Consolidated Income Statement

THE PRODWARE GROUP

Fiscal year ended December 31st, 2023.

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CONSOLIDATED INCOME STATEMENT

(In k€)

		12/31/2023	12/3/2022
Revenue	Note 7	**380 566**	**188 281**
Purchases consumed		-218 389	-59 634
External expenses		-24 876	-20 524
Personnel expenses	Note 8	-65 511	-53 829
Taxes		-1 701	-1 282
Net Allocation for Depreciation, Impairments, and Provisions		-20 275	-21 463
Other Operating Income and Expenses	Note 9	-687	-2 247
Current Operating Income		**49 128**	**29 303**
Other Operating Income and Expenses	Note 10	-925	-
Operating Incoe		**48 203**	**29 303**
Cost of Financial Debt	Note 11	-15 767	-9 885
Financial Cost of User Fees	Note 11	-173	-156
Other Financial Income and Expenses	Note 11	-4 009	-1 116
Financial Income		**-19 949**	**-11 157**
Income tax	Note 12	-52 168	-2 495
Equity share in associated companies	Note 14	211	235
Net income from continuing operations		**-23 703**	**15 886**
Net income from discontinued operations	Note 15		
Net income of the consolidated entity		**-23 703**	**15 886**
Minority Interests		-7	-183
Net Income - Group Share		**-23 710**	**15 703**
Net Income per Share (on average number) (in euros)	Note 13	**-3.097**	**2.063**
Diluted Earnings per Share (in euros)	Note 13	**-3.097**	**1.643**

GAINS & LOSSES RECOGNIZED DIRECTLY IN EQUITY

(In k€)

	12/31/2023	12/31//2022
Net income (Group Share)	-22 446	15 703
Minority Interests – Income	7	183
Overall Consolidated Income	**-22 439**	**15 886**
Non-recurring items not subsequently reclassified :		-
Revaluation surplus on tangible assets		
Revaluation surplus on intangible assets		
Changes in actuarial gains and losses related to employee benefits		
Reclassifiable items in profit or loss:	-57	125
Foreign Exchange Gains/Losses - Group	-57	125
Fair Value Changes of Available-for-Sale Financial Assets		
Fair Value Changes of Cash Flow Hedging Derivative		
Income tax effects on items directly recognized in equity		-
Changes in gains and losses recognized directly in equity	**-57**	**125**
Total comprehensive income	**-22 496**	**16 011**
Of which:		
Group share	**-22 504**	**15 828**
Minority shares	**7**	**184**

CONSOLIDATED BALANCE SHEET

(In k€)

		12/31/2023	12/31/2022
Goodwill	Note 16	122 995	32 638
Intangible Assets	Note 17	203 005	168 801
User rights	Note 17	9 047	10 277
Tangible Assets	Note 17	5 514	2 880
Financial Assets	Note 18	2 844	2 622
Equity Investments in Associated Companies	Note 18	631	620
Deferred Tax Assets	Note 12	2 308	4 489
Non-current Assets		**346 344**	**222 326**
Inventory and Work in Progress	Note 19	6	-
Customers and Related Accounts	Note 20	131 706	51 654
Other Current Assets	Note 20	18 139	22 216
Cash and Cash Equivalents	Note 21	93 591	56 137
Current Assets		**243 442**	**130 008**
Total assets		**589 786**	**352 334**

		12/31/2023	12/31/2022
Capital	Note 22	4 975	4 975
Share premiums		49 775	49 775
Reserves		45 703	30 057
Net income (Group share)		-23 710	15 703
Treasury stock			
Shareholders' Equity (Group share)		**76 743**	**100 510**
Non-controlling Interests		**194**	**186**
Total equity		**76 936**	**100 696**
Deferred Tax Liabilities	Note 12		
Pension and Similar Liabilities	Note 23	4 532	4 356
Non-current Liabilities	Note 24	237 922	145 131
Non-current Lease Liabilities	Note 24	5 130	4 553
Non-current Liabilities		**247 583**	**154 039**
Current Provisions	Note 23	551	2 878
Current Liabilities	Note 24	34 093	29 751
Current Lease Liabilities		4 247	6 061
Suppliers and Related Accounts	Note 25	149 297	26 907
Other Current Liabilities	Note 25	77 078	32 002
Current Liabilities		**265 266**	**97 599**
Total Liabilities		**589 786**	**352 334**

CONSOLIDATED CASH FLOW STATEMENT

(In k€)

		12/31/2023	12/31/2022
TOTAL NET INCOME OF CONSOLIDATED ENTITIES		-23 703	15 886
Disallowance of shares from income of equity method investments	Note 14	-211	-235
Dividends received from equity method investments	Note 14	200	250
Net depreciation, amortization and provisions		18 773	21 994
Calculated items related to fair value changes		-25	-
Disallowance of losses/gains on asset disposals	Note 10	-8	64
Operating Cash Flow after Financial Debt Costs		-4 974	37 959
Cost of financial debt	Note 11	15 767	9 885
Tax Expense for the Period, Including Deferred Taxes	Note 12	52 168	2 495
Operating Cash Flow before Financial Debt Costs and Tax		62 961	50 339
Tax paid		-25 045	
Change in Working Capital Related to Operations (including provisions)		46 605	-4 427
NET CASH FLOW FROM OPERATING ACTIVITIES (I)		84 521	45 912
Acquisition of Fixed Assets	Note 17	-37 525	-37 488
Disposal of Fixed Assets		2	5
Reduction in Other Financial Assets		4	41
Impact of Changes in Consolidation Scope		-84 024	
Net Change in Short-term Investments			-2 778
Net Cash Flow from Non-current Assets to be Sold and Discontinued Operations			
NET CASH FLOW FROM INVESTING ACTIVITIES (II)		-121 542	-40 221
Issuance of Bonds	Note 24	92 831	720
Repayment of Loans	Note 24	-7 268	-6 772
Including repayment of lease liabilities (IFRS 16)	Note 24	-6 933	-6 394
Cost of Financial Debt (Interest Paid)	Note 11	-14 015	-9 450
Dividends Received/Paid from/to Parent Company			
Increase/Decrease in Capital			-580
Net Sale (Purchase) of Treasury Shares			527
Net Change in Bank Loans			
NET CASH FLOW FROM FINANCING ACTIVITIES (III)		71 548	-15 554
Net Foreign Exchange Cash Flow (IV)		-7	13
IMPACT OF EXCHANGE RATE VARIATIONS (IV)		-7	13
NET CASH FLOW VARIATION (I + II + III + IV)		34 520	-9 849
Opening Cash Balance	Note 21	27 941	37 791
Closing Cash Balance	Note 21	62 461	27 941

Self-constructed assets for the year, totaling €23 862K and deducted from personnel expenses, is included in the €37.5M of acquisitions for the period.

Variation in WCR	12/31/2023	12/31/2022
Inventories and Work in Progress	6	-
Customers and Related Accounts	131 706	51 654
Other Current Assets	18 139	22 216
Suppliers and Related Accounts	149 297	26 907
Other Current Liabilities	77 078	32 002
Working Capital Requirement	**-76 524**	**14 961**

Items (K€)	Var° 23/22
Change in Working Capital Related to Operations (including provisions)	-91 486
Other Variations	44 880
Change in Working Capital on the Cash Flow Statement	**-46 605**

VARIATION IN CONSOLIDATED EQUITY

(In k€)

Column 1	Capital	Share pre-miums	Group Consolidation Reserves	Foreign exchange reserves of the group	Net income (Group share)	Treasury stock	Equity (Group share)	Minority interests
Equity as of 12/31/2021	5 036	49 775	100 319	-13	-68 457	-3 333	83 328	3
Allocation of income N-1			-68 457		68 457		-	
Payment of dividends N-1							-	
Var. in capital through capital subscriptions & cash output	-61		-519				-580	
OCI – PIDR			737				737	
Income					15 703		15 703	184
Other variations & adjustments			-2 135			3 333	1 198	
Reclassification								
Exchange rate differential				125			125	-
Interest rate differential							-	
Out of scope							-	
Equity as of 12/31/2022	4 975	49 775	29 944	112	15 703	-	100 510	186
Allocation of income N-1			15 703		-15 703		-	
Payment of dividends N-1							-	
Var. in capital through capital subscriptions & cash output							-	
OCI – PIDR							-	
Income					-23 710		-23 710	7
Other variations & adjustments							-	
Reclassification							-	
Exchange rate differential				-57			-57	
Interest rate differential							-	
Out of scope							-	
Equity as of 12/31/2023	4 975	49 775	45 647	55	-23 710	-	76 743	193

Appended Notes

(The amounts are expressed in thousands of euros unless mentioned otherwise.)

