2023

annual report

One
econocom

The items of the management report are identified in the table of contents by the following reference **|MR|**

Chairman's message

Dear Sir, Madam,

The past year has been both a year of stability and a year of construction. Econocom's goal was to continue the growth that we had resumed in 2022 and to lay down the strategic milestones for the coming years.

Despite a weak IT distribution market, our Group confirmed its resilience and the relevance of its model, posting growth of 3.5% in 2023 (including 1.2% organic growth) to reach €2.681 billion revenue in 2023.

This growth was chiefly driven by the strong results of the Technology Management & Financing business, with a 12.4% increase in revenue compared to 2022, and Services, with an increase of 4.6%. The Products & Solutions business posted a slight decrease in its volume of business (-2.5%). The Group's operating margin for 2023 amounted to €116.2 million and remained stable compared to 2022, resulting in an operating margin rate of 4.3%. Lastly, net financial debt totalled €181 million at 31 December 2023, representing 1.2 times the 2023 EBITDA.

In addition to these figures, 2023 marked the end of the Group's "refit" phase to prepare it for a new phase of sustainable and significant growth as defined in our 2024-2028 One Econocom strategic plan.

This new plan aims to meet customer demand even more effectively and to establish us in higher-growth markets with the aim of achieving revenue of €4 billion by 2028, mainly in organic growth.

The following will play a significant role in the growth we are aiming for: strengthening our commercial power, developing the cross-functional coordination of our business lines and our international deals, as well as pursuing targeted external growth to strengthen and extend some of our expertise.

This ambition would not be aligned with our values or our DNA if it did not also address the environmental and societal challenges that are dear to us. In this regard, obtaining the EcoVadis Gold medal (independent non-financial assessment body), and the Group's unprecedented inclusion in the Financial Times ranking of European companies committed to diversity in 2023 are testatments to the strong market recognition of which we can be proud.

I am confident in our ability to continue down this path and achieve the objectives of our One Econocom plan, which symbolises uniqueness and collective ambition.

Jean-Louis Bouchard

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

GROUP OVERVIEW

ECONOCOM DESIGNS AND DEVELOPS COMPREHENSIVE, SUSTAINABLE AND CIRCULAR DIGITAL SOLUTIONS FOR END USERS IN PRIVATE AND PUBLIC ORGANISATIONS.

