

Management Report

THE PRODWARE GROUP

For fiscal year ended December 31st, 2023.



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THE PRODWARE GROUP IN 2023

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**The Prodware Group
in 2023**

01 Highlights in 2023

In 2023, the Prodware Group achieved a milestone in its development strategy, gaining significant momentum and expanding its footprint, notably through a series of important external acquisitions.

Accordingly, Prodware France acquired:

- › Plahoma 13 in March 2023. Plahoma is a holding company that owns the 4 following operational businesses: WESTPOLE Belgium, WESTPOLE Luxembourg, WESTPOLE France and WTP Italy.
The WESTPOLE Group is renowned for its expertise in outsourced services, sales process management, cloud computing, and cybersecurity solutions. It operates in public and banking markets and serves governmental institutions such as NATO or the European Investment Bank, particularly in Belgium and Luxembourg.
- › Protinus IT (in the Netherlands) in October 2023.
Protinus IT is a leading company in providing hardware, software, and services for the public sector in the Netherlands. The company specializes in serving organizations with over 5 000 workspaces in central and local administrations, Healthcare, Education, and large enterprises.
- › the business operations of MSG (Ma Solution Gestion) in December 2023.

MSG specializes in software integration, with a particular focus on Sage's Accounting, Management, and Payroll solutions, alongside other software offerings for social management, HR, and the Construction market.

MSG operates solely within France.

In addition, Prodware Spain has acquired:

- › Nut Consulting in December 2023 – a consulting firm specialized in implementing and optimizing solutions (ERP, CRM, BI) based on Microsoft 365 technology.

As a result of the positive business trends in 2023 and strategic acquisitions, the Prodware Group concludes the year boasting a presence in 15 countries, a 30% increase of its workforce and an impressive 102% spike in revenue.

Consolidated revenue amounts to €380 566k (€188 281k in 2022), with a contribution of €182 729k from acquired entities. On a comparable basis, revenue shows a 5.1% increase, driven particularly by Spain and the Benelux region.

The Current Operating Income reflects the growth of activities within the Group and amounts to €49 128k, representing an increase of 67.7%.

EBITDA stands at €71 104k, up by 36.6%. The financial result, at - €19,949k, reflects the increased cost of financial debt associated with loans taken out for the acquisitions mentioned above, as well as the rise in interest rates.

Prodware SA secured financing from its longstanding financial partner, Tikehau Investment Manager, to facilitate its external growth operations.

The fiscal year's net result is further impacted by a one-time charge of €45 428k associated with a comprehensive agreement reached with the tax authorities concerning Research Tax Credit from 2012 to 2022. This non-recurring charge allows Prodware to resolve the dispute and wit-

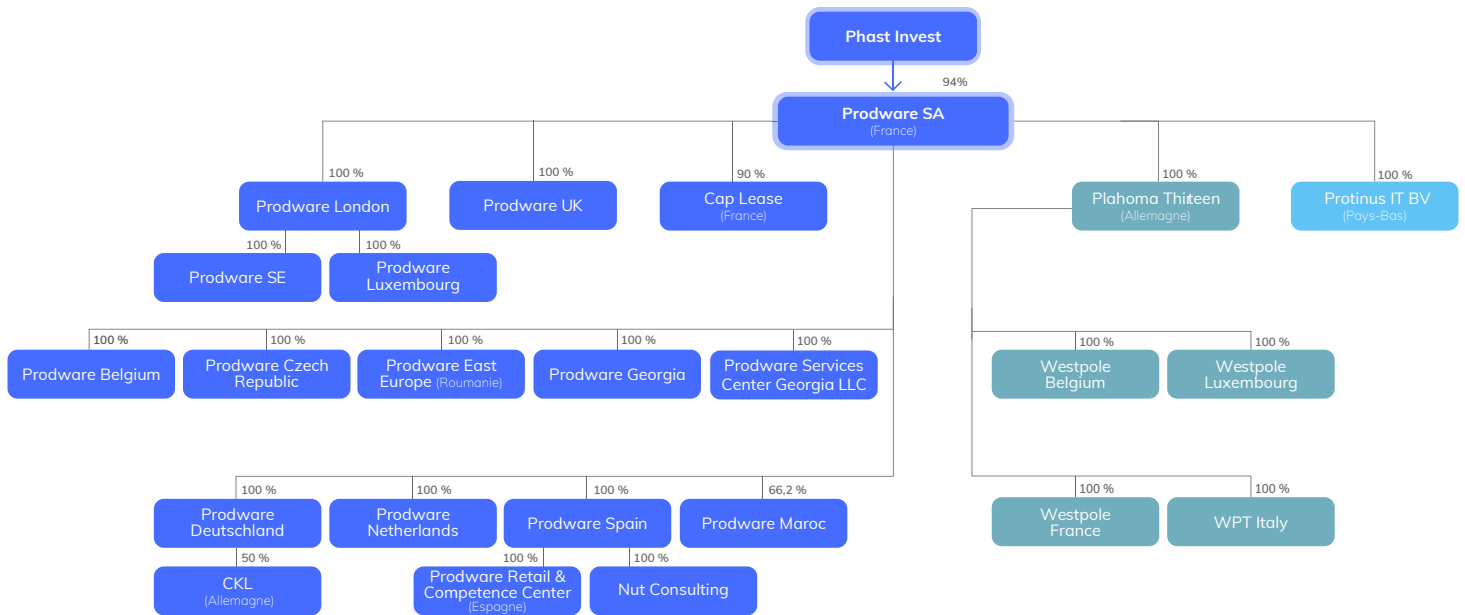
draw from ongoing proceedings for all the relevant years.

The Group's consolidated net result attributable to shareholders shows a deficit of €23 710k, contrasting with a profit of €15 703k in the previous year. If we exclude the one-time charge related to the tax agreement, the net result would be €21 718k, representing a notable 38.3% increase compared to 2022.

In 2024, the Group is dedicated to furthering its strategic development plan by emphasizing pivotal aspects of digital transformation through collaborative partnerships wanted and expected by customers. Moreover, it plans to continue growing externally seizing market opportunities in line with its objectives.

From an operational standpoint, the companies will continue to operate under their respective names i.e. Prodware-WESTPOLE-Protinus, to keep leveraging their notoriety in their respective fields. The Phast brand is the new umbrella brand under which these group activities will operate.

2.1 ORGANIGRAM



2.2 CHANGES IN SCOPE

Compared to the previous fiscal year, it is important to note the list of acquisitions:

- › Plahoma 13 (Germany) ;
- › WESTPOLE Belgium ;
- › WESTPOLE Luxembourg ;
- › WTP Italy ;
- › WESTPOLE France ;
- › Protinus IT (Netherlands) ;
- › Nut Consulting (Spain).

Prodware Luxembourg and Prodware Eastern Europe (Romania) have ceased operations and are currently in the process of being dissolved.

A newly operational entity, «Prodware Services Center Georgia,» was established in 2023, commencing operations in 2024. Consequently, it was not consolidated for the fiscal year 2023.

2.3 RESULTS OF THE SUBSIDIARIES

Euros	Ownership structure	Proportionate share	Shares – Gross value	Shares – net value	Share Capital	Equity	Revenue (excl. Tax)	Fiscal year earnings
Holding more than 50% ownership of subsidiaries (direct and indirect ownership)								
Prodware Belgium	direct	100.00%	5 955 013	5 701 214	3 000 000	-380 438	5 528 789	-1 337 130
Prodware Deutschland	direct	100.00%	16 911 113	16 911 113	51 150	7 360 167	25 138 910	2 172 306
CKL Software (Deutschland)	indirect	50.00%			100 000	1 261 572	2 029 070	415 968
Cap Lease (France)	direct	90.00%	332 778	332 778	40 000	2 199 010	3 043 906	69 616
Prodware Georgia	direct	100.00%			-	1 226 280	2 779 107	395 609
Prodware Services Center Georgia LLC	direct	100.00%			n/s	n/s	n/s	n/s
Prodware Luxembourg	indirect	100.00%			232 500	28 942	-	-133 839
Prodware Morocco	direct	66.20%	44 337	44 337	50 516	-57 800	2 045 599	99 935
Prodware Netherlands BV	direct	100.00%	19 348 140	15 690 140	878 000	-64 035	15 378 819	-367 384
Prodware East Europe (Roumanie)	direct	100.00%	1 000	1 000	807	-46 910	44 438	-
Prodware Spain	direct	100.00%	4 500 000	4 500 000	152 010	11 792 458	45 154 118	2 012 825
Retail Competence Center (Spain)	indirect	100.00%			250 000	342 787	170 798	-56 835
Prodware Czech Republic	direct	100.00%			7 299	375 197	3 707 198	146 667
Prodware London limited (UK)	direct	100.00%	5 569 479	5 569 479	5 569 479	11 560 821	26 366 911	6 397 013
Prodware SE (UK)	Indirect	100.00%			111	-14 262 885	25 743 475	794 689
Prodware UK Limited	direct	100.00%	4 966 373	2 136 177	3 040 181	-57 862	1 997 717	-53 610
Plahoma 13 *	direct	100.00%	5 000 000	5 000 000	3 550 000	4 150 959	-	-353 515
Westpole Belgium *	indirect	100.00%			10 459 374	-730 540	37 837 941	-2 274 145
Westpole Luxembourg *	indirect	100.00%			1 731 014	260 672	6 123 075	-38 000
Westpole France *	indirect	100.00%			37 000	164 482	913 400	62 277
Westpole Italy *	indirect	100.00%			10 000	204 364	1 348 646	98 398
Protinus *	direct	100.00%	94 700 000	94 700 000	18 000	17 770 573	140 932 703	3 727 676
Nut Consulting *	Indirect	100.00%			34 000	149 843	123 204	13 739
Subsidiaries with less than 50% ownership								
None								
			157 328 233	150 586 238				

* Information pertaining to the consolidation period.