General Information. - PRODWARE SA («the Company») is a French public limited company. The company's shares are listed on the EURONEXT Growth market of NYSE Euronext on the Paris Stock Exchange. The consolidated financial statements as of December 31, 2023 reflect the accounting position of PRODWARE SA and its subsidiaries (hereinafter referred to as «the Group»), as well as the Group's interests in associated companies and joint ventures. They are presented in thousands of euros or the nearest thousand.»

The board of directors finalized the consolidated financial statements on April 4, 2024, and authorized the publication of the consolidated financial statements as of December 31, 2023. These accounts will only be finalized after approval by the annual general meeting of shareholders.

01 Accounting Policies

The consolidated financial statements of PRODWARE SA and its subsidiaries (hereinafter referred to as the 'Group') published for the year 2023 are prepared in accordance with International Financial Reporting Standards (hereinafter 'IFRS'), as adopted by the European Union. They include standards approved by the International Accounting Standards Board ('IASB'), namely IFRS standards, International Accounting Standards ('IAS'), and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') or the former Standing Interpretations Committee ('SIC').

These standards can be found on the following site: https://ec.europa.eu/info/index_fr

All standards and interpretations applied by the PRODWARE SA group in these financial statements are in compliance with European directives on one hand, and with the standards and interpretations adopted by the European Union on the other hand.

Unless otherwise stated, these methods have been consistently applied to all periods presented.

New standards and interpretations applicable as of January 1st, 2023:

The adoption of these new standards, interpretations and amendments to the existing standards have limited impact on the Group's financial statements:

Text	Item	Effective date IASB	Effective date EU
IFRS 17	**Insurance Contracts** › New standard on insurance contracts replacing › IFRS 4 (including amendments published in June 2020)	01/01/2023	01/01/2023
Amendment to IAS 1 and Practice Statement 2 updated	**Information to be Provided on Accounting Principles and Methods** › Clarification of information to be provided on significant accounting methods	01/01/2023	01/01/2023
Amendement to IAS 8	**Definition of an Accounting Estimate** › Clarifying the distinction between a change in accounting method and a change in accounting estimate by defining the concept of an accounting estimate	01/01/2023	01/01/2023
Amendement to IAS 12	**Deferred Taxes Related to Assets and Liabilities Arising from the Same Transaction** › Accounting for deferred taxes on transactions such as lease contracts and decommissioning obligations	01/01/2023	01/01/2023
Amendement à IAS 12	**International Tax Reform - Pillar 2 Rules**	01/01/2023	01/01/2023

The Group has not early adopted any of the new standards and interpretations mentioned above that may be relevant to it and whose application is not mandatory as of January 1, 2023.

New standards and interpretations adopted by the IASB but not yet applicable as of December 31st, 2023:

The Group is currently studying the potential impact of these new standards and interpretations on the financial statements.

Text	Item	Effective date IASB	Effective date EU
Amendment to IAS 1 (January 2020)	**Classification of liabilities as current or non-current**	01/01/2024	
Amendment to IAS 1 (October 2022)	**"Non-current liabilities with covenants."** › Clarification on the covenant to be tested no later than the closing date and its impact on the classification as current or non-current debt	01/01/2024	
Amendment to IFRS 16	**Lease obligation resulting from a sale and leaseback transaction** › Clarifications on the subsequent measurement of sale and leaseback transactions, particularly those involving variable lease payments	01/01/2024	
Amendment to IAS 7 and IFRS 7	**Disclosure of the impacts of reverse factoring arrangements**	01/01/2024	
Amendment to IAS 21	**Lack of exchangeability**	01/01/2025	

Evaluation Principles Utilized for Consolidated Financial Statements: Our consolidated accounts adhere to the historical cost convention, with the exception of specific asset and liability categories as outlined by IFRS regulations. Further details regarding these categories are provided in the following notes.

GENERAL CONSOLIDATION PRINCIPLES

1) Consolidation:

a) Subsidiaries (controlled companies) are consolidated using the full consolidation method. Control is defined as the power to direct the financial and operational policies of a company to gain benefits from its activities, with such power accompanied by ownership of more than half of the voting rights. Subsidiaries are fully consolidated from the date control is transferred to the Group. They are deconsolidated from the date control ceases to be exercised. All internal transactions are eliminated in consolidation.

b) Associated companies are entities over which the Group does not have control but over which it exerts significant influence, typically accompanied by a shareholding ranging from 20% to 50% of the voting rights. Investments in associated companies are accounted for using the equity method and initially recorded at cost. The Group's interest in associated companies includes goodwill (net of any accumulated impairment losses) identified upon acquisition. The Group's share of the associated companies' results after acquisition is recognized in the consolidated income statement. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any unsecured receivables, the Group does not recognize further losses unless it has incurred an obligation or made payments on behalf of the associated company. Unrealized gains on transactions between the Group and its associated companies are eliminated in proportion to the Group's interest in the associated companies. Unrealized losses are also eliminated unless the transaction indicates an impairment loss in the case of a disposed asset. The accounting policies of associated companies have been adjusted as necessary to align them with those adopted by the Group. Dilution gains and losses in associated companies are recognized in the income statement.

2) Closing date of the financial statements: Companies included in the consolidation scope are consolidated based on accounts prepared for the same reporting period as those of the parent company.

3) Business Regroupings: These regroupings are accounted for using the acquisition method. Hence, during the initial consolidation of a wholly controlled entity, the assets, liabilities, and contingent liabilities of the acquired entity are assessed at their fair value in accordance with IFRS guidelines. The resulting valuation differences are recorded in the relevant assets and liabilities, including for the portion pertaining to minority interests, not just for the acquired shareholding. The residual excess of the acquisition cost over the acquirer's interest in the fair value of identifiable net assets, liabilities, and contingent liabilities is recognized as an asset, namely goodwill. If, upon reassessment, the acquirer's interest in the fair value of identifiable net assets, liabilities, and contingent liabilities exceeds the cost of the business combination, the excess is immediately recognized in profit.

4) Minority Interests: They are accounted for based on the fair value of the acquired net assets. Disposals benefiting minority interests result in the release of profits or losses, which the Group records in the income statement. Acquisitions of shares from minority interests generate goodwill. This goodwill represents the difference between the price paid and the corresponding acquired share of the carrying amount of the net assets.

In line with the treatment adopted for disposals, the capital increase reserved for minority interests without a change in consolidation method generates dilution profit, which will be recognized in other income.

5) Conversion of Accounts Expressed in Foreign Currencies: The consolidated accounts of the group have been prepared in euros. The balance sheets of companies whose functional currency is not the euro are converted into euros at the closing exchange rate, while their income statements and cash flows are converted at the average exchange rate for the fiscal period.

The resulting conversion difference is recorded in equity under the heading 'Foreign Currency Translation Reserve.' Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. Therefore, they are denominated in the functional currency of the entity and converted at the closing rate.

6) Conversion of Transactions Denominated in Foreign Currencies: Transactions denominated in foreign currencies are converted at the exchange rate prevailing at the time of the transaction. At the end of the fiscal period, monetary assets and liabilities denominated in foreign currencies are converted at the closing exchange rate. The resulting conversion differences are recorded in the income statement (under other financial income and expenses).