50 years
of experience

16
countries

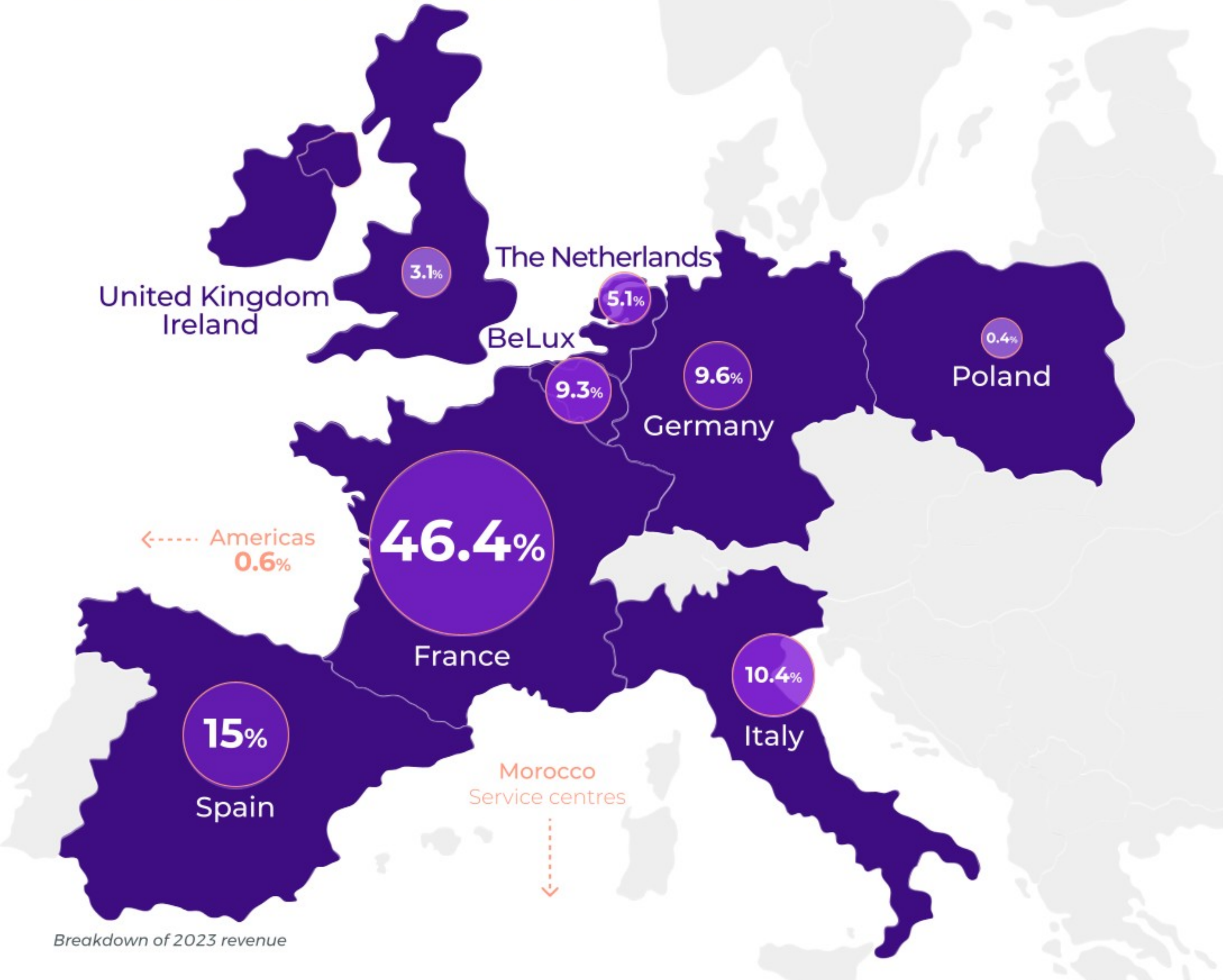
8,800
employees

€2.7bn
2023 revenue

including **17%**
from green solutions

A EUROPEAN GROUP

LISTED ON EURONEXT BRUSSELS SINCE 1986



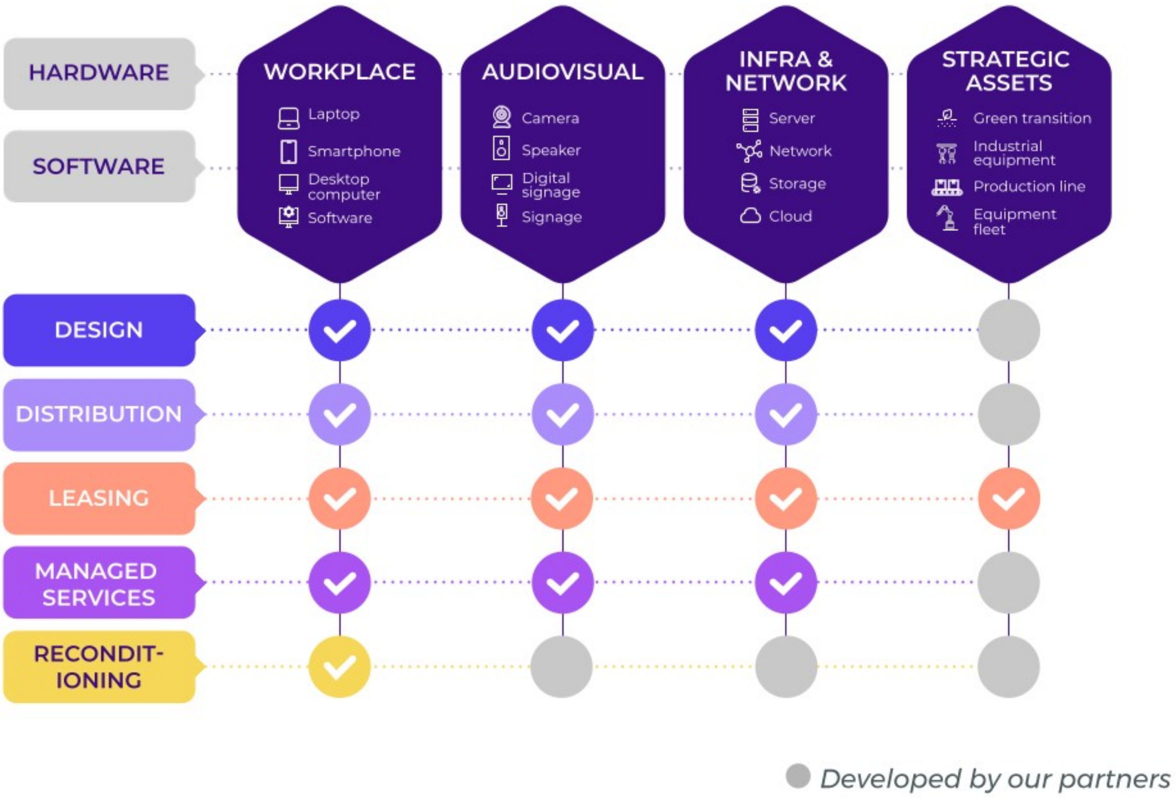
Breakdown of 2023 revenue

A COMPREHENSIVE OFFERING

SINCE ITS CREATION 50 YEARS AGO, THE ECONOCOM GROUP HAS BEEN A PIONEER IN CREATING SOLUTIONS TO SUPPORT THE DIGITAL TRANSFORMATION OF COMPANIES AND PUBLIC BODIES.

Our solutions, which focus on the development and transformation of the workplace, audiovisual & digital signage and infrastructures, also include financing for strategic assets.

We are one of the only European players capable of coordinating and managing the full spectrum of expertise of a digital project: from helping with the choice of solution and project