAL (ARTICLE 7 OF THE BYLAWS)

Pursuant to a decision of Econocom's Extraordinary General Meeting of 19 May 2020, the Board of Directors was granted authorisation to increase the share capital, on one or more occasions, under conditions it deems fit, by an amount of up to €23,512,749.67. At 31 December 2022, authorised unissued capital (excluding issue premiums) amounted to €23,512,749.67.

The Board of Directors may use this authorisation to issue shares with or without voting rights, convertible bonds, equity notes, subscription rights payable in cash or in kind, and other share equivalents or equity instruments issued by the Company.

Any capital increase effected under this authorisation may be carried out:

- either by means of contributions in cash or in kind, including any restricted issue premium, whose amount is fixed by the Board of Directors, or by creating new shares carrying rights that will be determined by the Board;
- or by converting reserves – including restricted reserves – or the issue premium into capital, with or without creating new shares.

This authorisation is granted to the Board of Directors for a period of five years from the date of publication of the decision of the Extraordinary General Meeting of 19 May 2020 in the annexes of the Belgian Official Gazette. It may be renewed on one or more occasions, in accordance with applicable provisions.

In the event that a capital increase is carried out within the authorised capital, the Board of Directors will allocate any issue premium to a restricted account. This account will form part of shareholders' equity in the same way as the share capital, and, provided it is converted into capital by the Board of Directors, may only be reduced or cancelled by the General Meeting under the conditions required by article 7:208 of the Belgian Companies Code.

The Board of Directors may limit or cancel pre-emptive subscription rights of existing shareholders in accordance with the conditions set forth in articles 7:190 et seq. of the Belgian Companies Code if it is in the Company's interests. It may even do so for one or more specific parties other than employees of the Company or of its subsidiaries, except as provided in article 7:201 of said Companies Code.

The Board of Directors may decide, with the right of substitution, to amend the Bylaws to reflect the Company's new capital and shares each time the share capital is increased within the limit of the authorised capital.

1.7.3. ACQUISITION AND DISPOSAL OF TREASURY SHARES (ARTICLE 12 OF THE BYLAWS)

The Company may only acquire its own shares or (if applicable) profit shares by means of a purchase or exchange, directly or by a person or entity acting in their own name but on the Company's behalf following a decision of an General Meeting voting pursuant to the quorum and majority requirements set forth in article 7:154 of the Belgian Companies Code, which sets the maximum number of shares or profit shares that can be acquired, the period for which the authorisation is granted, within the limit provided in article 7:215 of the Belgian Companies Code, and the minimum and maximum consideration.

This authorisation was given to the Board of Directors by the Extraordinary General Meeting of 30 November 2021 to acquire a maximum of 88,000,000 treasury shares of the Company at a minimum price of €1 and a maximum unit price of €10 per share. This authorisation was granted for a period of five years as from the publication of the decision of the Extraordinary General Meeting of 30 November 2020 in the appendix to the Belgian Official Gazette (*Moniteur belge*).

The authorisation of the General Meeting is not required in the event the purchase of treasury shares or non-equity shares is necessary to avoid the Company experiencing serious or immediate damage. In such event, the Board of Directors is authorised to purchase, in accordance with the legal provisions in force, the Company's shares through acquisition or exchange. This authorisation granted by the Extraordinary General Meeting of 19 May 2020 for a period of three years as from the publication of the decision of said Meeting in the appendix to the Belgian Official Gazette (*Moniteur belge*).

On 30 November 2021, the Extraordinary General Meeting also authorised the Board of Directors to pledge treasury shares of the Company, in accordance with article 7:226 of the Belgian Companies Code. This authorisation is granted for a period of five years as from the date on which the decision of the General Meeting is published.

The Board of Directors may sell Company shares in the cases laid down by the Belgian Companies Code, including to one or more identified persons. If necessary, this authorisation may be extended to the disposal of treasury shares of the Company by its subsidiaries.

The Board of Directors may otherwise dispose of shares of the new Company in the conditions provided by the Belgian Companies Code, as well as to spare the Company serious and imminent harm, provided, in such cases, that the securities are sold on the market or as a public offering made on the same conditions to all shareholders.

1.8. Notifications of major shareholdings

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, amending Directive 2001/34/EC, was transposed into Belgian law by the Act of 2 May 2007 on the publication of major shareholdings in issuers whose shares are admitted to trading on a regulated market ("Transparency Act") and by the Royal Decree of 14 February 2008 on the publication of major shareholdings ("Royal Decree on Transparency"). This legislation came into force on 1 September 2008.