EVALUATION METHODS

1) Intangible and tangible assets: In accordance with IAS 16 «Property, Plant, and Equipment» and IAS 38 «Intangible Assets,» only items whose cost can be reliably determined and for which it is probable that future economic benefits will flow to the group are recognized as assets. Following IAS 36 «Impairment of Assets,» when events or changes in market conditions indicate a risk of impairment of tangible and intangible assets, they undergo a detailed review to determine if their carrying amount is lower than their recoverable amount. The recoverable amount is defined as the higher of fair value (less costs to sell) and value in use. Value in use is determined by discounting the expected future cash flows from the use and disposal of the asset. If the recoverable amount is less than the carrying amount, an impairment loss is recognized for the difference between these amounts. Impairment losses related to tangible and intangible assets with a defined useful life may be reversed in subsequent periods if the recoverable amount becomes higher than the carrying amount (up to the amount of impairment originally recognized)

2) Other intangible assets: Intangible assets recorded primarily consist of software, which are either acquired or internally developed. Intangible assets are typically amortized on a straight-line basis over a period of 8 years. There are no intangible assets for which the useful life is considered indefinite. All intangible assets (excluding goodwill) are amortized over their estimated useful life.

Internally developed software is amortized from the date of project «deployment» over the anticipated commercialization period of the software package. Development costs failing to meet the criteria outlined by IAS 38 are expensed as current operating expenses as they are incurred. Research costs are expensed.

3) Tangible assets: Tangible assets are recognized at their historical acquisition cost for the group, adjusted for accumulated depreciation and impairment losses. Depreciation is generally applied based on the following standard useful lifespans:

General equipping & fitting out	10 years
Transportation equipment	4 years
Office & computer equipment	3 years
Office furniture	10 years

The group utilizes the straight-line method of depreciation. Assets financed through a finance lease or long-term lease contract, which effectively transfer all risks and rewards associated with asset ownership to the lessee, are recognized in the fixed assets. When deemed significant, residual value is considered in the depreciable amount. Different components of a tangible asset are accounted for separately when their estimated useful life, and consequently their depreciation period, significantly differ.

4) Goodwill : Goodwill represents the excess of the acquisition cost over the fair value of the Group's share of identifiable net assets of the subsidiary (associate) at the acquisition date. Goodwill related to the acquisition of associated companies is included in the investment holdings. Separately recognized goodwill undergoes an annual impairment test. The methodology primarily involves comparing the recoverable values of each operational entity of the group to the corresponding net assets (including goodwill). These recoverable values are primarily determined from discounted cash flow projections of future operating cash flows and a terminal value. Assumptions regarding revenue variations and terminal values are reasonable and in line with market data available for each operational entity as well as their budgets approved by the Management. Additional impairment tests are conducted if specific events or circumstances indicate potential impairment. Impairment losses related to goodwill are not reversible.

5) Noncurrent financial assets: This category comprises loans, unconsolidated equity investments, and security deposits. Loans are recognized at amortized cost. They may be subject to impairment provision if there is objective evidence of impairment. The impairment, corresponding to the difference between the carrying amount and the recoverable amount, is recognized in the income statement and is reversible if the recoverable amount is expected to improve in the future. At each year-end, a review of other financial assets is conducted to assess if there are objective indications of impairment. If so, an impairment provision is recognized.

6) Inventories: The inventory consists of computer equipment, licenses, and work-in-progress production stocks. Merchandise and license inventories are valued at cost or net realizable value.

Cost is typically calculated using the weighted average cost method. Net realizable value represents the estimated selling price in the ordinary course of business, less the expected costs of completion or realization of the sale.

The work-in-progress production stock is valued using the percentage of completion method. The valuation of work-in-progress is represented by gross wages plus social charges.

7) Accounts Receivable and Other Debtors: Trade receivables and other receivables are recorded at their acquisition cost reduced by impairment adjustments. Receivables undergo an annual individualized review, and the recognized impairment is based on the aging of the receivables.

8) Treasury shares: The treasury shares held in treasury have been cancelled in accordance with the IFRS framework.

The proceeds from the sale of these shares are directly allocated to equity and do not impact the income for the period.

9) Provisions for pensions, retirement benefits & other employee benefits: In accordance with the laws and practices of each country in which it operates, the group participates in pension schemes. For basic schemes and other defined contribution plans, the group records contributions payable as expenses when due, and no provision is recognized since the group is not liable beyond the contributions paid.

For defined benefit plans, provisions are determined as follows:

› The actuarial method used is the projected unit credit method, which stipulates that each period of service results in the recognition of a benefit entitlement unit, and each of these units is separately evaluated to obtain the final obligation. These calculations incorporate assumptions regarding mortality, employee turnover, and projection of future salaries.

10) Hybrid instruments: Some financial instruments contain both a financial liability component and an equity component. This is particularly the case with convertible bonds. The different components of these instruments are accounted for in equity and financial liabilities for their respective portions, as defined in IAS 32 - 'Financial Instruments: Presentation'. The component classified as financial liabilities is evaluated at the issuance date. It corresponds to the present value of contractual future cash flows (including coupons and repayment) discounted at the market rate (taking into account the credit risk at issuance) of a similar instrument with the same terms (maturity, cash flows) but without conversion or redemption option into shares. The component classified as equity is evaluated as the difference between the issuance amount and the financial liability component as defined above.

11) Interest-bearing loans: Interest-bearing loans are recorded at their original nominal value, adjusted for directly attributable transaction costs, and then carried at amortized cost. Any disparity between the amortized cost and the redemption value is gradually recognized in the income statement over the loan term, based on their effective interest rate.

12) Deferred tax: Deferred taxes are calculated on all temporary differences between the taxable base and the consolidated value of assets and liabilities. These include, notably, the elimination of entries recorded in the individual accounts of subsidiaries in application of derogatory tax options. The variable rate deferral rule is applied, and the effects of changes in tax rates are recognized in equity or in the income for the period in which the rate change is decided. Deferred tax assets are recognized in the balance sheet to the extent that it is more likely than not that they will be recovered in subsequent years. Deferred tax assets and liabilities are not discounted. To assess

the group's ability to recover these assets, the following factors are considered:

- Forecasts of tax results over a period of five years based on budgets and plans approved by Management.
- Portion of exceptional charges not expected to recur in the future included in past losses.
- History of tax results from previous years

The Group offsets deferred tax assets and liabilities if the entity has a legal right to offset current tax assets and liabilities and if the deferred tax assets and liabilities relate to the same tax authority.

13) Cash and Cash Equivalents: In accordance with IAS 7 'Statement of Cash Flows,' cash in the consolidated cash flow statement includes cash on hand as well as short-term, highly liquid investments that are readily convertible into known amounts of cash. Investments in listed equities, investments with maturities of over three months without the possibility of early withdrawal, and bank accounts subject to restrictions are excluded from cash in the cash flow statement. In accordance with IAS 39 'Financial Instruments,' available-for-sale securities are measured at fair value. No investments are classified as held-to-maturity. For investments held for trading purposes, changes in fair value are systematically recognized in income. For the purposes of the cash flow statement, bank overdrafts are presented net of cash and cash equivalents.

14) Revenue: Revenue consists of sales of goods, sales of services produced as part of the group's main activities, and licensing income (net of VAT). They are assessed at the fair value of the consideration received or receivable, net of trade discounts or rebates. Revenue is recognized when the entity has transferred to the buyer the significant risks and rewards inherent in ownership of the goods. Generally, revenue from the sale of goods and equipment is recognized when there is a formal agreement with the customer, delivery has occurred, the amount of revenue can be reliably measured, and it is probable that the economic benefits associated with this transaction will flow to the group. For revenue related to licenses, sales, or other income associated with software, the group generally recognizes revenue upon delivery of the software. For transactions involving the provision of services, the group recognizes revenue over the period in which the services are rendered using the percentage of completion method.

15) Other non-recurring operating income and expenses: The Group has decided to consolidate under a single category called 'Other Non-Recurring Operating Charges and Income,' items (charges and income) which, due to their nature, frequency, and/or relative significance, do not have a recurring character. These income and charges include:

- impairment losses on goodwill, impairment losses or, where applicable, reversals of impairment losses on intangible assets related to customer portfolios.
- share-based payments.
- gains and losses on the sale of businesses and consolidated investments.
- other significant and unusual items not directly related to ordinary operations and transaction costs.

16) Cost of financing: It includes interest expenses and income on financial debts (including lease liabilities) and total cash (cash, cash equivalents, and marketable securities).