design, to the deployment of equipment and outsourcing, through the purchase or leasing of equipment, its customisation, the associated or managed services, and the reconditioning of end-of-life equipment.



BUOYANT MARKETS

+5% AVERAGE GROWTH EXPECTED FROM 2023 TO 2028 IN THE GROUP'S MARKETS:

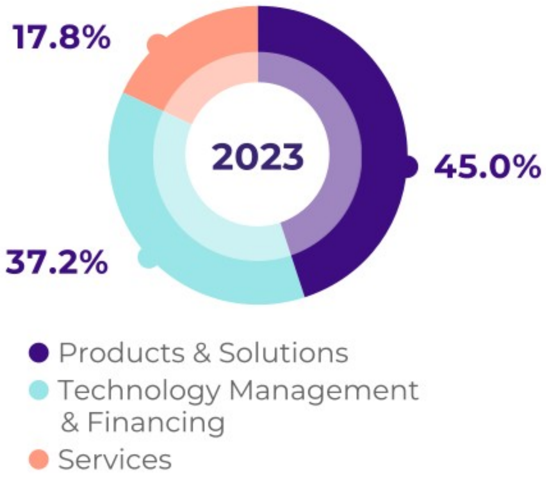
- constantly evolving IT investments (+3% from 2023 to 2024)
- number of devices per user growing thanks to hybrid work
- expected increase in leasing market share (16% in 2023 – 20% in 2028)
- users increasingly seeking high value-added services, including AI

2023 FINANCIAL PERFORMANCE

CONSOLIDATED REVENUE
(in € millions)

OPERATING MARGIN
(in € millions)

BREAKDOWN OF REVENUE BY BUSINESS



BREAKDOWN OF OPERATING MARGIN BY BUSINESS

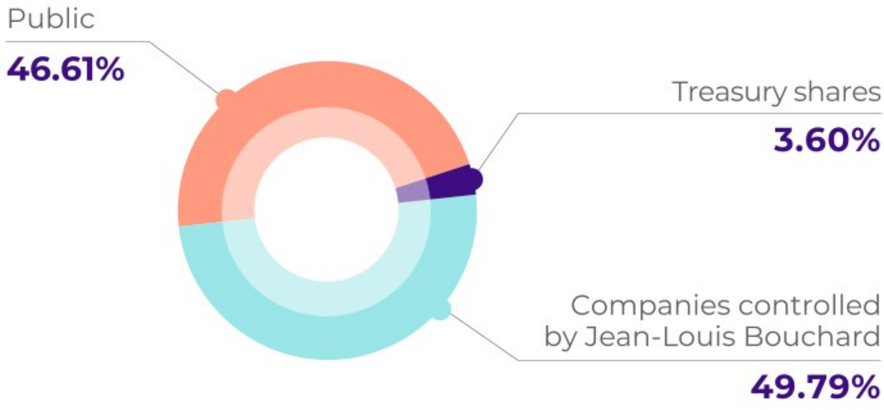
EQUITY
(in € millions)