Pursuant to these provisions, any natural or legal person who acquires, directly or indirectly, securities carrying voting rights of the Company must notify it and the FSMA (Belgian Financial Services and Markets Authority) of the number and percentage of voting rights held subsequent to this acquisition when the voting rights attached to securities carrying voting rights reach a proportion of 5% or more of total existing voting rights. Shareholders must also notify the Company in the event that they directly or indirectly acquire securities carrying voting rights when, as a result of their acquisition, the number of voting rights reaches or exceeds 10%, 15%, 20%, and every five-percentage point threshold thereafter, of total existing voting rights. Notification is also required in the event that shareholders directly or indirectly sell securities carrying voting rights when, as a result of this sale, the voting rights fall below one of the thresholds stated above.

In accordance with article 6 of the Transparency Act, the disclosure requirements mentioned above apply whenever the number of voting rights rises above or falls below the specified thresholds as a result of, among others:

1. the acquisition or sale of securities carrying voting rights, regardless of how the securities were acquired or sold, for example, by means of a purchase, sale, exchange, contribution, merger, spin-off or succession;
2. unintentionally crossing the specified thresholds (due to an event altering the allocation of voting rights); or
3. the conclusion, modification or termination of an agreement to act in concert.

The FSMA and the Company must be informed of any such event as soon as possible, and at the latest within four working days of the date on which the event took place.

The Company is required to publish all of the information contained in such notifications no later than three business days after receipt. It must also disclose its ownership structure in the notes to its annual financial statements, based on the notifications received.

The Company is also required to publish the total amount of share capital, the total number of securities carrying voting rights and the total number of voting rights, as well as a breakdown by class (where appropriate) of the number of securities carrying voting rights and the total number of voting rights, at the end of each calendar month during which changes occurred in these amounts. At the time of each publication, the Company shall also mention, if applicable, the total number of bonds convertible into securities conferring voting rights and of rights, whether or not represented by securities, to subscribe for securities conferring voting rights that have not yet been issued, the total number of voting rights that would result from the exercise of these conversion or subscription rights and the total number of shares without voting rights.

1.9. Econocom's largest shareholder

Econocom International BV (represented by Jean-Louis Bouchard) Chairman of Econocom Group, remains Econocom's largest shareholder, with approximately 39.99% of the share capital at 31 December 2022.

08

statutory auditors report on consolidated financial statements

Independent auditor's report to the general meeting of Econocom Group SE for the year ended 31 December 2022

Free translation of French original

As required by law and the Company's articles of association, we report to you as statutory auditor of Econocom Group SE (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of financial position as at 31 December 2022, the consolidated income statement and earnings per share, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the Shareholders' Meeting of 18 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the Workers' Council. Our mandate expires at the Shareholders' Meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2022. We have performed the audit of the Consolidated Financial Statements of the Group for 2 years.

Report on the audit of the Consolidated Financial Statement

Unqualified opinion

We have audited the Consolidated Financial Statements of Econocom Group SE, that comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement and earnings per share, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the disclosures, which show a consolidated balance sheet total of € 2,501.9 million and of which the consolidated income statement, attributable to owners of the parent, shows a profit for the year of € 63.8 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2022, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – Changes in valuation rules and in presentation

Without modifying our opinion, we draw the attention to note 1.3.2 "Changes in presentation and policies and corrections made for compatibility purposes" to the Consolidated Financial Statements

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Annual goodwill impairment test

Description of the Key Audit Matter	The Consolidated Financial Statements include goodwill for an amount of € 554.2 million as at 31 December 2022. As required by IFRS (see note 9 of the Consolidated Financial Statements), this goodwill needs to be tested annually for impairment. We consider these impairment tests as a key audit matter because goodwill amounts to 22% of total assets as at 31 December 2022 and because the recoverable amount as determined by the Board of Directors is based on assumptions related to, amongst others, the business plans (sales, profit margin, net working capital needs), the terminal growth rate, and the discount rate applied on the cash flows.
How our Audit addressed the Key Audit Matter	• We have received the goodwill impairment tests from management, and we have challenged, with the assistance of our internal experts, the reasonableness of the methodology and key assumptions used. • We have compared the assumptions with market data and with the economic forecasts. • We have assessed the internal procedures developed by the Group for preparing the budget. • We have received and evaluated the sensitivity analyses to determine the impact of possible changes in the key assumptions, and we have performed our own independent sensitivity analysis to quantify the negative impact on management's models that would result in impairment. • We have assessed the reclassifications of goodwill related to the assets held-for-sale for the discontinued operations. • We have analyzed the reasonableness of the discounted future cash flow forecasts by comparing them with the Group's market capitalization. • We have validated the net working capital needs as well as the key assumptions used for the calculation of the terminal value. • We have assessed that the information disclosed in the note 9 to the Consolidated Financial Statements is in conformity with IFRS.