17) Operating segments: An operating segment is a distinct component of the Group that:
- Engages in activities through which it has the potential to generate revenue from ordinary operations and incur expenses.
- whose operational results are routinely assessed by the Group's Chief Executive Officer, who acts as the operational decision-maker, to guide resource allocation within the segment and evaluate its performance.

- which separate financial information is available.
- the Group's Chief Operating Decision Maker has been identified as the Chief Executive Officer, who makes strategic operational decisions

Under IFRS 8 'Operating Segments,' segment information is derived from the Group's internal organization of activities. The segments identified in accordance with IFRS 8 are:

- Infrastructure and SaaS.
- Inhouse software development and integration of business management solutions.
- Public Sector (Protinus and WESTPOLE).

Segment assets are operational assets used by a segment in its operating activities.

They include assignable goodwill, intangible and tangible assets, as well as current assets used in operating activities.

18) Earnings per share: Earnings per share before dilution is calculated by dividing the net income from continuing operations attributable to the Group's equity holders by the weighted average number of ordinary shares outstanding during the year, excluding the weighted average number of ordinary shares purchased and held as treasury stock. Diluted earnings per share is calculated by considering all instruments that provide a deferred access to the parent company's capital, whether issued by the parent company or its subsidiaries. Dilution is determined instrument by instrument, taking into account the conditions existing at the closing date and excluding anti-dilutive instruments.

In both cases, the funds are taken into account on a pro rata temporis basis during the year of issuance of dilutive instruments and on the first day of subsequent years.

19) Financial Risk Management Policy: PRODWARE SA Group is not exposed to foreign exchange risk as the group generates nearly 95% of its group turnover in euros. In this context, the company does not engage in foreign exchange risk hedging.

20) Net Income from Discontinued Operations: The PRODWARE SA Group separately presents the revenues, expenses, and the result from the disposal of its discontinued operations during the fiscal year on a separate line. This result is presented net of tax.

21) Research tax credit: The PRODWARE SA Group accounts for the research tax credit within the ordinary operating margin when it is unrelated to capitalized developments. It is reflected as a reduction in Personnel Expenses. However, if it pertains to capitalized developments, it is treated as a deduction from the cost of those developments.

02 Main sources of uncertainties regarding estimates

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) involves the Group making a number of estimates and assumptions that affect the amounts of assets, particularly goodwill and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the revenues and expenses recorded during the period. Changes in facts and circumstances may require the Group to revise these estimates.

03 Important events in the year

In 2023, Prodware Group marked a pivotal moment in its growth strategy, attaining a new scale through notable external growth initiatives.

Prodware France acquired:

- Plahoma 13 in March 2023, a holding company that owns the 4 following entities i.e. WESTPOLE Belgium, WESTPOLE Luxembourg, WESTPOLE France and WTP Italy.
  The WESTPOLE Group is renowned for its expertise in outsourced services, business process management, cloud computing, and cybersecurity solutions. The company operates in the public and banking sectors, serving governmental institutions such as NATO and the European Investment Bank, particularly in Belgium and Luxembourg.
- PROTINUS IT in the Netherlands in October 2023.
  Protinus IT is a leading company in consulting and implementing IT solutions, including the provision of hardware, software, and services primarily for the public sector in the Netherlands (central and local administrations), as well as the healthcare, education, and private sector businesses.

Prodware Spain acquired:

- Nut Consulting in December 2023, a consulting firm that specializes in the implementation and optimization of solutions (ERP, CRM, BI) based on Microsoft 365 technology.

From an operational standpoint, these entities will retain their individual identities as Prodware-Westpole-Protinus, preserving their established reputations within their respective industries.

These brands will operate under the overarching umbrella of Phast, encompassing all business activities.

With favorable business momentum and strategic acquisitions driving growth, the Prodware Group concludes the fiscal year with a footprint in 15 countries, a workforce expansion of almost 30%, and an impressive revenue surge of 102%.

The financial outcome mirrors the amplified expense of financial liabilities linked to loans secured for the aforementioned acquisitions, further exacerbated by escalating interest rates. Prodware SA procured the essential financing for its external expansion endeavors from its longstanding financial ally, Tikehau Investment Manager.

The fiscal year's net result is additionally affected by a non-recurring charge of €45 428k stemming from a comprehensive agreement with tax authorities concerning Research Tax Credits for the period spanning 2012 to 2022.

This non-recurring charge enables Prodware to settle this dispute and withdraw from ongoing legal proceedings for all the years in question.

04 Subsequent events

In 2024, the group is committed to advancing its strategic development plan by focusing on key areas of digital transformation, fostering sought-after partnerships with clients. Moreover, it plans to sustain its trajectory of external growth, aligning with established criteria and seizing market opportunities.

Indeed, it is worth noting that:

- In February 2024, Prodware France secured a €50 million financing deal through a revolving credit facility. This funding was earmarked to bolster existing short-term lines and extend maturity. Notably, €33 million was promptly refinanced with historical lenders, while the remaining €17 million was allocated to cover the Group's general short-term requirements.

05 Changes in scope of consolidation

The consolidation scope of PRODWARE SA underwent the following changes during the 2023 fiscal year:

- The acquisition of the WESTPOLE Group was finalized on February 27, 2023, marking the commencement of integration into consolidation effective March 1, 2023.
- On September 29, 2023, PRODWARE SA acquired Protinus IT BV, with the integration process into consolidation officially commencing on October 1, 2023.
- On December 1, 2023, PRODWARE SA finalized the acquisition of NUT CONSULTING, initiating the integration into consolidation on the very same date.
- In June 2023, 'Prodware Services Center Georgia' was established as a new operational entity. However, as its activities didn't begin until 2024, it wasn't consolidated for the fiscal year 2023.
- Prodware Luxembourg and Prodware Eastern Europe (Romania) are currently inactive and undergoing dissolution procedures.

The scope of consolidation for 2023 is as follows:

Company name	City	Country	Closing date for the statutory accounts	% of ownership	% interest	Consol. Method	Consol. period
CAP LEASE	Lyon	France	Dec.31	90.00%	90.00%	Full consolidation	01/01/2023-12/31/2023
CKL Software Gmbh	Hamburg	Germany	Dec.31	50.00%	50.00%	Equity method acct.	01/01/2023-12/31/2023
Prodware Belgium	Enghien	Belgium	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware Czech Republic	Olomouc	Czec Republic	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware Deutschland AG	Hamburg	Germany	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware East Europe	Bucarest	Romania	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware Georgia	Georgia	Georgia	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware Services Center Georgia LLC	Tbilisi	Georgia	Dec.31	100.00%	100.00%	Non consolidated	01/01/2023-12/31/2023
Prodware London Limited	London	UK	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware London SE Limited	London	UK	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Nerea Luxembourg	Luxembourg	Luxembourg	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware Morocco	Casablanca	Morocco	Dec.31	66.20%	66.20%	Full consolidation	01/01/2023-12/31/2023
Prodware Netherlands BV	Zaltbommel	The Netherlands	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware Retail Competence Center	Madrid	Spain	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
PRODWARE SA	Paris	France	Dec.31	Consol. company		Full consolidation	01/01/2023-12/31/2023
Prodware Spain	Zamudio	Spain	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Prodware UK Limited	Lancashire	UK	Dec.31	100.00%	100.00%	Full consolidation	01/01/2023-12/31/2023
Westpole Belgium	Vilvoorde	Belgium	Dec.31	100%	100.00%	Full consolidation	01/01/2023-12/31/2023
Westpole Luxembourg	Windhorf	Luxembourg	Dec.31	100%	100.00%	Full consolidation	01/01/2023-12/31/2023
Westpole France	Strasbourg	France	Dec.31	100%	100.00%	Full consolidation	01/01/2023-12/31/2023
Westpole Italy	Milan	Italy	Dec.31	100%	100.00%	Full consolidation	01/01/2023-12/31/2023
Palhoma 13	Munich	Germany	Dec.31	100%	100.00%	Full consolidation	01/01/2023-12/31/2023
Protinus IT BV	Waterveste	The Netherlands	Dec.31	100%	100.00%	Full consolidation	01/01/2023-12/31/2023
Nut Consulting	Madrid	Spain	Dec.31	100%	100.00%	Full consolidation	01/12/2023-31/12/2023

06 Information by operating segment

In accordance with IFRS 8 - Operating Segments, the information provided for each operating segment is identical to that presented to the Chief Operating Decision Maker of the Group (the Chief Executive Officer) for the purpose of resource allocation and performance evaluation of the segment.