NET FINANCIAL DEBT
(in € millions)

(*) ***Operating cash surplus*** *(after taking into account €209 million of discounted future cash receipts from TMF own-booked leases at the end of 2023), amounts to* ***€28 million at 31 December 2023****.*

CAPITAL PERFORMANCE

OWNERSHIP STRUCTURE AT 31 DECEMBER 2023



Market capitalisation(*) at 31 December 2023: €444m

Number of shares outstanding: 172,601,053

(*) Market capitalisation = total number of shares outstanding at 31 December 2023 x share price at 31 December 2023.

REMUNERATION PER SHARE
(in €)

Refund of issue premium

The Board of Directors will ask the **General Meeting of 2 April 2024** to approve the repayment of the issue premium equivalent to paid-up share capital in the amount of **€0.16 per share.**

CHANGE IN THE SHARE PRICE

Year	High in €	Low in €	Last in €	Average daily volume of shares traded
2021	3.94	2.37	3.65	188,477
2022	4.12	2.43	2.85	95,202
2023	**3.39**	**2.10**	**2.57**	**95,743**

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

ISIN Code: BE0974313455

Our real-time financial information:
www.econocom.com

OUR NEW STRATEGIC PLAN

"ONE ECONOCOM" IS OUR NEW 2024-2028 STRATEGIC PLAN, WHICH WAS PRESENTED TO THE MARKET IN NOVEMBER 2023.

THE FUNDAMENTAL PRINCIPLES THAT GUIDED THIS PLAN

1. Fulfilling our **clients' expectations**
2. Keeping pace with **growth in our markets**
3. Aligning our ambitions with our **cash flow from operating activities**
4. Co-constructing with our managers, **as close to the field as possible**

Our "One Econocom" strategic plan meets the new needs and developments in our markets

"Device as a service" is becoming the norm

Environmental considerations are becoming essential purchasing criteria

Hybrid work generalisation is increasing the need for modernisation

Complex IT architectures are emerging (public and private, cloud, on-premise)

"One Econocom" sets out our goal of increasing revenue by €1.3 billion and doubling our net profit by 2028.

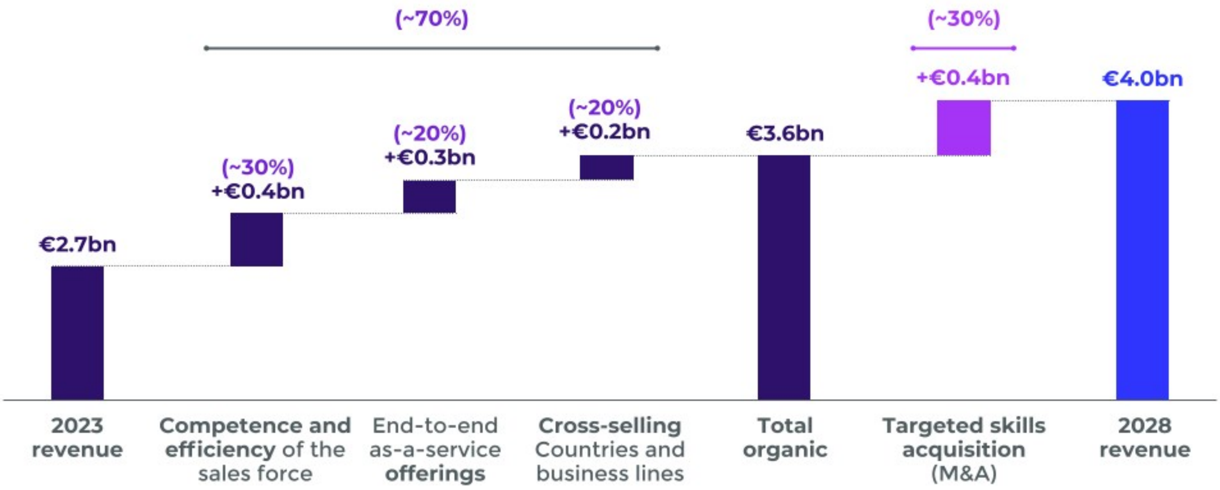
	2023	2026	2028
Operating margin % of revenue	>4%	>4.4%	5.1%
Profit (loss)	€62.6m	€80m	€130m