Residual interests in leased assets

Description of the Key Audit Matter	The residual interests in leased assets (see note 11 of the Consolidated Financial Statements) amount to € 164.6 million as at 31 December 2022, of which € 49.8 million is classified in current assets and €114.7 million is classified in non-current assets. Overall, the residual interests as at 31 December 2022 amount to 3.0% of the historic acquisition value of the portfolio of assets leased out by the Group. These residual interests correspond, at the start date of a lease, to the forecasted market value of these assets at the end of the lease. The carrying amount of these assets depends on various calculation methods and on whether it concerns fixed-term contracts or renewable contracts ("TRO"). In both cases, the carrying amount of the assets depends on assumptions based on historic statistics on the realization value of the assets disposed at the end of the lease, but also on assumptions in respect of discount rate for the fixed-term contracts. The Group regularly updates these assumptions on the basis of its experience with resale or sublease markets for second-hand materials. We have considered the residual interests in leased assets as a key audit matter because these estimations impact on the one hand the timing of result recognition of such contracts,and on the one hand there is a risk of impairment in case the forecasted figures would exceed the fair market values.
How our Audit addressed the Key Audit Matter	• We have received the goodwill impairment tests from management, and we have challenged, with the assistance of our internal experts, the reasonableness of the methodology and key assumptions used. • We have compared the assumptions with market data and with the economic forecasts. • We have assessed the internal procedures developed by the Group for preparing the budget. • We have received and evaluated the sensitivity analyses to determine the impact of possible changes in the key assumptions, and we have performed our own independent sensitivity analysis to quantify the negative impact on management's models that would result in impairment. • We have assessed the reclassifications of goodwill related to the assets held-for-sale for the discontinued operations. • We have analyzed the reasonableness of the discounted future cash flow forecasts by comparing them with the Group's market capitalization. • We have validated the net working capital needs as well as the key assumptions used for the calculation of the terminal value. • We have assessed that the information disclosed in the note 9 to the Consolidated Financial Statements is in conformity with IFRS.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Group or to cease business operations or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company’s and the Group’s business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for Group entities.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirement

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the separate report on the non-financial information, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the separate report on the non-financial information, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report on the Consolidated Financial Statements and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- 1. Business model;
- 2. Group overview;
- 4. Risk factors;
- 7. Shareholders;
- 9. Chairman's statement;
- 11. Key consolidated figures;

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations is included is a separate report to the Board of Directors' report under section "3. Corporate social responsibility" of the annual report. The Company has prepared this non-financial information based on the principles of the United Nations Global Compact. The report of non-financial information contains the information required by virtue of article 3:32, §2 of the Companies' and Associations' Code, and agrees with the Consolidated Financial Statements for the same year. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the principles of the United Nations Global Compact.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees for additional services which are compatible with the statutory audit of the Consolidated Financial Statements referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the Consolidated Financial Statements in the form of an electronic file in ESEF format in the official French language as well as the free translation into English (hereinafter "the digital consolidated financial statements") included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language as well as the free translation into English.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language of Econocom Group SE per 31 December 2022 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation, and we conclude that the format of the free translation of the digital consolidated financial statements included in annual report in English corresponds to the digital consolidated financial statements included in the annual financial report in the official French language.

Other communications.

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 24 February 2023

EY Réviseurs d'Entreprises SRL

Statutory auditor

Represented by

Marie-Laure Moreau (1)

Partner

(1) Acting on behalf of a BV/SRL

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chairman's statement

Chairman's statement

We hereby declare that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2022, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, financial position and profit or loss of the Company and the undertakings in the consolidation taken as a whole, and that the Management Report includes a fair review of the performance of the business and the profit or loss and financial position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the main risks and uncertainties.