Consolidated Financial Statements

3.1 REVENUE

In 2023, Prodware saw its revenue climb to €380 566k, reflecting a substantial 102.1% rise from the previous year, primarily fueled by external growth.

The breakdown of the revenue by sectors, as presented below, highlights:

- › the acquisitions carried out by Prodware SA contribute to 48.0% of the fiscal year's consolidated revenue (€182 729k) and are currently consolidated under a new operational division named the «Public Sector.» This restructuring reflects the leading market positions of WESTPOLE and Protinus, primarily catering to international organizations, non-governmental bodies, and clientele within the public sector.

- › the Integration and Business Management Solution activity reports a revenue of €71 960k, marking a growth of 2.1% compared to the previous fiscal year.
- › the revenue from SaaS subscriptions, excluding associated services, shows a 7.8% increase, reaching €55 927k.

Breakdown of Revenue per Operating Segment	12/31/2023	% CA	12/31/2022	% CA	Variation 2023/2022
Software Development	70 074	18.4%	65 917	35.0%	6.3%
SaaS	55 927	14.7%	51 865	27.5%	7.8%
Integration and Business Management solutions	71 960	18.9%	70 499	37.4%	2.1%
Public Sector Market	182 605	48.0%		0.0%	
Total	380 566	100.0%	188 281	100.0%	

On a like-for-like basis, revenue increased by 5.1%, driven particularly by the strong performance of Prodware entities in Spain (+7.4%) and the Benelux region (+14.8%).

From a geographical perspective, international revenue now accounts for 78.8% of the total revenue, amounting to €299,822k in 2023, compared to 53.1% of total revenue in 2022.

As a result, the French-speaking region (Prodware France plus Maghreb) sees a decrease in its relative share of total revenue to 21.2% from 46.9% in the previous fiscal year (€80,745k compared to €88,254k).

3.2 INCOME STATEMENT

3.2.1 Main Aggregates

These are summarized in the following table:

IFRS standards in k€	12/31/2023	12/31/2022
Consolidated revenue	380 566	188 281
EBITDA	71 104	52 047
<i>In % of revenue</i>	18.7%	27.6%
Current Operating Income (COI)	49 128	29 303
<i>In % of revenue</i>	12.9%	15.6%
Operating income	48 203	29 303
Net income	-19 949	-11 157
Income tax	-52 168	-2 495
Net income Group share	-23 710	15 703

The table above indicates a notable increase in operational performance for the Group in 2023.

And so:

- › EBITDA records a 36.6% increase to €71 104k;
This aggregate reflects an expense structure encompassing the new activities of WESTPOLE and Protinus, which include more trading.
As a result, the EBITDA margin relative to revenue stands at 18.7% compared to 27.6% in 2022;
- › The Operating Income amounts to €49 128k, marking a 67.7% increase;
- › The Operating Income shows a 64.5% increase, reaching €48 203k.

The financial result, at -€19 949k, reflects the rise in financial debt costs attributable to the financings secured for the 2023 acquisitions, along with the increase in interest rates.

As mentioned above, the income tax expense includes a non-recurring charge of €45 428k related to reaching an agreement with the tax authorities. The income tax expense totals €52 168k compared to €2 495k in the previous year.

Taking into account a share in associated companies of €211k, the Net Profit Attributable to the Group amounts to a loss of €23 710k, contrasting with a profit of €15 703k in the previous year. Excluding the charge linked to the agreement with the tax authorities, all else being equal, the net profit attributable to the group would stand at €21 718k compared to €15 703k in 2022.

3.3 BALANCE SHEET & FINANCIAL STRUCTURE

Assets (in K€)	12/31/2023	12/31/2022	Liabilities (in K€)	12/31/2023	12/31/2022
Goodwill	122 995	32 638	Equity (Group share)	76 743	100 510
Fixed assets & equity investments	221 041	185 200	Minority Interests	194	186
Deferred tax assets	2 308	4 489	Deferred tax liability		
Other current assets	149 851	73 870	Noncurrent liabilities	247 583	154 039
Cash and Cash Equivalents	93 591	56 137	Current liabilities	265 266	97 599
Total	589 786	352 334	Total	589 786	352 334

The above table shows that:

- › There has been no significant movement in the Group's Permanent Capital since the previous fiscal year, except for the allocation of the 2023 fiscal year result amounting to -€23 710k.
- › The total debt amount is €281 391k, up from €185 496k as of December 31, 2022. This figure includes IFRS lease obligations.
- › After factoring in cash reserves, the net debt amount reaches €187 800k, compared to €129 359k in 2022;
- › In 2023, the net debt is equivalent to 2.64 times the Group's consolidated EBITDA (compared to 2.49 times in 2022).

3.4 SIMPLIFIED CASH FLOW

IFRS standards - Data in M€	12/31/2023	12/31/2022
Self-financing capacity before cost of debt & taxes	63.0	50.3
Tax paid	-25.0	
Changes in WCR	46.6	-4.4
Net cash flow generated by operating activities	84.5	45.9
Acquisition of assets	-37.5	-37.5
Impact of changes in scope	-84.0	
Net variations in short-term investments and other	-	-2.7
Net cash flow from investment activities	-121.5	-40.2
Issuance less repayment of loans	85.6	-6.1
Cost of financial debt	-14.0	-9.4
Increase/decrease in capital		-0.6
Net sales/purchases of treasury shares		0.5
Net cash flow from financing activities	71.5	-15.6
Net variation in cash flow	0	-
Cash flow variance	34.5	-9.9

04 Research & Development

In the fiscal year 2023, Prodware accounted for €4 662k in Research Tax Credit (RTC) in operating profit, up from €4 528k in 2022.

05 Prodware's SA Annual Accounts

5.1 SIMPLIFIED TABLE – INCOME STATEMENT

in K€	12/31/2023	12/31/2022
Revenue	110 390	110 049
Operating income	19 177	14 655
Earnings before tax	12 416	5 399
Extraordinary items	1 068	-2 623
Income tax on profits	42 563	-4 451
Net earnings	-29 078	7 227

5.2 SIMPLIFIED BALANCE SHEET

Assets (net value in K€)	12/31/2023	12/31/2022	Liabilities (in K€)	12/31/2023	12/31/2022
Goodwill	122 995	32 638	Equity (Group share)	76 743	100 510
Fixed assets & equity investments	221 041	185 200	Minority interests	194	186
Deferred tax assets	2 308	4 489	Deferred tax liability		
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5.3 APPROPRIATION OF PROFITS

The upcoming general meeting of the Company will consider allocating the entire result of the fiscal year, amounting to -€29 078k, to the «Retained Earnings» account.

In accordance with article 243 bis of the French general Tax Code, no dividends have been distributed in the last three years.

06 Subsequent Events

In February 2024, Prodware France finalized a fresh €50 million funding arrangement via a revolving credit facility. This step aims to consolidate its current short-term lines and extend its maturity profile.

This loan facilitated the immediate refinancing of €33 million with existing lenders. The remaining

€17 million was allocated to cover the Group's general short-term funding requirements.

07 Risk Factors

7.1. OPERATIONAL RISK

Risk Description

As seen in the performance of the 2023 fiscal year, Prodware actively pursues acquisitions of companies or entire business units as part of its growth strategy. However, it's worth noting that these acquisitions may not always yield the expected return on investment.

Major Potential Impacts

- › Integration process turning out to be longer and more costly than expected;
- › Failing to achieve expected Sales and Organizational synergies;
- › Losing talents and/or customers and key partners;
- › Financial costs incurred and not offset by profitability of acquisitions;
- › Undermining of the Group's financial and ownership framework presents a risk;
- › Depreciation of these holdings;
- › Risk of reputational damage.

Initiatives Undertaken by the Group

- › Following each acquisition, a steering committee is swiftly set up to streamline and expedite the integration of the new entity and foster synergies among the Group's entities.
- › The financial oversight of the new entity is more tightly managed and supervised

The Group's Assessment of the Risk

The Group has amassed considerable experience in external growth processes, navigating the inherent challenges, even on an international scale.

The Group remains optimistic about its acquisition ventures, despite the potential for unforeseen challenges that could impact its financial position negatively.

7.1.2. Software Vendor Policy

Risk Description

The Group has, for many years now, forged strategic partnerships with various software vendors like Microsoft, Sage, or Autodesk. Any shifts in strategy from these vendors regarding Prodware could significantly affect the Group's prospects.

Major Potential Impacts

- › Losing market share;
- › Risk of reputational damage.

Initiatives Undertaken by the Group

The Group has established a strategic partnership with these partners over the years, particularly with Microsoft. As a member of this elite group of Microsoft partners, Prodware guarantees clients top-tier service quality and access to the latest Microsoft technologies.

Assessment of Risk

It is highly unlikely that these vendors will alter their strategies towards Prodware although it cannot be entirely ruled out.

7.1.3. Customer Satisfaction

Risk Description

The Group is involved in increasingly complex national and international IT projects that directly impact its clients' core business.

Given their sensitivity and the substantial financial implications they entail, these projects pose inherent risks for both Prodware and its clients.