Revenue growth

€0.9bn
organic growth
70% of total growth

€0.4bn
contributed by acquisitions
30% of total growth

A plan chiefly driven by organic **growth initiatives**



External growth objectives ensured by a **targeted acquisition strategy** to complete our portfolio of offerings

WORKPLACE	• Distribution • Refurbishment
BEYOND THE WORKPLACE	• Infrastructure • Audiovisual

Acquisition target

10%
3-year ROI target

€220m
Total investments

GOVERNANCE AT 31 DECEMBER 2023

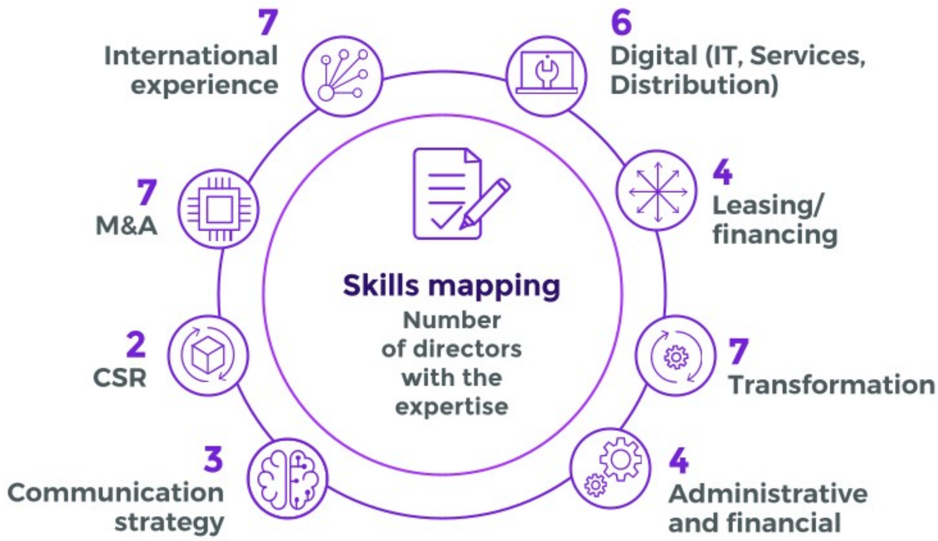
BOARD OF DIRECTORS

Average age:
62

% of women:
33%

Independence rate:
33%

Attendance rate:
91%



COMPOSITION OF THE BOARD

4 NON-INDEPENDENT DIRECTORS

Angel Benguigui Diaz
Executive Director

Veronique di Benedetto
Non-executive Director

Bruno Grossi
Non-executive Director

Jean-Philippe Roesch
Non-executive Director

Econocom International BV represented by **Jean-Louis Bouchard**)
Chairman, Executive Director and CEO

Robert Bouchard
Vice-Chairman and non-executive Director

9
DIRECTORS

3 INDEPENDENT DIRECTORS

Adeline Challon-Kemoun
Independent Director

Marie-Christine Levet
Independent Director

Eric Boustouller
Independent Director

AUDIT COMMITTEE	COMPENSATION AND APPOINTMENTS COMMITTEE
3 members	**3** members
Chairman: Robert Bouchard	Chairwoman: Marie-Christine Levet
1 independent member	**2** independent members
Attendance: **100%**	Attendance: **100%**

EXECUTIVE COMMITTEE — 6 MEMBERS — 10 MEETINGS

Missions

- **Propose** the strategic guidelines to be set by the Board of Directors
- **Approve** the budgets to be established in accordance with the strategic guidelines defined by the Board of Directors
- **Lead** the Group's operating entities while complying with the powers of the bodies of these entities
- **Monitor** their financial and operational performance

GROUP MANAGEMENT COMMITTEE — 14 MEMBERS — 12 MEETINGS

Missions

- **Share** the strategic and operational guidelines of the Executive Committee with the heads of the Group's key activities and functions.
- **Be a driving force** behind the development of the Group's strategy and major projects.