14 February 2023

On behalf of the Board of Directors

Jean-Louis Bouchard
Representative of Econocom Inrernational BV,
Chairman of the Board of Directors

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condensed non-consolidated financial statements*

ECONOCOM GROUP SE PARENT STATUTORY FINANCIAL STATEMENTS

In accordance with article 3:17 of the Belgian Companies Code, Econocom Group SE hereby states that the following financial statements are an abridged version of the full annual financial statements that can be obtained from the Company and which will be filed with the Banque Nationale de Belgique. This abridged version does not contain all the notes or the report of the Statutory Auditor, who certified the annual financial statements without reservation.

* The non-consolidated financial statements are prepared in accordance with Belgian GAAP.

1. Non-consolidated balance sheet

Asset

in € thousands	31 Dec. 2022	31 Dec. 2021
Start-up costs	**787**	**327**
Non-current assets	**930,705**	**897,190**
Intangible assets		**-**
Property, plant and equipment	**2**	**1**
Plant and equipment, fixtures and fittings	2	1
Non-current financial assets	**930,703**	**897,189**
Related parties	921,065	884,009
Equity interests	*921,065*	*884,009*
Receivables	-	-
Entities with which there are capital links	190	324
Equity interests	*190*	*324*
Receivables		
Other non-current financial assets	9,448	12,856
Shares	*6,684*	*10,238*
Receivables and cash guarantees	*2,764*	*2,618*
Current assets	**120,251**	**68,624**
Non-current receivables	**-**	**-**
Trade receivables		
Other receivables		
Inventories and work-in-progress	**-**	**-**
Current receivables	**12,955**	**15,004**
Trade receivables	5,162	13,871
Other receivables	7,793	1,133
Cash investments	**106,576**	**53,013**
Treasury shares	106,576	53,013
Other investments		
Cash and cash equivalents	**671**	**451**
Accrual accounts	**49**	**56**
Total assets	**1,051,743**	**966,041**

Liabilities

in € thousands	31 Dec. 2022	31 Dec. 2021
Equity	**554,292**	**535,196**
Share capital	**23,731**	**23,662**
Paid-in capital	23,731	23,662
Uncalled capital		
Issue premiums	**142,430**	**171,921**
Revaluation gain	**2,520**	**2,520**
Reserves	**116,807**	**57,865**
Statutory reserve	2,373	2,366
Unavailable reserves	106,576	53,013
For treasury shares	*106,576*	*53,013*
Available reserves	*7,858*	*2,486*
Retained earnings (+)/(-)	**225,739**	**432**
Profit (loss) for the year	**43,065**	**278,796**
Provisions and deferred taxes	**490**	**10,726**
Provisions for contingencies and losses	**490**	**10,726**
Other contingencies and losses	*490*	*10,726*
Deferred taxes		
Payables	**492,767**	**420,119**
Non-current liabilities	**200,000**	**194,874**
Financial liabilities	200,000	194,874
Unsubordinated bonds	*200,000*	*194,874*
Trade payables		
Prepayments received on orders		
Other non-current liabilities		
Current liabilities	**292,767**	**225,245**
Current portion of non-current liabilities	160,858	57,325
Financial liabilities	32,515	21,500
Bank loans and borrowings	*32,515*	*21,500*
Trade payables	2,299	7,492
Trade payables	*2,299*	*7,492*
Accrued taxes and personnel costs	393	611
Income tax	*12*	*239*
Compensation including social costs	*381*	*372*
Other non-current liabilities	96,702	138,317
Accrual accounts	**4,194**	
Total equity and liabilities	**1,051,743**	**966,041**