Major Potential Impacts

- › Inadequate profitability or even financial deficit on projects.
- › Unhappy customers;
- › Litigation;
- › Risk of reputational damage.

Initiatives Undertaken by the Group

- › Validation by a commitment committee, conducted prior to project initiation and in collaboration with sales teams, delivery, etc., varies depending on the country and contract value;
- › Approval from the legal department is required for non-standard contracts;
- › Monitoring profitability as the project progresses ;
- › Review and post-analysis following the completion of significant contracts ;

Risk Assessment

The recent initiatives implemented across the Group's entities are designed to alleviate financial risks associated with budget overruns.

Nevertheless, the possibility of claims, which may involve substantial damages, cannot be entirely ruled out.

However, it's important to note that apart from disputes arising from routine business matters, the Group has effectively managed these risks so far.

7.1.4. Decline in SaaS and Maintenance Revenue

Risk Description

The Group is seeing a growing trend in selling licenses through multi-year SaaS subscriptions agreements, with monthly payments, that usually span three years, ensuring a steady revenue stream.

These SaaS contracts provide clients with significant flexibility to adjust the scope of software or the number of licenses sold within certain limits.

Furthermore, the Group's revenue streams would suffer from the potential non-renewal or significant downsizing of a considerable portion of these contracts or their scope, stemming from competitive market dynamics or economic downturns.

Major Potential Impacts

- › Loss of revenue;
- › The Group's financial structure becoming vulnerable.

Initiatives Undertaken by the Group

The Group closely monitors its market positioning, especially in an evolving landscape where this sales model is gaining more and more traction and is still very committed to ensuring customer satisfaction.

Risk Assessment

At present, the likelihood of experiencing substantial revenue loss seems minimal.

7.1.5. Cyber Risk

Risk Description

The frequency and severity of cyberattacks against businesses and organizations of varying sizes have escalated, resulting in notable financial repercussions.

Major Potential Impacts

- › Security breaches that pose a threat to both the Group's data and the data it hosts for its clients;
- › Loss of data;
- › Disabling the IT systems of the Group, of its customers and the cost of the damage (operational losses...);
- › Ransom demands;
- › Remediation costs/Data recovery cost;
- › Risk of reputational damage

Initiatives Undertaken by the Group

The Group IT Department has implemented policies and tools to fend off cyber security threats including:

- › an action plan that includes running security audits and penetration testing conducted by

- external security auditors;
- › a business continuity plan that is tested every year;
- › a big data and machine learning based solution that enabling proactive analysis of event logs;
- › automatic document and data versioning to avoid any cryptolocker problems;
- › multi-factor authentication (MFAs);
- › backup procedures for its operations and communication networks to mitigate the impact of cyberattacks or IT outages, including contingency plans implemented across multiple hosting centers.

Furthermore, an extensive training plan for all staff regarding these risks was renewed in 2023. Regular phishing tests targeting all employees are also conducted.

Finally, in the event of a critical attack on its clients, Prodware is capable of deploying a crisis cell composed of experts to isolate and halt the attack as quickly as possible, and to implement the appropriate data restoration processes

In 2023, the Group subscribed to an insurance policy covering Cyber risk.

The Group's Assessment of the Risk

Until now, the Group has always managed to successfully thwart intrusion threats to its computer system and has also assisted its clients when victims of cyberattacks.

Because cyber risks in 2024 are unlikely to wane, Prodware will continue to invest in cybersecurity and Artificial Intelligence.

The Group, as for all organizations, are at a high risk of cyberattacks.

7.1.6. Human Capital – Employer Brand

Risk Description

If the Group is able to deliver its expertise to its customers and keep them satisfied, it is mostly because of the seasoned professionals it employs to get the job done.

Poor Human Capital Management, within a very competitive landscape for certain job hires, could potentially be detrimental to the Group's activities.

Impacts potentiels majeurs

- › Hard time finding the right hires;
- › High-profile talents leaving the company;
- › Brain drain;
- › Falling behind on project deliveries;
- › Unhappy customers and litigation risk;
- › Employment litigation;
- › Losing profits;
- › Risk of reputational damage.

Initiatives Undertaken by the Group

For several years now, the Group has been implementing an 'Employee-Centric' policy focused on employee satisfaction.

Each employee of the group is entitled to 2 annual performance appraisals.

Additional information regarding our human resources policy is provided in the Extra-Financial Performance Statement.

Risk Assessment

The Group's initiatives to enhance its employer brand have resulted in commendable recruitment metrics and effective turnover management, particularly within an industry known for its competitive talent landscape.

The annual satisfaction survey also allows the Group and country Directors to evaluate any disparities between implemented measures and employees' perceptions and then to set up and conduct the necessary corrective action plan.

The Group has things under control regarding the risk, but there could still be ongoing challenges with certain specialized roles in the future, potentially impacting the Group's earnings.

7.1.7. Innovation

Risk Description

The Group's leadership relies on its skill to support businesses in their digital transformation journey with pioneering solutions. The group has consistently invested in research projects to enhance these solutions. However, innovation inherently involves taking risks.

Major Potential Impacts

- › Research could fall through;
- › Solutions may not meet market demand or wrong timing;
- › Loss of profit;
- › Risk of reputational damage.

Initiatives Undertaken by the Group

The Innovation & Business Solutions (IBS) division leverages the Group's expertise in new technologies as well as partnerships with emerging players to drive a dynamic commercial approach.

At present, the group boasts a diverse range of 80 innovative solutions, effectively diversifying its risk exposure. Additionally, it has a well-trained workforce capable of meeting industry requirements.

Risk Assessment

Hence, the Group remains confident in its ability to navigate this risk, notwithstanding the inherent uncertainties linked to innovation.

7.1.8. Regulatory, Tax and Social Risks

Risk Description

The increasing number of legislative regulations affecting the Group's companies, coupled with their frequent changes across diverse areas such as taxation, social issues, GDPR, anti-corruption, and CSR, may lead to instances where certain provisions are not fully adhered to by the Group or its stakeholders.

Failure to comply with these provisions can have detrimental consequences for the Group.

Major Potential Impacts

- › Financial penalties;
- › Contract or market termination or exclusion resulting from non-compliance.
- › Risk of reputational damage.

Initiatives Undertaken by the Group

The Group remains abreast of legal developments in its various operating countries, making it a rule to try and anticipate regulatory changes effectively.

Additionally, a 'Compliance' Cell has been established to spearhead and oversee the Group-wide adaptations required in response to significant regulatory changes (such as data security, CSR, etc.).

The Group's Assessment of the Risk

Given the legislative constraints outlined, the Group acknowledges the potential for penalties or sanctions to be imposed, with consequences that may be difficult to quantify.

7.1.9. Macroeconomic Risk

Risk Description

Geopolitical tensions (such as wars in 2023) or economic challenges (inflation, recessions, etc.) in Europe or elsewhere in the world can have implications for the Group's operations and financial well-being.

Major Potential Impacts

- › Slowdown of business by region/market;
- › Very cautious market players;
- › Pressure on prices and salaries;
- › Shortages;
- › May impact profits.

The Group's Assessment of the Risk

The Group diligently responds to the implications of these events by adjusting its organization and services across its diverse operational areas. Specifically, it maintains a keen focus on ensuring the safety of its personnel and operations in Georgia.

Until now, these events have had minimal impact on the Group's development strategy.

However, it's conceivable that a critical event could have a notable effect on its operations and outcomes.

7.2 FINANCIAL RISKS

7.2.1 Liquidity Risk

The Group's bank debt is exclusively in euros.

As part of its procedures, Prodware regularly evaluates its liquidity risk and is confident in its ability to meet its upcoming obligations.

7.2.2 Exchange Rate Risk

The Group generates a significant portion of its revenue in euros; therefore, the exchange rate risk is not very significant.

The majority of the Group's bank debt is tied to the Euribor.

Consequently, the Group is exposed to an interest rate risk that affected the results for the 2023 fiscal year.

08 Outlook

The group is committed to advancing its strategic plan to empower the digital transformation journey of its customers. This entails strengthening the market leadership of each brand i.e. 'Prodware', 'Protinus', and 'Westpole' within the group, under the overarching Phast brand.

In 2024, the group will leverage its expanded size, with almost €700 million in pro forma 2023 revenue, to streamline operational costs and effectively manage fixed expenses. This strategic approach will continue to drive ROC growth and improve operational profitability.

*Including the 3 acquisitions of 2023, as if they had been integrated into the group's scope as of 01/01/2023.

9.1 PAYMENT TERMS FOR SUPPLIERS AND CUSTOMERS

Payment Terms for Suppliers	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Late Payment Tiers						
Number of invoices	1 366	336	181	81	263	2 227
Total number of invoices	12 262 559	2 068 648	843 834	315 254	740 487	16 230 782
Percentage of the total purchase amount for the year	21.90%	3.69%	1.51%	0.56%	1.32%	28.98%

Payment Terms for Customers	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Late Payment Tiers						
Number of invoices	1 912	527	179	86	340	3 044
Total number of invoices	9 373 061	2 838 851	851 549	513 418	2 441 386	16 018 265
Percentage of the total gross revenue for the year	7.61%	2.31%	0.69%	0.42%	1.98%	13.01%

9.2 EXTRAVGANT SPENDING

None.