Jean-Louis Bouchard
(*via* EIBV) Chairman and CEO

Angel Benguigui Diaz
Executive Director - Managing Director

Patrick van den Berg
Managing Director

Philippe Goullioud
Managing Director Products & Solutions France

Mathilde Saint-Pol
Managing Director TMF France

Long Le Xuan
Managing Director Services France

Carlos Perez-Herce
Managing Director Spain

Alessio Lechiara
Managing Director Italy

Christoph Blaeser
Managing Director Germany/Poland

Israel Garcia
Managing Director Business Development & Support

Chantal De Vrieze
Managing Director BeLux

Ben Wylie
Managing Director UK

Eric Bazile
Group Chief Financial Officer

Quentin Bouchard
Group Tools Coordinator

Alexandre Murati
Group Chief Transformation Officer

NON-FINANCIAL PERFORMANCE

OUR CSR POLICY AND MISSION

IMPROVING OUR SOCIAL AND ENVIRONMENTAL FOOTPRINT
AND PROMOTING A RESPONSIBLE AND CIRCULAR DIGITAL APPROACH
TO GENERATE A POSITIVE IMPACT FOR OUR CUSTOMERS

OUR 4 PILLARS

OUR IMPACT OFFERING

Econocom is not only committed to its CSR policy but is also involved in improving the social and carbon footprint of its customers through impact solutions such as:

- **EcoCarbon** which measures the impact of companies' IT devices.
- **EASI:** offers a packaged solution (fee + services) that promotes use rather than ownership and provides a financial incentive to refresh the fleet by moving to assets with a lower carbon footprint.
- **Green & Energy:** advises, finances and implements companies' energy transition.
- **Product Care:** extends the life of devices through an agile maintenance offering.

"ONE ECONOCOM": OUR CSR OBJECTIVES FOR 2028

Customers

Fostering a sustainable digital transformation

x3 vs 2023
1.5 million devices reconditioned or recycled

x2 vs 2023
1.5 million devices maintained by Econocom in our Product Care repair centre

Environment

Contributing to a positive impact

SBTi commitment
-60% carbon footprint for Scopes 1 and 2
>80% of purchases made from SBTi partners

Ecovadis platinum certification
Join the Top 1% of certified companies

Employees

Committing to being an employer of choice

International employer certifications

>90/100
Econocom score for gender equality by 2028

X2
of employees with disabilities

OUR KEY FIGURES TO ASSESS OUR PERFORMANCE

OUR IMPACT IS MEASURED TO REFLECT THE EFFECTIVENESS OF THE ACTIONS WE CARRY OUT OVER THE LONG TERM.

CARBON FOOTPRINT AND ENERGY

Energy consumption of our in-house digital services **divided by**
3.5 since 2017.

+95%
green electricity in France and Spain.

4.6% reduction in our Scopes 1 and 2 from 2021 to 2022, on a like-for-like basis.

CIRCULAR ECONOMY

493,000
refurbished digital devices (computers, screens, servers, tablets, smartphones, etc.).

REPAIRABILITY

1 million
mobile devices under maintenance.

SOCIAL

86 pts
gender equality index(1) over the year.

86%
of employees(1) underwent cybersecurity awareness training.

68 %
of employees(2) received ethics training.

85 %
of employees(1) trained in best practices on data protection.

RATING

70/100
+4pts on the **Ecovadis rating**.
Econocom wins the gold medal.

753rd place
Joined ***The Financial Times*** ranking of European leaders in diversity.
850 companies selected from **16 countries**.

(1) France
(2) Group

01

overview of the Group and its activities

Introduction

Econocom designs and develops comprehensive , sustainable and circular digital solutions for end users in private and public organisations.

Our solutions focus on developing and transforming the workplace, audiovisual and digital signage and infrastructures, and also cover the financing needs of our clients' strategic assets.

The Econocom Group is one of the only European players capable of coordinating and managing the entire chain of expertise of a digital project: from advising on the choice of solution and project design, to deploying and outsourcing equipment, including the purchase or leasing of equipment, customisation, the associated or managed services, and the reconditioning of end-of-life equipment.

The Group's strengths

Econocom Group stands out from its competitors thanks to:

- a unique combination of expertise combining financial innovation with technological expertise;
- 50 years of experience supporting the digital transformation of organisations;
- its ability to offer an end-to-end, international, integrated offering with a presence in 16 mainly European countries;
- its independence from IT hardware manufacturers, telecom operators, software vendors and financial companies.