2. Non-consolidated income statement

in € thousands	31 Dec. 2022	31 Dec. 2021
Sales and services	**24,321**	**18,109**
Revenue	21,655	14,854
Changes in inventories of finished goods and work in progress: increase (decrease) (+)/(-)		
In-house production of non-current assets		
Other operating income	2,657	3,255
Non-recurring operating income		-
Cost of sales and services	**23,308**	**18,678**
Materials and goods for resale		
Services and miscellaneous goods	24,206	17,361
Personnel costs (including social costs) and pensions (+)/(-)	1,340	1,307
Amortisation/depreciation and impairment of start-up costs, property, plant and equipment, and intangible assets	1	1
Additions to (reversals of) impairment of inventories, work-in-progress and trade receivables (+)(-)	49	-
Additions to (reversals of) provisions for contingencies and losses (+)(-)	(472)	(3,517)
Other operating expenses	184	445
Capitalised restructuring costs (-)		
Non-recurring operating expenses	-	3,082
Operating profit (loss) (+)/(-)	**(996)**	**(569)**
Financial income	**91,792**	**317,662**
Recurring financial income	60,073	194,458
Income from non-current financial assets	*55,895*	*190,764*
Income from current assets	*537*	*219*
Other financial income	*3,641*	*3,475*
Non-recurring financial income	31,719	123,204
Financial expenses	**49,059**	**38,770**
Recurring financial expenses	9,044	13,964
Cost of debt	*8,967*	*13,791*
Additions to (reversals of) impairment of current assets other than inventories, work-in-progress and trade receivables (+)/(-)	-	-
Other financial expenses	*77*	*173*
Non-recurring financial expenses	40,015	24,806

in € thousands	31 Dec. 2022	31 Dec. 2021
Profit for the year before tax (+)/(-)	**41,737**	**278,323**
Withdrawal from deferred taxes		
Transfer to deferred taxes		
Income tax (+)/(-)	**(1,328)**	**(473)**
Income tax	2	3
Tax adjustments and reversals of tax-related provisions	(1,330)	(476)
Profit (loss) for the year (+)/(-)	**43,065**	**278,796**
Deductions from tax-free reserves		
Transfers to tax-free reserves		
Profit for the year available for distribution (+)/(-)	**43,065**	**278,796**

in € thousands	31 Dec. 2022	31 Dec. 2021
Profit available for distribution (+)/(-)	**322,293**	**309,244**
Profit for the year available for distribution (+)/(-)	43,065	278,796
Retained earnings (+)/(-)	279,228	30,448
Deductions from equity	**-**	**-**
from equity and issue premiums		
from reserves		-
Appropriations to equity	**53,488**	**30,016**
to equity and issue premiums		
to the statutory reserve	7	15
to other reserves	53,481	30,001
Appropriation to retained earnings (+)/(-)	**268,805**	**279,228**
Share of associates in losses		
Profit available for distribution		
Dividends		
Directors or Managers		
Employees		
Other beneficiaries		

3. Non-consolidated statement of cash flows

in € thousands	31 Dec. 2022	31 Dec. 2021
Profit (loss)	43,065	278,796
Depreciation of non-current assets and issue costs	422	479
Impairment	10,492	2,937
Impact of changes in provisions for other contingencies and losses	(398)	(4,612)
Gains/losses on disposal of non-current financial assets	(183)	(99,479)
Dividends received from equity interests	(53,179)	(186,022)
Interest and impact of bond buybacks	6,471	7,921
Cash flow from operating activities (a)	**6,690**	**18**
Change in trade receivables	(5,165)	821
Change in trade payables	(1,204)	2,051
Other changes in working capital requirement	(6,792)	705
Change in working capital requirement (b)	**(13,161)**	**3,578**
Income tax expense (c)	-	-
Net cash from (used in) operating activities (a + b + c)	**(6,472)**	**3,596**
Acquisition of property, plant and equipment and intangible assets for internal use	(1)	(2)
Disposal of property, plant and equipment and intangible assets for internal use		
Acquisition of equity interests	(36,805)	(13,629)
Disposal of equity interests	134	75,874
Acquisition of non-current financial receivables	(227)	(837)
Disposals of non-current financial receivables	2,963	4,376
Repayment of non-current financial receivables	112	558
Dividends received from equity interests	53,179	167,872
Net cash from (used in) investing activities (d)	**19,354**	**234,213**
Euro Private Placement – interest	(1,556)	(1,556)
Euro Private Placement – repayment	(55,500)	-
Schuldschein – coupons	(2,338)	(2,205)
Schuldschein – refund	(5,052)	(137,000)
Schuldschein - issue	204,989	-
OCEANE – buyback	(34,256)	(3,451)
OCEANE – coupons	(738)	(931)
Commercial paper	11,000	(97,500)
Change in current accounts	(39,278)	(139,072)
Change in long-term loans	-	192,990
Acquisition of treasury shares	(70,203)	(30,738)
Disposal of treasury shares	4,155	691
Capital increases	1,788	3,878
Dividends paid during the year/refund of additional paid-in capital	(25,686)	(24,318)
Net cash from (used in) financing activities (e)	**(12,677)**	**(239,212)**
Change in cash and cash equivalents (a + b + c + d + e)	**205**	**(1,402)**