The management assesses the performance of each segment based on:

› The operating margin, as defined in note 1.17;
› The sectoral assets (defined as the sum of goodwill, intangible and tangible assets, investments in associated companies, customers, and other receivables).

The segment data is prepared using the same accounting principles employed by the Group for its consolidated financial statements, as detailed in the accompanying financial statement notes.

All inter-segment commercial transactions are conducted at market terms and conditions, consistent with those observed in transactions with external third-party suppliers of the Group.

The tables below set out the information for the Group's business segments:

	12/31/2023	Infrastructure & Saas	Inhouse software development & implementation of Bus. solutions	Public Sector
Revenue (1)	380 566	61 142	136 819	182 606
Operating margin (EBITDA)	**71 104**	**19 889**	**45 745**	**5 470**
Current operating income	**49 128**	**11 441**	**34 294**	**3 393**
Operating income	**48 203**	**11 441**	**33 369**	**3 393**
(1): The revenue for inhouse dev. solutions stands at €70 074K in 2023				

	12/31/2022	Infrastructure & Saas	Inhouse software development & implementation of Bus. solutions
Revenue (1)	188 281	58 532	129 749
Operating margin (EBITDA)	**52 047**	**19 040**	**33 007**
Current operating income	**29 303**	**10 953**	**18 350**
Operating income	**29 303**	**10 953**	**18 350**
(1): The revenue for inhouse dev. solutions stands at €65 917K in 2022			

Assets (K€)	12/31/2023	Infrastructure & Saas	Inhouse software development & implementation of Bus. solutions	Public Sector
Goodwill	122 995	1 267	32 444	89 284
Intangible assets	203 005	1	202 779	225
Tangible assets	5 514		2 860	2 654
User fees	9 047		5 968	3 079
Segment assets	149 851	10 446	35 408	103 996
Other assets	99 374	7 004	49 301	43 069
TOTAL ASSETS	**589 786**	**18 719**	**328 760**	**242 307**

Assets (K€)	12/31/2022	Infrastructure & Saas	Inhouse software development & implementation of Bus. solutions
Goodwill	32 638	1 267	31 372
Intangible assets	168 801	1	168 799
Tangible assets	2 880	476	2 403
User fees	10 277		10 277
Segment assets	73 871	16 829	57 042
Other assets	63 867	7 945	55 922
TOTAL ASSETS	**352 334**	**26 518**	**325 816**

07 Revenue

	12/31/2023	12/31/2022	Var°	%
Sales of licenses & computer equipment (hardware)	157 254	28 741	128 512	447,1%
Services	138 555	83 880	54 674	65.2%
Maintenance contracts & support	28 831	23 795	5 036	21.2%
Hosting (Saas)	55 927	51 865	4 062	7.8%
Gross revenues	**380 566**	**188 281**	**192 285**	**102.1%**
Restatement of revenue (change in scope)	-182 729			
Revenues on a like-for-like scope basis	**197 837**	**188 281**	**9 556**	**5.1%**

Revenue split by geography:

	12/31/2023	%	12/31/2022	%
French speaking zone*	80 745	21.2%	88 254	46.9%
International	**299 822**	**78.8%**	**100 027**	**53.1%**
(*) : Including Maghreb				

08 Personnel expenses

	12/31/2023	12/312/2022
Wages, salaries, and social security charges	-94 173	-75 736
Pension commitments		
Employee profit-sharing		
Capitalized production	23 862	17 380
Research tax credit for the year net of fees	4 800	4 528
TOTAL	**-65 511**	**-53 829**

Pension commitments were recorded in 2023 under the category of «Depreciation and net provisions allocations, net of reversals.

PRODWARE SA received a research tax credit of €4 800K for the fiscal year 2023, compared to €4 528K in 2022.

The corresponding expense account for the research tax credit and capitalized production is solely related to the payroll

The headcount presented below is that as the end of each fiscal year:

Headcount as of:	12/31/2023	12/31/2022
TOTAL	1 404	1 096

09 Other net income & expenses

ITEMS	12/31/2023	12/31/2022
Inventory capitalization		
Other income and expense transfers	2 346	2 318
Other expenses	-3 033	-4 564
Other operating income and expenses	-687	-2 247

10 Other non-recurring operating income & expenses

The Group consolidates items (expenses and revenues) that, due to their nature, frequency, and/or relative significance, are non-recurring, under a single category called «Other non-current operating expenses and revenues.

These revenues and expenses pertain to:

- Share-based payments.
- Impairment losses on goodwill, impairment losses (or reversals of impairment losses, if applicable) on intangible assets related to customer portfolios.
- Gains and losses on the sale of businesses and consolidated investments.
- Other significant and unusual items not directly related to ongoing operations, including transaction costs.

This item is broken down as follows:

In K€	12/31/2023	12/31/2022
Proceeds from the sale of tangible and intangible assets	2	
Net proceeds from the sale of tangible and intangible assets	31	
Proceeds from the sale of financial assets		
Net proceeds from the sale of financial assets		
Other non-current income	-	
Other non-current expenses	-958	
Amortization of "on-premise" intangible assets (1)		
Impairment of goodwill		
Other operating income and expenses	**-925**	**-**

Net financial income

ITEMS	12/31/2023	12/31/2022
Interest expenses	-15 767	-9 885
Gross financial debt cost	-15 767	-9 885
Income from receivables and marketable securities		-
Income from cash and cash equivalents		-
Net financial debt cost	-15 767	-9 885
Financial expenses on lease liabilities	-173	-156
Other financial income and expenses	-4 009	-1 116
Net financial income	**-19 949**	**-11 157**

Taxes

Analysis of the tax expense:

Reconciliation between theoretical tax and the actual tax charge is as follows:

ITEMS	12/31/2023	12/31/20222
Profit before tax	-19 035	17 407
Tax expense (-) or tax benefit (+)	4 732	-4 352
Reconciliation		
Permanent differences (1):	-55 802	-188
Temporary differences	-	
Utilization of unrecognized deferred tax assets	1	-466
Unrecognized tax loss	-1 298	-583
Recognized tax loss	-	1 718
Exchange rate difference		
Tax rate difference with the consolidating company	200	1 377
TOTAL	**-52 167**	**-2 495**

(1): This item includes the tax adjustment of €45 428K in 2023 and a permanent difference related to the Research Tax Credit recorded by Prodware France amounting to €1 200K in 2023 and €1 245K in 2022.

Origin of deferred taxes by type of temporary differences:

	12/31/2023		12/31/2022		Variation
ITEMS	IDA	IDP	IDA2	IDP3	2023/2022
Intangible assets					-
Other assets	218		215		3
Provisions & pension commitments	803		733		70
Other liabilities					-
Tax loss carryforwards	1 284		3 541		-2 257
TOTAL	**2 304**	-	**4 489**	-	**-2 185**

*Deferred tax assets are assessed based on carryforward tax losses, tax temporary differences, and consolidation temporary timing differences.

As of the closing date, the Group has an available carryforward tax loss amounting to €139 785K to offset future taxable profits. The carryforward tax losses that have resulted in the recognition of an asset are mostly indefinitely available for carryforward.

Certain deferred tax assets and liabilities have been offset in accordance with IFRS standards.

13 Earnings per share

The calculation of basic and diluted earnings per share attributable to ordinary shareholders of the parent company is based on the following data:

ITEMS	12/31/2023	12/31/2022
Net profit from ongoing operations	-23 703	15 886
Number of shares as of January 1st	7 654 251	7 748 042
Number of shares as of December 31st	7 654 251	7 654 251
Average number of shares	7 654 251	7 698 705
Net eranings per share based on average number (euros)	**-3.097**	**2.063**
Potential capital from Managers and Strategic Providers Warrants	1 953 300	1 969 300
Total number of potential shares	9 607 551	9 668 005
Diluted earnings per share (euros)	**-3.097**	**1.643**

ITEMS	12/31/2023	12/31/2022
Authorized share capital (in thousands of euros)	4 975	4 975
Number of ordinary shares with a par value of €	7 654 251	7 654 251
Subscribed, called, and paid-up capital (number of shares)		
At the beginning of the fiscal year:	7 654 251	7 748 042
Issued shares	-	-
At closing:	7 654 251	7 654 251

The Group no longer holds any treasury shares at the close of the 2023 fiscal year.