9.3 FINANCIAL RESULTS OF THE LAST 5 FISCAL YEARS

Items	2019	2020	2021	2022	2023
Equity Capital	5 036 227	5 036 227	5 036 227	4 975 263	4 975 263
Number of common shares	7 741 000	7 741 000	7 741 000	7 654 251	7 654 251
Number of preferred shares (with no voting rights)	7 042	7 042	5 837	0	0
Maximum number of future shares to be created					
With convertible bonds	0	0	0	0	0
With subscription warrants	2 234 000	1 969 300	1 969 300	1 969 300	1 953 300
With free share allocation plans	744 500	0	0	0	0
Fiscal year transactions & earnings					
Revenue excluding tax	103 347 392	86 687 416	95 976 675	110 049 453	110 389 994
Earnings before tax, employee profit sharing & transfers to depreciation & provisions	13 794 968	16 043 763	7 334 032	17 789 329	23 036 990
Tax on profits	-6 583 029	-4 937 405	-4 515 019	-4 451 945	42 562 767
Employee profit sharing plan due for the fiscal year					
Earnings after taxes, employee profit sharing and transfers to depreciation & provisions	8 087 801	3 843 947	-75 780 039	7 227 774	-29 078 040
Distribution earnings	309 641	0	0	0	0
Earnings per share					
Net earnings after taxes, employee profit sharing but before transfers to depreciation & provisions	2.63	2.71	1.53	2.91	-2.55
Net income after taxes, employee profit sharing, and provisions for depreciation and provisions	1.04	0.50	-9.78	0.94	-3.80
Gross dividend distributed per share	0.04	0	0	0	0
Personnel					
Average number of employees during fiscal year	492	438	407	417	395
Payroll for the fiscal year	24 976 323	21 476 237	21 740 587	23 499 640	24 191 403
Amounts paid for social benefits	11 003 085	5 983 974	10 279 039	12 489 907	10 622 403



The Prodware Share

4,238.5 5.1569

10.1 GENERAL INFORMATION

The Prodware share has been listed on the Euronext Growth market of Euronext Paris since 2006 under the ISIN code FR0010313486 or ALPRO ticker symbol.

Prodware shares are freely tradable in compliance with current legal and regulatory requirements. Shareholders are free to register the shares either in full name directly with the company, in administered full name through an authorized financial intermediary, or in bearer form.

There are 7 654 251 shares in circulation, each with a nominal value of €0.65. Therefore, the share capital amounts to €4 975 263.15, with no changes since the previous fiscal year.

At the close of the 2023 fiscal year, the Prodware share was priced at €8.75, compared to €7.86 on December 29, 2022.

The average daily trading volume for 2023 stood at 624 shares, marking a notable decrease since the conclusion of the Public Tender Offer in early 2022.

The LEI (Legal Entity Identification) number of the company is 9695005LHRU1IBDMSE79.

10.2 VOTING RIGHTS

Shares held in registered form for over two years are entitled to double voting rights.

As of December 31, 2023, the number of shares with double voting rights stood at 242 488.

Theoretical voting rights, calculated based on all shares carrying voting rights, amounted to 7 896 739 at the close of the fiscal year.

10.3 THRESHOLD CROSSING

As per Article 12 of the Company's statutes, any shareholder who, directly or indirectly, exceeds the threshold of 2.5% or more of the share capital and/or voting rights is required to notify the Company via registered mail with return receipt (LRAR). This notification must be reiterated for each subsequent increment or decrement of 2.5% of the capital. Failure to comply may result in the forfeiture of voting rights.

The Company did not receive any notification regarding a threshold crossing in 2023.

10.4 SHAREHOLDING STRUCTURE

The table below details, to the best of the company's knowledge, the shareholding structure and voting rights of the company as of December 31, 2023.

Shareholders	Shares	Theoretical Voting Rights*	% Shares	% TVR
Phast Invest SAS	7 197 667	7 396 642	94.03%	93.67%
Other registered shareholders	43 703	87 216	0.57%	1.10%
Public	412 881	412 881	5.39%	5.23%
TOTAL	7 654 251	7 896 739	100.00%	100.00%

* The number of theoretical voting rights is calculated based on all shares carrying voting rights, including those shares without voting rights. There are no shares without voting rights as of 31/12/2023.

It should be noted that the employee participation listed in the Company's registered shares as of December 31, 2023, is extremely limited, as the majority of employees tendered their shares in the Public Tender Offer concluded in 2022.

The company does not hold any treasury shares.

10.5 SHARE BUY BACK PROGRAM

At the ordinary general meeting of shareholders on June 26, 2023, the 7th resolution granted the Board of Directors new authorization to repurchase company shares. This program follows the same terms as the 2022 general meeting, allowing for the acquisition of shares up to a maximum of 10% of the share capital, with a limit of €5 000 000.

The delegation was granted for a duration of 18 months.

During 2023, the Board of Directors did not exercise this authorization, nor did they utilize the one previously granted by the general meeting on June 22, 2022.

No operations were therefore conducted under a buyback program between January 1st and December 31st, 2023.

A new authorization will be submitted at the upcoming general meeting, allowing the Board of Directors the discretion to exercise it as needed.

10.6 TOTAL DILUTED CAPITAL

The different warrants for subscription to new or existing shares («the Warrants») in circulation as of December 31, 2023, are outlined below. (Warrants for Subscription to New or Existing Shares).

By mutual agreement with one of the beneficiaries, 16 000 Warrants for Subscription to New or Existing Shares (WSNES) were cancelled upon their departure.

Date of issuance	Types of securities	Max. number of potential new shares	Strike price (including warrant subscription price)	Maximum maturity
Mar.-16	WSNES	536 000	8.10 €	Mar.-26
Apr.-17	WSNES	510 000	8.10 €	Apr.-27
Jun.-17	WSNES	560 000	8.32 €	Jun.-27
Oct.-18	WSNES	347 300	13.19 €	Oct.-28
Total		1 953 300		



Corporate Governance

11.1 BOARD OF DIRECTORS

11.1.1 Board Composition

The board of directors is composed of 6 directors, including 2 women. One female director is independent according to the Middlednext code definition.

Members	Roles within Prodware SA	End of Term	Responsibilities within the Group in 2023	Responsibilities outside the Group in 2023
Philippe Bouaziz	Chairman of the Board	GA 2026	Member of Supervisory Board of: <ul style="list-style-type: none"> › Prodware Deutschland AG 	<ul style="list-style-type: none"> › President of Bouaziz Partners SAS › President of Bouaziz Partners Ltd › Member of the Board of Deel Inc › President of Sarona › Director of GeekTime
Alain Conrard	Administrator Managing Director	GA 2025	Administrator / Director of: <ul style="list-style-type: none"> › Phast Invest › Prodware Belgium › Prodware Spain › Prodware UK Limited › Prodware Retail & Competence Center (Spain) › Westpole Belgium Representing Prodware SA on the board of: <ul style="list-style-type: none"> › Prodware Netherlands › Prodware UK Member of Supervisory Board of: <ul style="list-style-type: none"> › Prodware Deutschland AG 	<ul style="list-style-type: none"> › President of the Commission on Digital Strategies of the METI
Stéphane Conrard	Administrator Deputy Managing Director	GA 2025	President of: <ul style="list-style-type: none"> › Phast Invest SAS › Westpole France Administrator / Director: <ul style="list-style-type: none"> › Phast Invest SAS › Prodware Belgium › Prodware London › Prodware SE › Prodware Spain › Westpole Belgium › WTP Italy Member of Supervisory Board of: <ul style="list-style-type: none"> › Prodware Deutschland AG Manager of: <ul style="list-style-type: none"> › Prodware East Europe (Romania) › Cap Lease Representing Prodware London on the board of Prodware Luxembourg	<ul style="list-style-type: none"> › Manager of S&AUDIT › Manager of S&Audit Certified Accountants
Viviane Neiter	Administrator (independent)	GA 2025		<ul style="list-style-type: none"> › Administrator of: <ul style="list-style-type: none"> - PAT (Plant Advanced Technologies (depuis 06/15)) - SPIR Communication (up until Feb. 28, 2022) - I.CERAM › President of Glanbia Performance Nutrition France
Léna Conrard	Administrator	GA 2025	Innovation Project Manager & Responsable Marketing	
Jean-Gérard Bouaziz	Administrator	GA 2026		Self-employed

11.2 WORK OF THE BOARD

The board met 6 times during the fiscal year with a 94% attendance rate.

Topics covered were the external acquisitions, their financing and the completion of both the annual and semi-annual financial statements.

11.3 SALARY & COMPENSATION OF KEY EXECUTIVES

	12/31/2023	12/31/2022
Number of executives	4	4
Total gross remuneration	1 144 071	892 326
Total gross remuneration	1 144 071	892 326

11.4 PAYMENTS MADE TO DIRECTORS (ATTENDANCE ALLOWANCE)

In the fiscal year 2023, directors received no compensation.

11.5 BOARD MEMBER TERM LIMITS

No mandate expires at the upcoming general meeting.

11.6 REGULATED AGREEMENTS

11.6.1 New Regulated Agreement

None.

11.6.2 Previously Approved Agreements

The agreement with SCI B&B continued, the terms of which are set forth in a special statutory auditors' report.

Moreover, there has been no agreement, either directly or through an intermediary, between a company controlled by Prodware and one of its corporate officers or shareholders holding more than 10% of the voting rights (Article L 225-37-4 of the French Commercial Law).