A unique model and DNA

The Group's development is based on a business model consisting of salaried Account Managers specialising in business areas, on the one hand, and independent, sales agents, on the other. This mixed-model gives Econocom a unique, stable and long-term sales force that has reflected the Group's entrepreneurial DNA since its inception.

Econocom's response to market needs

In order to keep pace with changes in the market and our customers' needs, which are constantly changing with globalisation, Econocom offers the following four end-to-end solutions:

- Workplace (see chapter 2.1);
- Audiovisual & Digital Signage (see chapter 2.2);
- Infrastructure and Networks (see chapter 2.3);
- Financing of strategic assets (see chapter 2.4).

Group history and highlights of the past three financial years

1974

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

1985

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

1986

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

1993

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

1996

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

2000

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

2001

The Group employs 2,000 people.

2002

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

2004/2007

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

2008

Acquisition of Databail, a French IT infrastructure financing company.

2009

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

2010

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

2013

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

2015

Econocom becomes a European Company (SE - *societas europeae*) to reflect the Group's European identity and ambitions.

Econocom implements an external growth strategy that favours majority shareholders in medium-sized companies leaving a large place for entrepreneurship.

2020

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

2021

With a strengthened financial structure and markedly lower operating costs, the Econocom Group resumes a policy of strategic acquisitions by business segment and country in 2021: Econocom acquires a majority stake in Trams in the United Kingdom.

2022

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

2023

Econocom presents its new One Econocom strategic plan for the 2024-2028 period, which aims to reach €4 billion in revenue and to intensify its non-financial performance initiatives.

Econocom receives the EcoVadis gold medal.

The 2023 financial year was notable for:

- revenue from continuing operations of €2,681 million, representing organic growth of 1.2% compared to 2022;
- an operating margin from continuing operations up 1.8% on a like-for-like basis, to €116.2 million;
- net financial debt [(1)] of €181 million compared to €144 million in 2022. This change was mainly due to returns for shareholders, through the buyback of treasury shares and the repayment of the issue premium for a total of approximately €46 million;
- treasury shares representing 3.60% of the share capital at 31 December 2023, following the cancellation of 43.9 million treasury shares in June.

2022 was notable for:

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

2021 was notable for:

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

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

1. Strategy and associated objectives

In 2023, Econocom launched "One Econocom", its new strategic plan that will guide the Group's trajectory and actions for the next five years.

Built on fundamental principles of collaboration, cohesion and organisation to address our customers' needs, it will strengthen the agility, relevance and circularity of our offers.

This plan aims to:

- meet new market expectations;
- launch the Group's offers in growing market segments;
- provide an "end-to-end" offering to cover the needs of our customers with a 360° view;
- strengthen our international approach and coverage.

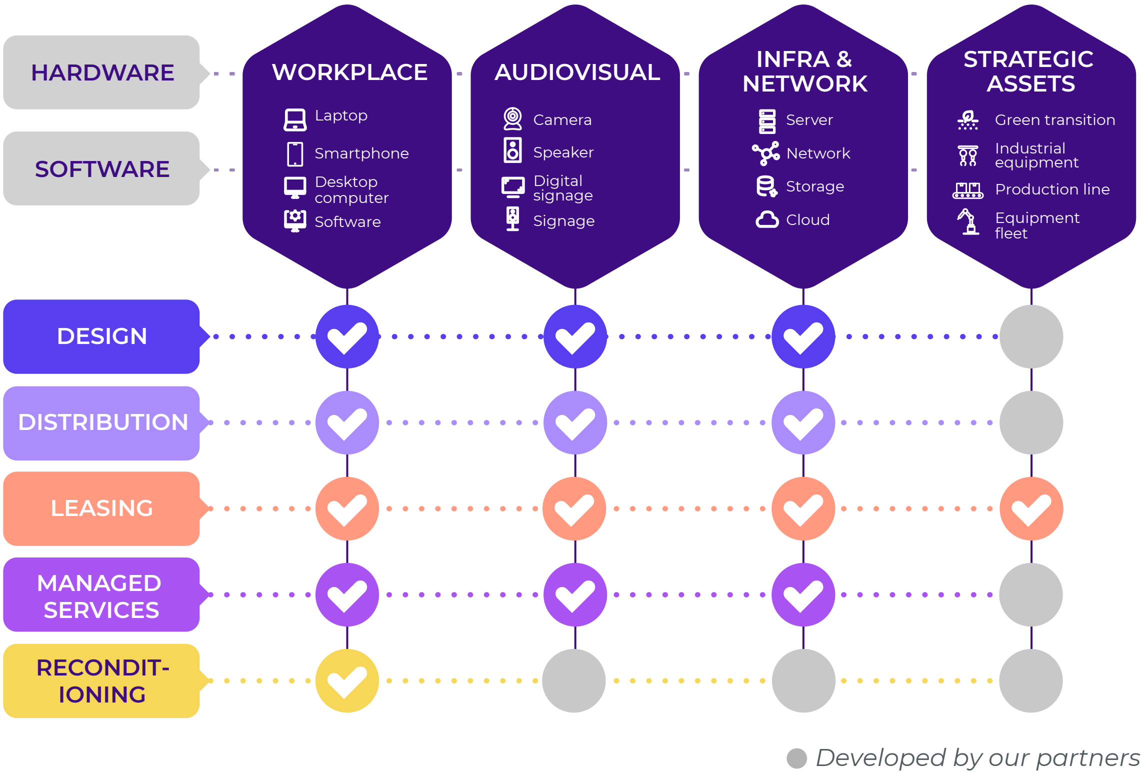
It also sets out clearly the extent of our financial and non-financial ambitions for the future.