14 Share of profit from equity accounted investees

The share of profit from equity-accounted investees amounts to:

- the share of profit from CKL SOFTWARE accounted for using the equity method

The Group received €200K in dividends from CKL SOFTWARE in 2023. The financial data for CKL SOFTWARE is as follows:

- Revenue: €2.029K
- Net income: €416K
- Equity: €1 262K
- Cash and cash equivalents recorded as assets: €1.775K

15 Net income from transferred activities

PRODWARE SA did not divest any business units in 2023.

16 Goodwill

The goodwill item breaks down as follows:

ITEMS	TOTAL
Gross Value:	
As of January 2022	**35 140**
Acquisitions	
Reclassifications as available for sale	
Divestments	
Other variations and adjustments	
As of December 31st, 2022	**35 140**
Acquisitions	90 357
Reclassifications as available for sale	
Divestments	
Other variations and adjustments	
As of December 31st, 2023	**125 497**
Depreciation:	
As of January 1st, 2022	**2 501**
Allocation for the fiscal year	
Other variations and adjustments	
As of December 31st, 2022	**2 501**
Allocation for the fiscal year	
Other variations and adjustments	
As of December 31st, 2023	**2 501**
Net book value as of December 31, 2023	**122 996**
Net book value as of December 31, 2022	**32 638**

The increase for the period breaks down as follows for the acquisitions in the 2023 fiscal year:

- Palhoma 13: €8.627K
- Protinus IT BV: €80.657K
- NUT CONSULTING: €1.074K

Prodware France acquired:

- Plahoma 13 in March 2023, a holding company that owns the 4 following companies i.e. WESTPOLE Belgium, WESTPOLE Luxembourg, WESTPOLE France and WTP Italy.

  The Westpole Group is renowned for its expertise in outsourced services, business process management, cloud computing, and cybersecurity solutions. It has a presence in public and banking sectors, as well as with governmental institutions like NATO or the European Investment Bank, particularly in Belgium and Luxembourg. As of December 31, 2023, it employs 200 staff members and approximately 300 subcontractors. Its rolling 12-month revenue stands at approximately €50 million.

- PROTINUS IT in the Netherlands in October 2023.

  Protinus IT is a leading company in consulting and implementing IT solutions, including the provision of hardware, software, and services primarily for the public sector in the Netherlands (central and local administrations), the healthcare sector, education, and private sector businesses. As of December 31, 2023, it employs 64 staff members. Its rolling 12-month revenue is approximately €400 million.

Prodware Spain acquired:

- Nut Consulting in December 2023. Nut Consulting is a firm , that specializes in implementing and optimizing solutions (ERP, CRM, BI) based on Microsoft 365 technology.

  The company has 16 employees as of December 31, 2023. Its rolling 12-month revenue is approximately €4 million. The group will finalize the allocation of the acquisition price in accordance with IFRS 3R during theyear 2024 for these two acquisitions.

The assessable worth of a Cash Generating Unit (CGU) is ascertained by computing its utility value. This assessment relies on forecasting cash flows derived from approved budgetary figures endorsed by Management. Furthermore, it is contingent on the following assumptions:

- The cash flows beyond the five-year period are determined based on an estimated perpetual growth rate of 1.5% (the same as last year).
- The discount rate is determined based on the weighted average cost of capital for the Group. The Group has decided that the weighted average cost of capital would be based on a market risk premium of 7.50%, in order to reflect the long-term assumptions used in the goodwill impairment test.

And so the discount rate used for fiscal 2023 is 9.83% compared to 10.85% in 2022.

The impairment test of the CGUs presented is conducted by geography.

	2023				2022			
Country	Net value of goodwill	Average annual growth rate of turnover over 2023 to 2027	Perpetuity growth rate	Weighted average cost of capital (WACC)	Net value of goodwill	Average annual growth rate of turnover over 2023 to 2027	Perpetuity growth rate	Weighted average cost of capital (WACC)
France	19 002	2.9%	1.50%	11%	19 002	5.4%	1.50%	11%
Netherlands	85 334	4.6%	1.50%	11%	4 677	13.0%	1.50%	11%
Belg. / Lux	9 771	7.4%	1.50%	11%	1 144	12.3%	1.50%	11%
Germany	5 918	5.2%	1.50%	11%	5 918	3.9%	1.50%	11%
UK	702	6.3%	1.50%	11%	702	13.7%	1.50%	11%
Spain	2 269	3.1%	1.50%	11%	1 195	3.2%	1.50%	11%
Total	**122 996**				**32 638**			

Depreciation Sensitivity Test (in thousands of euros):

	2023			2022		
Country	Net value of goodwill	WACC + 0.5 point	Zero growth rate	Net value of goodwill	WACC + 0.5 point	Zero growth rate
France	19 002	-	-11 276	19 002	-15 938	-17 335
Netherlands	85 334	-		4 677	-	-
Belg. / Lux	9 771	-		1 144	-	-
Germany	5 918	-		5 918	-	-
UK	702	-		702	-	
Spain	2 269	-		1 195	-	-
Total	**122 996**	**-**	**-11 276**	**32 638**	**-15 938**	**-17 335**

17 Intangible and tangible assets

ITEMS	Software	Other intangible assets	Total intangible assets	Tangible assets	Total tangible assets
Gross value:					
As of January 1st, 2022	**210 668**	**49 260**	**259 931**	**26 281**	**26 281**
Acquisitions	32 882	3 117	35 999	1 386	1 386
Reclassifications as available-for-sale			-		-
Reclassifications			-		-
Divestments	-1 723		-1 723	-142	-142
Change in scope			-		-
Other variations	-18 841		-18 841	-12	-12
Goodwill	-39	-1	-40	-33	-33
Change in consolidation method			-		-
As of December 31, 2022	**222 948**	**52 376**	**275 323**	**27 481**	**27 481**
Acquisitions	46 132	1 879	48 011	1 303	1 303
Reclassifications as available-for-sale			-		-
Reclassifications			-		-
Divestments			-	-57	-57
Change in scope	1 912	8	1 921	11 616	11 616
Other variations	-1 081	-66	-1 147	-4 544	-4 544
Goodwill	14	0	15	13	13
Change in consolidation method			-		-
As of December 31, 2023	**269 925**	**54 198**	**324 123**	**35 811**	**35 811**

Amortization & impairment					
As of January 1, 2022	**110 947**	**3 431**	**114 379**	**23 902**	**23 902**
Change in scope and adjust-ments			-		-
Allocation for the fiscal year	12 362	1	12 364	821	821
Reversal for the fiscal year	-1 723		-1 723	-73	-73
Reclassification			-		-
Change in scope			-		-
Other variations	-18 459	1	-18 457	-11	-11
Goodwill	-39	-1	-40	-37	-37
Contract assignment			-		
As of December 31, 2022	**103 089**	**3 433**	**106 523**	**24 602**	**24 602**
Change in scope and adjust-ments			-		-
Allocation for the fiscal year	13 087	2	13 089	1 248	1 248
Reversal for the fiscal year			-	-63	-63
Reclassification			-		-
Change in scope	1 701	8	1 710	9 030	9 030
Other variations	-221		-221	-4 531	-4 531
Goodwill	14	0	15	13	13
Contract assignment			-		-
As of December 31, 2023	**117 670**	**3 444**	**121 115**	**30 298**	**30 298**
Net book value as of December 31, 2023	**152 255**	**50 754**	**203 008**	**5 513**	**5 513**
Net book value as of December 31, 2022	**119 859**	**48 943**	**168 801**	**2 879**	**2 879**

The ‘Software’ item mainly includes the capitalization of development costs for internally developed software.