11.7 DELEGATION TABLE

DATE OF GA	AUTHORIZATIONS & USES IN FISCAL 2023	DELEGATION PERIOD	DELEGATION PERIOD – EXPIRATION DATE	MAXIMUM NOMINAL AMOUNT	AMOUNT USED IN 2023	COMMENTS
June 26, 2023. (7th resolution)	Authorization for the Board of Directors to repurchase the company's own shares under the provisions of Article L.22-10-62 of the Commercial Law.	18 months	Dec. 25, 2024.	10% of capital	0	Renewal of authorization granted on June 22, 2022.
June 22, 2022. (10th resolution)	Authorization for the Board to reduce the capital by canceling repurchased shares.	24 months	June 21, 2024.	10% of capital	0	
June 26, 2023. (resolutions 8 to 12)	Delegation of authority to increase capital through the issuance of ordinary shares or securities, whether with or without maintaining preemptive rights, including through private placement.	26 months	Aug. 25, 2025.	€4m */ (€40m **SGAC)****	0	Renewal of authorization granted on June 10, 2021.
June 26, 2023. (13th resolution)	Delegation of authority to carry out the issuance of ordinary shares and/ or any other equity-linked securities, or debt instruments without preemptive rights, targeting a specific group of individuals (qualified investors regularly investing in publicly traded companies).	18 months	Dec. 25, 2024.	€4m (€40m SGAC)***	0	Renewal of authorization granted on June 22, 2022.
June 26, 2023. (14th resolution)	Delegation of authority to execute the issuance of ordinary shares and/ or any other equity-linked securities, or debt instruments with preemptive rights waived, targeting a specific category of individuals (strategic transactions)	18 months	Dec. 25, 2024.	€4m (€40m SGAC)***	0	Renewal of the delegation of authority granted on June 22, 2022.
June 26, 2023. (14th resolution)	Delegation of authority for the purpose of increasing the share capital through the issuance of ordinary shares and/or equity-linked securities, with the preemptive subscription rights waived in favor of participants in an employee savings plan.	26 months	Aug. 25, 2025.	150 000 €	0	Renewal of the delegation of authority granted on June 22, 2022.

* The maximum nominal value for capital increases is set at 4 000 000 euros, which is the common amount across the 8th to 12th extraordinary resolutions of the General Meeting on June 26, 2023. It should be noted that this nominal amount may potentially be increased by the nominal value of ordinary shares issued by the Company to accommodate adjustments intended to protect the rights of holders of equity-linked securities granting access to ordinary shares.

** The maximum nominal value for debt securities is set at 40 000 000 euros, which is the common amount across the 8th to 12th extraordinary resolutions of the General Meeting held on June 26, 2023.

*** Securities giving access to capital



Extra-Financial Performance Statement

1 General Approach

The Extra-Financial Performance Statement of the Prodware Group (hereinafter the “Group” or “Prodware”) has been drawn up in accordance with the law in force.

The CSR policy is driven by the Financial Department of the company.

Prodware chose to join the United Nations Global Compact in 2009. It is committed to respecting all the principles of the Global Compact that address the company’s social responsibility, behavior and actions with regard to sustainable development and environmental issues, as well as its commitment to social issues.

Prodware has also decided to refer to the United Nations’ 17 Sustainable Development Goals (« SDGs ») to itemize its main CSR challenges and monitor the performance of its policies, as detailed below.

2 Prodware’s Business Model

Prodware supports companies throughout their digital transformation journey with an end-to-end comprehensive offering, specifically tailored to midsize companies (SMBs).

This customized offering meets the specific demands of customers and is supported by a managed service suite and industry-specific business solutions that address the below market segments:

- › Manufacturing,
- › Retail,
- › Distribution,
- › Professional Services,
- › Public Sector - Finance.

Prodware’s business model is outlined below:

Digital industry trends

The digital transformation imperative is a development opportunity in terms of growth, profitability and sustainability.



It triggers the rethinking & modernizing of one's business:

- › employee/customer experiences & journeys,
- › business processes (faster decision & production cycles),
- › products & services (embedding innovative technologies),
- › business models



State-of-the-art expertise & embracing new disruptive technologies:

- › Cloud infrastructure
- › the Internet of Things, Big Data,
- › Artificial Intelligence,
- › Software As A Service (SaaS)
- › interoperability on tech platforms...

OUR RESOURCES

Our employees

- › 1 400 talents across 15 countries

A solid group

- › 35 years' experience
- › Listed on the stock exchange since 2006

Innovation – part of our DNA

- › 101 innovative IP industry-specific solutions
- › Engineers make up the majority of our staff

Our Customers & Partners

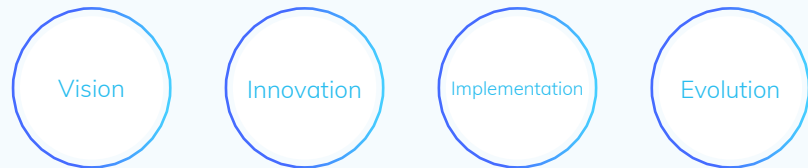
- › Our 15 000 customers (excl. WESTPOLE & Protinus)
- › Partners are leading market players

Our values

- › Global Compact member
- › Code of Ethics
- › Socially responsible business

OUR OFFER

Supporting businesses through their entire Digital transformation journey



Business Consulting

- › Preparing digital transformation (assessment/opportunités/vision)
- › digital transformation roadmap
- › Supporting digital transformation throughout



IP & Start-up ecosystem

- › In charge of R&D
- › Software "Factory"
- › Startup incubator
- › Strategic alliances



Professional Services

- › Project governance of digital transformation projects
- › Industry-specific expertise
- › System integration
- › Leveraging our know-how & methodology



Managed Services

- › Maintenance & support of implemented solutions
- › Security management
- › Optimizing customer infrastructures



All these fast-advancing technologies are evolving at an ever-increasing pace, posing new challenges for companies and serious concerns around cyber-security



These challenges should be an impetus to the acceleration of the digital transformation of businesses

WE CREATE VALUE

A value proposition that caters specifically to mid-sized companies

- › A comprehensive offering supporting the entire digital transformation journey of mid-sized companies.
- › An industry-specific value proposition addressing the Manufacturing, Retail, Distribution, Professional Services markets.
- › An international organization with more than 40 offices deploying regional, national, and international projects.

Human Capital

- › Adapting to new work habits and employee preferences
- › Startup ecosystem serving as a go-between for the benefit of customers

Our Customers

- › Strong recurring revenue: more than 50% of the revenue
- › Various customer segments- Large groups across Europe
- › Our revenue streams balance out evenly across industries & business sectors.

Our partners

- › Member of Microsoft's Inner Circle (Prodware is among 11 elite Inner Circle partners worldwide)
- › Licensed SAGE Platinum partner and of the SAGE Competence Center
- › Autodesk Gold partner

Our financial partners & shareholders

- › A group owned by founders and executive managers of the company
- › Historical financial partners

OUR GROWTH PATHS

With its comprehensive value proposition and its significant footprint in Europe, Prodware will likely:

- › Secure its competitive advantage in innovation and gain significant market share (AI, IoT, Big Data, BI...)
- › Hone its competitive edge
- › Increase its notoriety and develop the "best place to be" employer brand
- › Continue to build on its CSR commitments