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key consolidated figures

Historical consolidated key figures

	2015	2016 Adjusted Published in the 2017 AR****	2017	2019	2020	2021	2022
Number of shares (at 31 December)							
Ordinary	225,038,574	245,140,430	245,140,430	245,380,430	220,880,430	222,281,980	222,929,980
Total	225,038,574	245,140,430	245,140,430	245,380,430	220,880,430	222,281,980	222,929,980
Free float	52.20%	59.68%	57.86%	57.90%	53.6%	43.11%	40.2%
Average number of shares outstanding	215,443,595	232,763,830	232,763,830	227,816,144	216,865,774	190,767,600	180,041,957
Per share data (in €)							
Net dividend (on ordinary shares)*	0.1	0.12	0.12	0.12	0.12	0.12	0.16
Gross dividend (on ordinary shares)*	0.1	0.12	0.12	0.12	0.12	0.12	0.14
Recurring operating profit from continuing operations**	0.63	0.65	0.46	0.55	0.56	0.70	0.77
Pay-out (1)	0.67	0.34	0.71	0.61	0.55	0.35	0.39
Operating profit**	0.57	0.56	0.37	0.44	0.39	0.62	0.61
Profit (loss) before tax**	0.32	0.52	0.31	0.35	0.31	0.57	0.53
Profit (loss) attributable to owners of the parent**	0.15	0.37	0.17	0.20	0.22	0.34	0.35
Cash flow from operating activities**	0.56	0.56	0.45	0.61	0.46	0.70	0.77
Equity attributable to owners of the parent***	0.89	1.55	2.0	1.97	2.14	2.00	2.05
Price/earnings ratio (2)	1645	16	17	12	11	11	8
Price/cash flow from operating activities ratio (3)	12	11	6	4	5	5	4
Net return (4)	1.43%	2.01%	4.1%	4.9%	4.9%	3.3%	4.9%
Gross return (4)	1.43%	2.01%	4.1%	4.9%	4.9%	3.3%	4.9%

	2015	2016 Adjusted Published in the 2017 AR****	2017	2019	2020	2021	2022
Per share data *(in €)*							
Medium	5.69	6.82	3.70	3.01	2.18	3.23	3.46
At 31 December	6.97	5.96	2.91	2.43	2.48	3.65	2.85
High	7.17	8	7.3	4.01	2.88	3.94	4.12
Low	3.69	5.75	2.28	2.00	1.37	2.37	2.43
Annual return at 31 December (5)	65%	(13%)	(49%)	(12.3%)	6.0%	36%	(18%)
Annual volume *(in units)*	54,198,704	101,853,451	213,263,403	53,631,539	64,626,927	48,438,497	24,466,978
Average daily trading volume	210,888	399,425	836,327	210,320	254,437	188,477	95,202
Annual volume (in value) *(in € millions)*	308	695	789	161	141	157	85
Market capitalisation (31 Dec.) *(in € millions)* (6)	1.569	1.405	673	539	519	675	509
Listing market (7)	10.008	10.760	TC	TC	TC	TC	TC
Salaried employees	9,134	10,008	10,813	10,323	9,240	8,197	8,750

* Refund of issue premiums.
** Expressed as a ratio of the average number of shares outstanding.
*** Expressed as a ratio of total shares.
**** In the 2017 table, the number of shares is shown after the share split approved by the Extraordinary General Meeting of 16 May 2017.
(1) Pay-out rate = gross dividend/profit for the year attributable to owners of the parent before amortisation or reduction of goodwill.
(2) Share price at 31 December/profit for the year.
(3) Share price at 31 December/cash flows from operating activities before cost of net debt and income tax.
(4) Net (gross) yield/share price at 31 December.
(5) Annual return = (change in share price at 31 December relative to 31 December of the previous year plus net dividend)/share price at 31 December of the previous year.
(6) Market capitalisation = total number of shares outstanding at 31 December x share price at 31 December.
(7) Listing market = Brussels from 9 June 1988. The share has been listed on the Marché à terme continu (TC) since 16 March 2000.

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Designed & published by LABRADOR +33 (0)1 53 06 30 80

March 2023

This english version of the annual report is a free translation of the official french version of the annual report in xhtml format, which is available on the website of the Financial Services and Markets Authority, as well as on www.econocom.com

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