ITEMS	Rights of use of real estate assets	Rights of use of transportation equipment	Rights of use of IT equipment	Rights of use of other tangible assets	Total of rights of use
Gross value:					
As of January 1st, 2022	6 251	4 120	8 479	-	18 849
Acquisitions	4 493	873	1 406	0	6 772
Reclassifications as available-for-sale					-
Reclassifications					-
Divestments	-2 920	-1 465	-495	-3	-4 883
Change in scope					-
Other variations					-
Goodwill	-11	-1	-0	0	-12
Change in consolidation method					-
As of December 31, 2022	7 812	3 527	9 389	-3	20 725
Acquisitions	3 270	2 207			5 477
Reclassifications as available-for-sale					-
Reclassifications					-
Divestments					-
Change in scope	4 721	2 886	1 373		8 980
Other variations	-1 110	-1 516	-7 472		-10 098
Goodwill	2	0	0	-0	3
Change in consolidation method					-
As of December 31, 2023	14 695	7 105	3 290	-3	25 087
Amortization and depreciation:					
As of January 1st, 2022	3 324	2 275	3 235	-	8 834
Change in scope and adjust-ments					-
Allocation for the fiscal year	2 417	1 117	2 968	1	6 502
Reversal for the fiscal year	-2 920	-1 465	-495	-3	-4 883
Reclassification					-
Change in scope					-
Other variations					-
Goodwill	-4	-1	-0	0	-5
Contract assignment					
As of December 31, 2022	2 818	1 925	5 707	-2	10 448
Change in scope and adjust-ments					-
Allocation for the fiscal year	3 394	1 872	1 665		6 931
Reversal for the fiscal year					-
Reclassification					-
Change in scope	3 153	1 404	653		5 209
Other variations	-1 028	-1 447	-4 073		-6 548
Goodwill	0	-0	-0	0	-0
Contract assignment					-
As of December 31, 2023	8 336	3 754	3 952	-2	16 040
		-			
Net book value as of December 31, 2023	6 360	3 351	-662	-0	9 047
Net book value as of December 31, 2022	4 995	1 602	3 682	-	10 277

18 Non-current financial assets

Changes in financial assets are:

ITEMS	Gross value	Impairment loss	Net value
Gross value:			
As of January 1st, 2022	**3 202**		**3 202**
Increase	103		103
Change in scope			-
Variation of net position of equity method	-15		-15
Decrease	-46		-46
Reclassification			-
Goodwill	-2		-2
As of December 31, 2022	**3 241**	**-**	**3 241**
Increase	185		185
Change in scope	42		42
Variation of net position of equity method	12		12
Decrease	-5		-5
Reclassification			-
Goodwill			-
As of December 31, 2023	**3 475**	**-**	**3 475**

ITEMS	12/31/2023	12/31/2022
Security deposits	1 013	899
Net value of unconsolidated equity shares		
Investments in associated companies	632	619
Loans	1 830	1 723
TOTAL	3 475	3 241

PRODWARE SA holds the following minority interests which are not consolidated due to the absence of significant control or influence over these entities:

- 5% of the shares of Oteara through our Spanish subsidiary, PRODWARE SPAIN.

PRODWARE SA holds several direct and indirect investments in the following companies. They are accounted for using the equity method:

- 50% of the share capital of CKL Software Gmbh.

19 Stocks

ITEMS	12/31/2023	12/31/2022
Work in progress		
Inventory of hardware and software	6	
Total at historical cost	**6**	
Depreciation		
As of January 1st, 2023		
Provision for the period		
Reversal of provisions		
As of December 31, 2023		
TOTAL	6	

20 Trade receivables & other receivables

ITEMS	12/31/2023	12/31/2022
Accounts receivable	134 785	54 401
Allowance for doubtful accounts	-3 079	-2 746
Net accounts receivable	**131 706**	**51 654**
Other net debtors	14 480	20 539
Prepaid expenses	3 659	1 678
TOTAL	**149 845**	**73 871**

A provision for impairment totaling €3 079 K has been established for estimated irrecoverable amounts. This provision was calculated based on factors identified at the close of the period. The net amount recognized for the receivables reflects their fair value.

The Group's credit risk is primarily associated with its accounts receivable. The amounts presented in the balance sheet are net of impairment provisions. Impairment is recognized when there is an identified event of loss risk, which, based on past experience, provides sufficient evidence of a reduction in the recoverable amount of the receivable.

The historical breakdown of net accounts receivable after factoring in provisions is as follows:

Schedule of Accounts Receivable (Net)	12/31/2023	12/31/2022
Unearned revenues	112 634	37 311
Accounts receivable past due by 30 days	12 846	4 314
Accounts receivable past due by 60 days	2 408	1 661
Accounts receivable overdue by 90 days	1 724	528
Accounts receivable overdue by +90 days	2 094	7 841
TOTAL	**131 706**	**51 654**

Schedule of payments	Amount	< 1 year	From 1 to 5 years
Social receivables	6	6	
Tax receivables	6 752	6 752	
Security deposit (CIR)			
Various receivables	7 722	7 722	
Other net debtors	**14 480**	**14 480**	-

Breakdown of depreciated assets:

ITEMS (In K€)	
Provisions for depreciation as of December 31, 2021	**2 952**
Change in scope	
New impairments	565
Reversals of impairments including impairments utilized	-762
Goodwill	-9
Reclassification and adjustments	
Provisions for depreciation as of December 31, 2022	**2 746**
Change in scope	55
New impairments	643
Reversals of impairments including impairments utilized	-424
Goodwill	3
Reclassification and adjustments	56
Provisions for client depreciation as of December 31, 2023	**3 079**

The changes in other current receivables are as follows:

ITEMS	12/31/2023	Up to 1 year at the most	From 1 to 5 years	12/31/2022	Up to 1 year at the most	From 1 to 5 years
Other net debtors	14 480	14 480		20 539	5 921	14 618
Prepaid expenses	3 659	3 659		1 678	1 678	
TOTAL	**18 139**	**18 139**	**-**	**22 216**	**7 598**	**14 618**

The 'Other net debtors' item includes the tax receivable related to the research tax credit for the year 2023, amounting to €4.8m.

21 Cash & cash equivalents

The category 'Cash Equivalents' comprises solely of cash equivalents and available cash as of December 31, 2023, and has progressed as outlined below:

ITEMS	12/31/2023	12/31/2022
Cash equivalents	2 767	2 446
Liquidity	90 824	53 691
TOTAL	**93 591**	**56 137**

Bank balances and cash encompass assets held within bank deposit accounts, with maturities of lessthan three months.

The cash balance reported in the cash flow statement is defined as per the table below:

ITEMS	12/31/2023	12/31/2022
Available cash and cash equivalents	90 824	53 691
Bank overdrafts and bank loans classified as such (Note 24)	-28 363	-25 750
Opening reclassification		
Net cash from CFT	**62 461**	**27 941**

Credit risk:

The main financial assets of the Group consist of bank accounts and cash, accounts receivable, and other debtors.

The credit risk concerning cash assets is effectively mitigated by partnering with banks boasting high credit ratings from international agencies. Additionally, the Group maintains a well-diversified exposure across multiple market players, thereby minimizing any significant concentration of credit risk.

22 Share capital

The potential number of shares that could be issued is detailed in Note 13.

ITEMS	12/31/2023	12/31/2022
Authorized share capital (in thousands of euros)	4 975	4 975
Number of ordinary shares with a nominal value of €0.65	**7 654 251**	**7 654 251**
Subscribed, called up, and paid-up capital		-
At the beginning of the financial year	**7 654 251**	**7 748 042**
Issued and/or cancelled shares	-	-93 791
At the end of the period	**7 654 251**	**7 654 251**

23 Current & non-current provisions

ITEMS	Retirement and similar commitments	Current provisions	Total Provisions
Opening	4 356	2 877	7 233
Allocation	249	82	331
Reversal	-82	-2 426	-2 507
Other variations			
Goodwill		-0	
Change in scope		25	25
At closing	**4 524**	**559**	**5 083**

The provision for risks pertains to labor and commercial disputes intended to cover risks that have become probable due to past or ongoing events, which are clearly defined in terms of their nature, but for which the realization, timing, or amount remains uncertain.

When additional benefits granted to employees result in future obligations for the Group, a provision for retirement commitments is calculated using an actuarial valuation method as described in paragraph 1.9.