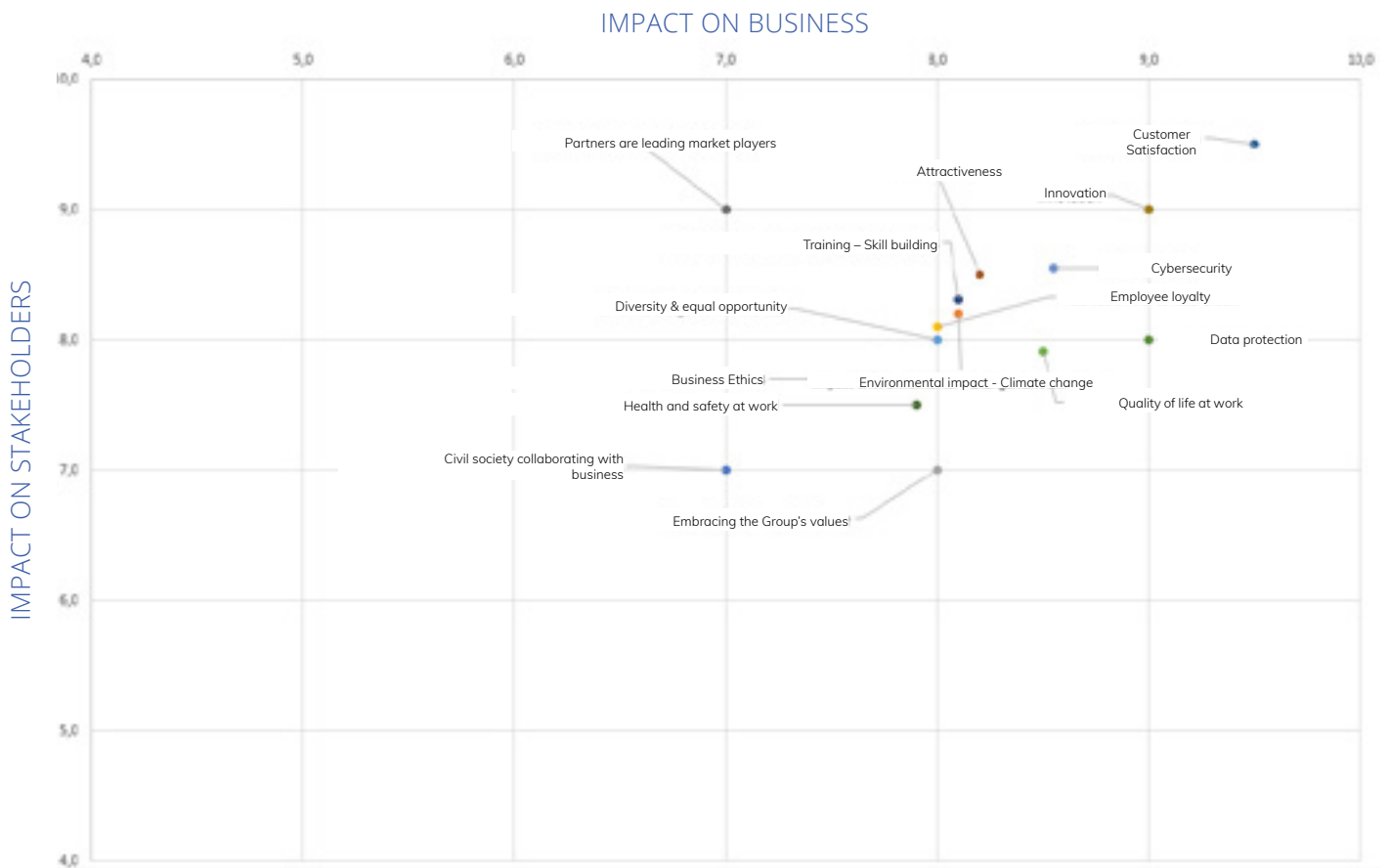
3 Prodware's Stakeholders

Prodware's strategic stakeholders are listed as follows:



4 Risks

Overview of risks summarized in chart below:



5 Prodware's CSR Goals

Prodware's objectives are founded on its business model, challenges, and alignment with specific the United Nations' Sustainable Development Goals (SDGs).



These objectives, as stated last year, are summarized in the table below.

EXTRA-FINANCIAL PERFORMANCE INDICATORS	MAXIMUM OBJECTIVES WITHIN 4 YEARS
<p>Human Capital</p> <p>Aiming for gender equality: % of women hired, reducing wage gap between men and women (CSR scope), employee satisfaction survey: overall satisfaction index</p>	<p>35% Maximum gap 16% Low global score</p>
<p>Environnement</p> <p>Committed to reducing greenhouse gas emissions: an annual carbon footprint assessment using the ADEME or GHG protocol approach to monitor these changes</p> <p>Reducing all scopes</p>	<p>Minimum 3% per year</p>
<p>Governance</p> <p>Training employees on data protection, cyber hygiene, cybersecurity and other key issues</p> <p>Ethics charter</p>	<p>% of employees trained</p> <p>Signed by our suppliers representing 80% of our purchases</p>
<p>Customers</p> <p>Satisfaction index</p>	<p>In progress</p>

Prodware indicates that these metrics may be subject to change or fine-tuned to ensure they align with the company's strategy and are achievable.

Furthermore, there are some indicators that prove more challenging to implement and are not detailed below. Consequently, Prodware might need to introduce new indicators in the future or revise existing ones with clear rationale.

6.1. A STRATEGY BASED ON INNOVATION

Prodware's innovation strategy is headed by the Innovation & Business Solutions division.

This division is tasked with developing innovative, hands-on, business-specific solutions that cater to the needs of customers by leveraging new technologies and its strategic alliance with the 365xScaler program: a startup incubator specializing in disruptive technologies and solutions.

The current innovation strategy is particularly focused on enhancing the «customer experience.»

The customer experience encompasses every interaction between the company and its customers, as perceived, comprehended, and remembered by the customer.

In a rapidly changing landscape of technological advancements, political unrest, and health crises, comes a change in consumer habits that adapts just as rapidly and that is influenced by a multitude of factors.

Therefore, effectively listening to and satisfying the customer requires the company's capability to address their requests in real-time and tailor its product and service offerings accordingly.

Because a «satisfied» customer is more likely to repurchase, is less price-sensitive, and less inclined to buy elsewhere.

Prodware has developed solutions that allow for:

- › Enhancing the Customer Journey from the discovery phase to the Customer Loyalty phase.
- › Embedding communication channels with Artificial Intelligence to digitize the Experience facilitating transactions as well as providing customers with useful and “intelligent” tips and advice.

The solutions that have been developed (or being developed) consist of:

- › Customer Journey mapping tools to enhance Customer Experience.
- › Persona profiling solutions to configure customer profiles based on criteria such as demographics, behavior and psychology per market segment.
- › A solution for digitizing customer and supplier invoices, enabling the automation of the invoicing process without manual intervention, etc.

Other solutions that have been developed or are being developed are designed to improve employee experience from first day of employment to termination date.

The solutions developed (or being developed) consist of:

- › A 'digital wall' where employees can freely post their feedback and comments.
- › A hiring assistance solution that flags key words to help match the job applicants with relevant job openings.

Prodware's solution offering addresses other better known areas that relate to Finance, Supply Chain, Business Consulting etc.

Prodware's solution catalogue boasts 101 innovative solutions catering to the needs of businesses of all sizes in the following market segments: Manufacturing, Retail, Distribution, Professional Services, Finance...).

6.2. AN AWARD-WINNING STRATEGY

New awards or renewed certifications recognizing Prodware's know-how and technological expertise from our leading partners/software vendors.

- › Microsoft Gold Partner
- › Sage Platinum Partner
- › Autodesk Platinum Partner

7 Human Capital at the Heart of Prodware's Strategy

Prodware is in the business of supporting its customers, helping them create value within a transformative market.

The success of this challenge relies on the group's most valuable asset: its employees. Consequently, human capital is at the core of the Group's strategy.

This strategy is set up with specific and measurable actions plans that can be summed up as follows:

Working on the attractiveness of the brand with notably:

- › An HR employee-centric policy and developing an ambitious employer brand strategy
- › A talent acquisition and retention policy

Talent skill-building with notably:

- › Ensuring employee wellbeing in the workplace
- › A career building program throughout their career path in line with the group's strategy
- › Career advancement perspectives and career mobility

Increasing employee loyalty with notably:

- › Competitive compensation and benefits
- › Compensation schemes based on performance

7.1. HUMAN CAPITAL – KEY INDICATORS

7.1.1. Scope of CSR Group Policy

In 2023, the scope of CSR reporting changed and now includes the acquisition of the WESTPOLE group in March 2023.

Therefore, the 2023 CSR reporting comprises:

- › The entities included in the 2022 CSR scope, excluding Prodware Luxembourg, which ceased operations during the 2023 fiscal year,
- › The entities of the WESTPOLE group in its various locations, namely Belgium, Luxembourg, Italy, and France (collectively, the «CSR Group»).

Please note that, due to their acquisition dates falling within the fourth quarter of 2023 and their subsequent integration into the Prodware group, both Protinus IT and Nut Consulting have not been factored into the reporting for this fiscal period.

Hence, the 2023 CSR scope encompasses 93% of the total workforce of the Prodware Group for this year. This 2023 CSR scope includes companies exclusively located in Europe.

Certain indicators are compared on a consistent basis, using 2022 data supplemented by data from WESTPOLE, to ensure an accurate like-for-like assessment.

7.1.2. Calculating Full-Time Equivalency Workforce (FTE)

In the upcoming sections, Prodware regards the average number of employees as the key metric for its EFPS.

This average workforce corresponds to a full-time equivalent and is calculated based on the presence time during the year and the percentage of working time (hereinafter referred to as «average workforce» or «FTE»).

The average total workforce for the 2023 CSR of the group stands at 1 300 individuals, as opposed to 1 052 employees in 2022.

On a like-for-like basis, the average workforce remains nearly stable, experiencing a marginal decrease of only 1.0%.

7.1.3. Key Indicators

The following points are worth noting:

- › A vast majority, 96.8%, of the Group's (CSR) average workforce consists of permanent employees, with full-time contracts or their country-specific equivalent.
- › As of now, 67.9% of the overall workforce (up from 61.2% in 2022) is now based internationally.
- › Spain (24.3%), Germany (11.9%) and now Belgium (11.5%) make up the most significant portion of the Group's (CSR) total workforce.
- › Women represent 30.7% of the total number of employees, slightly up compared to the previous year (30.0%).
- › 58.6% of the workforce is under 45.
- › 57.60% of employees belong to the Professional Services category.
- › The mean age stands at 41.5.

The details of these indicators are included in Appendix 1 of the statement.

Below, we cover certain of these key indicators in detail.

7.1.4. Gender Parity

The average workforce of the Group's CSR continues to advance steadily, as illustrated in the table below:

	2023	2022 PC	2022	2021
Average female workforce	399	396	316	296
Female workforce of the Group - CSR in %	30.7%	30.1%	30.0%	29.4%

Spain continues to lead in gender diversity within the Group, with a rising rate of 38.3%, followed by France at 30.0%.

It's worth noting that the gender diversity rate within the recently acquired WESTPOLE entities is slightly higher, reaching 31.8% in 2023.

While indeed the female workforce has grown within the Group, it must be furthered to achieve the goal of 35% gender diversity within the next four years.

7.1.5. Professional Categories

In 2023, the Group streamlined and fine-tuned its professional classification across all countries.

As a result, a certain number of roles were reassigned to the 'Professional Services' category to better reflect the professional landscape - this classification was also applied to WESTPOLE employees.

Still, the distribution across various professional categories remains consistent with previous years.