The provisions recorded in the balance sheet correspond to the net commitment for end-of-career benefits (including social charges).

The provision reversal includes a €2 million provision reversal recorded in 2022 concerning the dispute between the Group and BPI France. This dispute arose from the prefinancing operations of the Research Tax Credit for the periods 2012 to 2014 and was resolved concurrently with the tax agreement between the Group and the tax authorities in 2023.

The actuarial valuations of the plans are based on the following key assumptions:

ITEMS	12/31/2023	12/31/2022
Discount rate	3.20%	3.90%
Annual salary increase	2.20%	2.20%

The turnover is determined based on the age of the employee.

24 Financial liabilities

The current and non-current financial liabilities are detailed as follows:

In K€	12/31/2022	Change in scope	Goodwill	Increase	Other variations	Decrease	12/31/2023
Non-current debt	**145 131**	**273**	**-**	**92 831**	**-**	**-312**	**237 923**
Bank loans and simple bonds	145 131	273		92 831		-312	237 923
Current debt	**29 751**	**16 903**	**-**	**1 712**	**-**	**-14 273**	**34 092**
Interest on loans	4 001			1 712			5 713
Bank overdrafts	25 750	16 903				-14 273	28 380
TOTAL	**174 881**	**17 176**	**-**	**94 543**	**-**	**-14 585**	**272 015**

In K€	12/31/2023	Up to 1 year at the most	From 1 to 5 years	More than 5 years
Non-current debt	**237 923**	**9 059**	**4 858**	**224 006**
Bank loans and simple bonds	237 923	9 059	4 858	224 006
Current debt	**34 092**	**34 092**	**-**	**-**
Interest on loans	5 713	5 713		
Bank overdrafts	28 380	28 380		
TOTAL	272 015	43 151	4 858	224 006

In K€	Lease liabilities as of 12/31/2022	Change in scope	Goodwill	New contracts	Other variations	Termination of contracts	CFT (repayments)	Lease liabilities as of 12/31/2023	Non-current lease liabilities	Current lease liabilities
Lease liabilities	10 614		3	8 816		-3 123	-6 933	9 376	5 130	4 247

The discount rates used for IFRS 16 are:

- Real estate leases: 1.5 %
- Car rentals: 0.7%
- IT equipment rentals: 1%.

The Group believes that the value recorded in the balance sheet for financial liabilities excluding bank loans represents a reasonable approximation of their fair value.

Overdrafts are contracted at variable rates, exposing the Group to the risk of fluctuations in these rates.

Bank overdrafts are payable on demand by the bank.

Liquidity Risk

The group strives to achieve a balance between ensuring ongoing financing and preserving flexibility through the utilization of bank overdrafts, bank loans, and bonds.

Financial covenants

The financing contracts executed by Prodware France incorporate a financial covenant (Leverage ratio: consolidated net debt / consolidated EBITDA < 3.25), which remains compliant as of 12/31/2023.

It is worth noting that a global debt ratio (consolidated net debt / consolidated equity) on a short-term bank contract, with a value of €8 million, including financial covenants not yet aligned with the financing contract signed in 2021, is not compliant as of December 31, 2023.

Interest Rate Risks

The Group considers the interest risk to be low and has not entered into any interest rate hedging instruments.

Exchange Rate Risk

Given the small proportion of revenue generated in foreign currency, the Group's exposure to foreign exchange risk is minimal.

25 Other current liabilities

ITEMS	12/31/2023	Up to 1 year at the most	More than 1 year	12/31/20222	Up to 1 year at the most
Suppliers and related accounts	149 297	149 297		26 907	26 907
Associates' current accounts	1 162	1 162			-
Tax liabilities	21 808	21 808		13 754	13 754
Social liabilities	14 963	14 963		11 565	11 565
Other debts including prepaid revenues	39 144	26 924	12 220	6 683	6 683
TOTAL	**226 374**	**214 154**	**12 220**	**58 909**	**58 909**

The 'Other long-term debts' primarily consist of the Protinus price supplement.

26 Transactions with related parties & remuneration of directors & corporate officers

The presenting entity for the accounts is the ultimate controlling entity of the Group, being the parent company. Transactions between the Company and its subsidiaries, which qualify as related parties within the Group, are eliminated upon consolidation. These transactions are not detailed in the notes to the financial statements.

The transactions between the Group and the companies consolidated through full integration primarily consist of:

- sales/purchase of merchandise
- services

› charges and income from financial interest on current accounts

These transactions have been eliminated during the consolidation process.

The charges recorded for remunerations and similar benefits granted to corporate officers are detailed as follows:

	12/31/2023	12/31/2022
Number of people	4	4
Fixed salaries and fees	1 144 071	892 326
Short-term benefits		
Severance pay		
Remuneration paid in shares		
TOTAL	1 144 071	892 326

Mr Alain Conrard is entitled to severance pay equivalent to two years' of his gross salary at the date of termination of employment as decided by the Board of Directors in 2003.

27 Payments based on shares
(stock option plans or share acquisition options)

The group has allocated stock option warrants to its employees and corporate officers. The applicable rules may vary depending on the warrants. The exercise period varies according to the beneficiaries. Regardless of the exercise period duration, the warrants cannot be exercised beyond 5 years from the grant date. When an option is exercised, settlement is solely in the form of shares.

The plans covered by IFRS 2 and the evolution of the number of options resulting in the recognition of an expense are as follows:

Issue date	Nature of securities	Number of securities issued	Par value	Maximum number of potential shares at the end of the period	Subscription price of the securities issued	Exercise price including the subscription price	Method of determining the fair value of the underlying asset	Amount of expense recognized under IFRS 2 for previous exercises (€K)	Amount of expense recognized under IFRS 2 for the period (€K)	Potential amount of expense under IFRS 2 for future exercises (€K)	Maximum maturity
March 2016	WSSNEAP (Warrants for Subscription of Shares at Non-Employee Allocation Price)	562 000	1 BSA for 1 share	536 000	0.25	8.10	Average price over the 20 days preceding the date of allocation				March 2026
April 2017	WSSNEAP	510 000		510 000			Average price over the 20 days preceding the date of allocation	-			April 2027
June 2017	WSSNEAP	560 000		560 000			Average price over the 20 days preceding the date of allocation	-			June 2027
October 2018	WSSNEAP	363 300		347 300	0.23	13.19	Average price over the 20 days preceding the date of allocation		-		October 2028
				1 953 300				-	-	-	

28 Commitments & contingencies

Off-balance sheet commitments related to the scope of the group	Key characteristics (nature, date, counterparty, etc.) (a)	12/31/2023 Amount (K€) (b)	12/31/2022 Amount (K€) (b)
Commitments for equity investments	Guarantees provided to financial institutions	118 767	None
Received commitments	Guarantee received in connection with a loan	None	None
Financial instruments entered into for the receipt or delivery of a non-financial item (own use contract)		None	None
Commitments related to business development	Commercial goodwill collateral (1)	241 200	216 000
	Pledge of Prodware's trademark (1)	None	None
Tax commitments	Commitments given to tax authorities (2)	18 751	18 751
(1) : Financial institutions. (2) : Provisional registration.			

29 Statutory Auditors' Fees

	Soussan & Soussan				EXCELIA AUDIT				B.D.O			
	Amount (excl. Tax)		%		Amount (excl. Tax)		%		Amount (excl. Tax)		%	
In K€	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Audit												
Audit Firm, certification, examination of individual and consolidated accounts. (b)												
•Issuer	220	215	98%	97%	280	215	98%	100%				
•Fully consolidated subsidiaries									269	214	100%	100%
Other procedures and services directly related to the statutory auditor's mission. (c)												
•Issuer	5	7	2%	3%	5		2%					
•Fully consolidated subsidiaries												
Sub-total (1)	225	222	100%	100%	285	215	100%	100%	269	214	0%	0%
Other services provided by networks to fully consolidated subsidiaries (d)												
Legal, fiscal, social												
Other (specify if > 10												
% of audit fees												
Sub-total (2)	-	-										
TOTAL (1) + (2)	225	222	100%	100%	285	215	100%	100%	269	214	100%	100%