Group (CSR) FTE per category	2023	2022 WP	2022	2021
Sales	10.7%	10.9%	10.9%	11.1%
Customer services	17.6%	15.7%	18.7%	14.9%
Professional Services	57.6%	59.0%	54.5%	58.6%
General & Administration	14.0%	14.3%	15.8%	15.4%

The proportion of women remains consistently in line with previous years, although there's a notable increase in female predominance within the G&A category.

% of women per category/#employees per category	2023	2022 PC	2022	2021
Sales	36.4%	36.8%	40.9%	40.2%
Customer services	26.6%	25.5%	25.4%	28.7%
Professional Services	25.2%	27.2%	26.2%	22.0%
General & Administration	54.0%	43.6%	41.6%	50.3%

7.1.6. Average age

The mean age stands at 41.5 within the group (CSR).

On a like-for-like basis, the average age remains nearly equivalent (41.3 compared to 41.8).

7.2. BRAND ATTRACTIVENESS

7.2.1. Employer Brand

Developing its employer brand is one of the group's priorities outlined in its 2021-2025 strategy under "The Place to Be and to Work With" tenet.

Also, the Group makes it a rule to communicate on its different action plans and those of its employees through different communication channels.

Prodware harnesses the power of prominent social media platforms, engaging with diverse target audiences.

Prodware has significantly increased its market exposure with the launch of the 'Content factory' with:

- › Op-eds or columns published in various media outlets with vastly different audiences (technical, economic, general public, etc.).
- › interviews on TV or in trade magazines (BFM, Solutions Numériques, Channel News, etc.).

7.2.2. Attracting Top Talent

7.2.2.1. Hiring Process

In 2023, the Group decided to revamp its hiring process introducing a tracking system to enhance (i) the experience of the job applicant across the Group, (ii) communication with job applicants, and (iii) feedback and reporting. The goal is to have a transparent and engaging hiring process for job applicants in all countries.

As part of these efforts, a unified global career page was launched to help job applicants better understand the different job opportunities across various countries. This initiative also promotes career mobility within the group.

This global career page does not replace or hinder any local hiring process ongoing in the countries. Indeed, the countries use LinkedIn to hire local talent while also building a stronger professional social media presence for Prodware.

The people in charge of hiring are provided with training sessions to make sure they uphold and apply the core principles of non-discrimination and equal opportunity.

In 2023, Prodware took a significant step forward by ramping up its video-based communication to promote its values. These videos garnered extensive coverage across specialized social media platforms, as well as on each country's Instagram account or website, all aimed at enhancing talent attraction efforts.

7.2.2.2. Hires

There were 309 hires across the group (CSR) in 2023.

In comparison to the CSR scope of 2022, the hiring rate has remained steady. WESTPOLE group entities

experienced a general slowdown in 2023, primarily focusing on Luxembourg.

- › Spain continues its hiring spree and makes up 32% of the Group hires followed by France (23.6%) and Germany,
- › 35.6 % of the employees hired are women, showing an increase compared to 2022 and 2021 (32.0% and 28.3% respectively),
- › Most hires are in the Professional Services category (67.0%), showing a significant increase compared to 2022 (56.6% within the CSR scope of 2022). The Sales category ranks second in terms of hires (12.9%),
- › It is important to note that within the male-dominated technical field of Professional Services, women comprise 30.9% of the newly hired workforce.
- › The significant predominance of female hires in the G&A category (63.3%) shows a growing polarization within this sector. There is a clear imperative to strive for greater gender diversity.

7.2.2.3. Onboarding

New hires are invited to engage in a tailored integration process, carefully designed to ease their transition into the company culture and operations.

Fun, engaging and interactive welcome sessions are organized for all newcomers.

Following this initial step, every newcomer benefits from a personalized learning path to help them in their new role and get better acquainted with the organization. They also get access to lots of training material and activities to help them hone their skills and embrace a skill building journey.

7.2.3. Employee Development

7.2.3.1. Knowledge Sharing

Every year, Prodware conducts an in-depth analysis of training needs, providing the basis for developing customized training plans for each country.

These plans outline the necessary training sessions for employees, the external or internal resources involved, the target audience, and the expected outcomes.

We prioritize Microsoft certifications and aim to attain a specific number of certifications within the Group.

Internal knowledge sharing is facilitated through our Knowledge Management System (Learning Management System). This regularly updated system provides employees with access to both technical and non-technical skills ('soft skills'). These resources are allocated to employees based on their specific needs, and their progress/completion is tracked. Additionally, the annual evaluation process helps identify or reaffirm development needs, which, in turn, allows us to refine the appropriate training plan.

In 2023, the total training hours amounted to 19 914, compared to 17 342 hours within the CSR scope of 2022. Most of these hours are training sessions given by the different Prodware entities. 70.5% of these hours are allocated to the Professional Services category.

7.2.3.2. Employee Assessments

The Group has set up a process to track employee career advancement.

At least once a year, a formal performance appraisal is conducted with each employee to review and acknowledge achievements, pinpoint areas for growth, and discuss training needs.

'Performance Reviews' are held between the Human Resource department and the Division Managers in order to set up performance improvement plans for employees who are underperformers, an action plan to retain the 'top performers' and a hiring plan to attract new talent if needed and so on.

7.2.3.3. Employee Satisfaction Survey

Over the past few years, the Group has been conducting a 'Speak your Mind' opinion survey among all employees to assess the alignment of their expectations with the Group's practices.

Certain topics are systematically covered and deal with the employee's perception of their personal situation, their relationship with their manager, the Group and so on.

Additional measures are fine-tuned in accordance with newly implemented initiatives.

The results garnered beginning of 2024 showed that:

- › the response rate of 73% is the same as in 2022;
- › the satisfaction index (the 'Net Promoter Score') is similar to last year's ;

The analysis of the results, notably by topic, country and age group, allows the relevant managers to fine-tune remedial actions to be undertaken, in order to improve the given index.

7.2.4. Work-Life Balance

Following the 2021 health crisis, remote work has experienced a profound shift and remains widely embraced across the countries within the Group (CSR). Practices vary, with some offering employees full autonomy to select their work location, while others impose restrictions on the number of days.

In France for instance an agreement was signed with the Works Council allowing employees to work from home 2 days per week.

Another measure that reflects changing work habits is the percentage of part-time employees.

There are more employees who have chosen to work part-time:

- › they represent 10.9% of the workforce (10.5% within the CSR 2022 scope and 9.72% in 2021).
- › 40.8% of part-time employees are men (38.1% within the CSR 2022 scope).

7.3. EMPLOYEE LOYALTY

7.3.1. Departures

In 2023, 283 employees left the company (222 in 2022).

Within a comparable context, the departure count has decreased by 11.2%. Notably, resignations now comprise 54% of departures, a decrease from the 60% recorded within the CSR scope in 2022.

7.3.2. Turnover

The turnover rate for the Group (CSR) in 2023 was 20.8%.

Economic shifts have influenced turnover within the WESTPOLE division.

Meanwhile, within the Prodware entities, the turnover rate was 19.6%, showing a slight decline compared to the 21.1% turnover observed in the CSR scope in 2022.

7.3.3. Average Employee Tenure

Median employee tenure at the Group level is of 6.41 years.

It takes into consideration the generally shorter tenure within WESTPOLE group entities and the relatively more recent creation dates of certain business entities.

When compared to the CSR scope of 2022, the average seniority stands at 6.65 years, a decrease from 7.12 in 2022.

7.3.4. Absenteeism

Absenteeism within the Group has reached 5.3% compared to 3.71% in 2022.

The number of days of absence and reasons for these absences are listed below.

Absenteeism	2023	2022	2021	2020
Total days of absence (working days)	15 599	9 909	9 537	9 213
Absenteeism rate	5.30%	3.71%	4.20%	4.3%
Including the number of days absent due to sick leave	11 844	7 254	6 749	6 273
including the number of days for maternity and paternity leave	2 372	1 386	1 490	1 170

7.3.5. Gender Pay Gap

Gender pay ratios are analyzed by comparing the average salary of women to the average salary of their male colleagues.

In 2023, this ratio stands at 0.80, remaining nearly stable in both raw data and on a comparable basis (0.81).

Spain and the Netherlands are still in the lead in terms of equal pay, followed closely by France.

Wages F/H	2023	2022 PC
France	0.79	0.86
Spain	0.87	0.89
The Netherlands	0.89	0.89
Germany	0.8	0.79
WESTPOLE Group	0.9	0.83
CSR Scope	0.8	0.81

ANNEX 1

Average # employees Group CSR (FTE)	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
	1 052	1319	399	901	1300

Average # empl. per gender & country	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
France	408	408	125	292	417
Spain	287	287	121	195	316
Germany	144	144	33	121	154
Other countries	213	213	55	154	209
WESTPOLE Group		267	66	138	204
Total	1052	1319	400	900	1300

Average # empl. per age group	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
-25 ans	49	70	11	53	64
25-34 ans	246	320	104	234	338
35-44 ans	301	385	124	236	360
45-54 ans	298	350	106	244	350
55-64 ans	158	195	54	134	188
Total	1052	1319	400	900	1300

Average # empl. per gender & category	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
Sales	115	144	51	89	140
Customer Services	197	209	61	168	229
Professional Services	573	778	189	560	749
Genral & administration	166	188	98	84	182
Total	1051	1319	399	901	1300

Average employee tenure	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
	7.12		6.14	6.53	6.41

Average tenure	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
France	9.78				8.83
Spain	4.62				4.63
Germany	7.24				6.86
WESTPOLE Group					4.87

# empl. Group (CSR) at fiscal closing	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
	1 070	1296	416	907	1 323

ANNEX 2

Hires	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
TOTAL	256	337	110	199	309

Hires per gender & country	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
France	97	97	22	51	73
Spain	77	77	42	57	99
Germany	28	28	16	35	51
Other countries	54	54	18	32	50
WESTPOLE Group		81	12	24	36
TOTAL	256	337	110	199	309

Hires per category	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
Sales	36	44	11	29	40
Customer Services	47	47	16	16	32
Professional Services	145	213	64	143	207
General & administration	28	33	19	11	30
Total	256	337	110	199	309
TOTAL	256	337	110	199	309

Departures	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
	222	327	95	188	283
Including resignations	60.0%				54.1%
Including terminations	21.6%				26.9%
Including mutual termination agreements	4.5%				9.2%

Departures per gender & country	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
France	85.0	85.0	25.0	57.0	82.0
Spain	57.0	57.0	20.0	42.0	62.0
Germany	33.0	33.0	12.0	14.0	26.0
WESTPOLE Group		108.0	26.0	49.0	75.0
Total	219.0	327.0	95.0	188.0	283.0

Group turnover	CSR Scope 2022 (Prodware)	Prodware plus WESTPOLE 2022	WOMEN	MEN	Total 2023
	21.1%	24.8%			21.8%
Turnover per country					
France	20.90%				19.60%
Spain	19.90%				19.60%
Germany	22.90%				16.90%
WESTPOLE Group					36.70%

Prodware is a service company and thus has a lower impact on the environment.

The Group nevertheless is committed to addressing these environmental concerns in its day-to-day management of the business.

The scope of the Group's CSR policy includes leased offices in an urban area and so the concerns related to "sustainable land use" and "biodiversity" do not apply. Water is used for sanitary purposes only and its consumption, which is included in the rental charges, although not measurable, is not significant.

Moreover, the scope of the CSR policy is not subject to the issue of fighting food waste, as it does not own or have access to a company cafeteria. The group does not generate any noise pollution.

8.1 CARBON FOOTPRINT

In 2023, the Group carried out its greenhouse gas emission assessment based on the following:

- › Countries assessed: Germany, UK, Belgium, Spain, France, Czech Republic, Georgia, the Netherlands, Luxembourg and Italy.
- › Scopes : Scopes 1, 2 and 3.

Working Out the Carbon Footprint

The assessment was carried out by an external firm specialized in greenhouse gas emission assessments and was based on a questionnaire that was completed by each country in the scope.

The assessment was conducted according to the GHG protocol and emissions were calculated for:

- › Offices - emissions from energy consumption
- › Vehicles - emissions from total distances travelled.
- › Travel - emissions from business trips by train, by plane, taxis, overnight stays at hotels and lunches
- › IT spending for service calls – three main suppliers declare their CO₂ emissions across the 3 scopes. Their carbon intensity per million euros of sales was utilized. For the other suppliers, the spend-based emissions relevant to the industry sectors in question, as provided by EEMA (Environmental & Energy Management Agency), were taken into account.

The information concerning CO₂ equivalent emissions may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Uncertainty has not been calculated for the 2023 reporting period.

Moreover, certain data may be influenced by the method or approach, assumptions, and estimates applied in their analysis. As a result, the data may be subject to change or updated in the coming years.

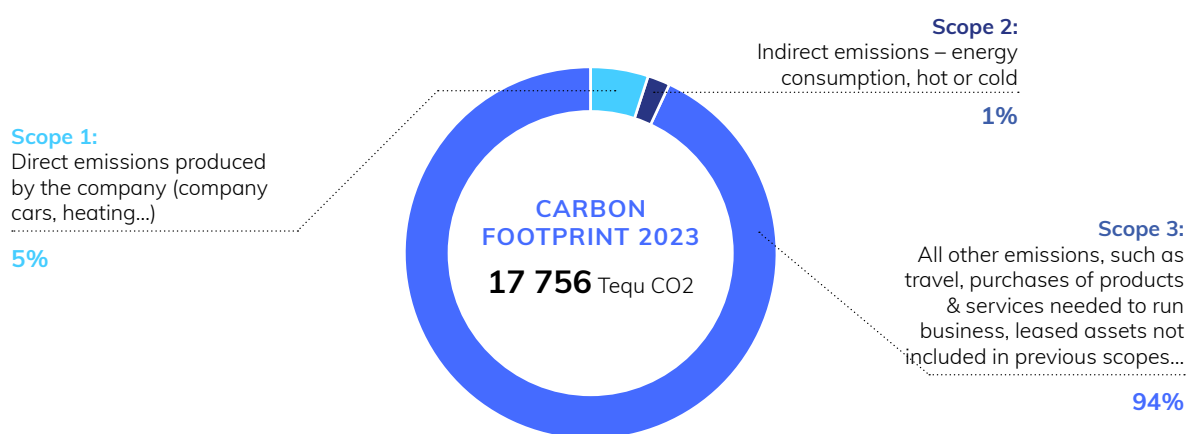
The 2023 carbon footprint reveals total emissions of 17 756 teq CO₂, marking an increase in raw data compared to 2022 (9 696 teq CO₂).

This notable increase reflects both the change in the Group's scope and a different product mix within the WESTPOLE group. However, a comparison on a comparable basis is not available at this stage.

However, the allocation across scopes remains notably consistent compared to 2022.

The scope 3 category, which constitutes 94% of the Group's CO2 emissions, comprises 80% of CO2 emissions attributed to purchases of goods and services essential for the Group's operations, and 11% of emissions linked to business travel, including estimates for employee commuting to their workplace.

The main aggregates of this assessment shown below:



8.2 COLLABORATION TOOLS

There is no doubt that collaboration tools, that have been become very popular and widely used, are essential to business. They contribute in reducing travel and CO2 emissions.

Nonetheless they do have an impact on the environment.

The Group pursued its initiative of raising awareness among employees on their use of collaboration tools (e-mail, video conferencing tools, documents stored in the cloud, and so on...) and providing useful tips and best practices.

The DocuSign solution that allows you to sign documents electronically is being used more and more within the Group.

8.3 CIRCULAR ECONOMY

Prodware is subject to the requirements of the Waste Electrical and Electronic Equipment directive (WEEE).

The companies of the Group have implemented an IT Equipment Disposal policy. All old and obsolete IT equipment still in working order is systematically donated or sold to employees for a very small fee or to a recycling association or company.

Likewise, when replacing cell phones, employees are entitled to purchase the old ones for a very small fee.

8.4 OFFICE WASTE

Like all service companies, office waste (paper) is the other type of waste generated by the Group.

As Group companies are subject to the above-mentioned WEEE Directive, these computer consumables are systematically recycled.

Extending the lifespan of cellphones from 2 to 3 years and to 4 years minimum for laptops are examples of initiatives that have been taken to reduce waste.

This impact, that has not been measured in terms of Teq CO₂, is probably the one that significantly reduces waste.

The Group subsidiaries and agencies are gradually being equipped with selective sorting bins.

Prodware - A Socially Responsible Company

9.1 L'ESCALATOR FOR YOUNG ENTREPRENEURS

Prodware partnered with the startup incubator program initiated by Maurice Lévy, Chairman of the Supervisory Board of the Publicis Group, alongside many other companies like LVMH, TotalEnergies, Microsoft, Orange, Huawei.

L'Escalator is designed to help those young entrepreneurs who want a fair shot at starting their own business. It targets those young talents in the digital economy who do not have the means or the connections to get their business off the ground.

L'Escalator provides:

- › office space for the startups;
- › access to IT and audiovisual equipment
- › training that caters to the needs of startups
- › access to a network of partners, experts and mentors part of L'Escalator's ecosystem

After a few years of activity, many projects have come to life, with more mature and reliable solutions for the majority of startups, some have signed their first deals, and others have been approached by potential financial backers...

9.2 OTHER SOCIETAL CONSIDERATIONS

9.2.1 Developing and Performing Ethical Behavior in Business

Prodware has adopted the Middlednext Anti-Bribery Code of Conduct, which makes reference to the United Nations Convention against corruption.

This anti-corruption code of conduct sets forth the fundamental principles and rules regarding corruption and influence peddling in the following areas:

- › Specific rules for public officials
- › Gifts and invitations
- › Donations to charities & political organizations
- › Patronage, sponsoring
- › Payment Facilitation
- › Third party monitoring
- › Conflicts of interest,
- › Accounting records and internal audits

The Group is committed to fighting against all forms of corruption.

9.2.2 General Data Protection Regulation (GDPR)

Prodware is committed to protecting the privacy of its employees and partners and is fully compliant with the General Data Protection Regulation.

9.2.3 Other Challenges

- › Respect for human rights: the Group is a member of the UN Global Compact – membership renewed every year reflecting its commitment to Human Rights and the conventions of the International Labor Organization
- › Fighting tax evasion: the Group's tax policy is in line with its CSR strategy
- › Fostering sustainable development through social engagement

Category	% of each category/# employees
Fighting food waste	Not applicable
Fighting food insecurity	Not applicable
Respect for animal welfare	Not applicable
Food – responsible, fair & sustainable trade	Not applicable
Disability policy	The Group complies with the Disability Friendly Policy as per the Disabilities law in effect
Sports & Culture	Non-strategic for the Group
Efforts to strengthen the bond between the Nation and the Armed Forces and encourage involvement in the reserve	Not applicable

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