The Group is thus aiming for significant growth in its businesses, above average market growth rates, with a goal of generating €4 billion in revenue by 2028.

This growth will mainly be based on an ambitious organic development strategy, representing 70% of total expected growth, complemented by targeted acquisitions (30% of total growth) designed to strengthen the Group's expertise and boost the development of offerings.

This plan, which is 100% self-financed by the Group, will be carried out by an experienced international management team that is motivated to achieve its objectives.

The ongoing changes in customer needs and markets mean we will have to adapt our offering and rethink the way the Group combines its areas of expertise. This will involve reinforcing the audiovisual and digital signage and infrastructure markets.


HARDWARE
SOFTWARE
WORKPLACE
Laptop
Smartphone
Desktop computer
Software
AUDIOVISUAL
Camera
Speaker
Digital signage
Signage
INFRA & NETWORK
Server
Network
Storage
Cloud
STRATEGIC ASSETS
Green transition
Industrial equipment
Production line
Equipment fleet
DESIGN
DISTRIBUTION
LEASING
MANAGED SERVICES
RECONDIT-IONING
Developed by our partners

2. Presentation of the Group's solutions

The prospective studies carried out as part of the building of the One Econocom plan point to a number of major trends that will change the various markets in which the Group operates.

"Device as a Service" is gradually emerging as the essential standard in the technology sector. This approach frees companies from the constraints associated with owning equipment, offering a flexible, scalable service model including services tailored to the specific needs of each customer.

At the same time, environmental and social concerns are becoming central to companies' purchasing criteria. Faced with a growing awareness of ecological and social issues, organisations are increasingly inclined to choose partners and solutions aligned with ethical and sustainable values.

The increasingly widespread use of hybrid work, resulting from the rise in remote working, has accentuated the need to modernise infrastructures and working tools. Companies are looking to create collaborative, flexible environments that are suited to both traditional offices and remote workspaces, with an increasing focus on the employee's workspace experience.

Likewise, IT architectures are becoming ever more complex, with increasingly widespread use of hybrid environments combining public and private infrastructures, and cloud and on-premise solutions. This complexity requires agile and sophisticated management to ensure enhanced security and the optimal operation of business-critical applications.

In this constantly changing landscape, companies are faced with the need to anticipate and adapt. Companies that incorporate these trends into their strategy will be better placed to thrive in this dynamic and demanding business environment. It is towards these changes that our comprehensive offering is geared.

2.1. Workplace: the future of effective collaborative working

Our Workplace solution offers a complete transformation of the working environment, ranging from assistance in choosing solutions and project design, to the deployment and outsourcing of equipment, including the purchase or leasing of equipment, customisation, the associated or managed services, and the reconditioning of end-of-life equipment.

Through innovative features and a user-centric approach, our offering and our expert teams aim to optimise productivity, collaboration and flexibility within organisations by addressing their specific challenges.

Our Workplace offering is based on the following areas of expertise:

- **Design:** the modernisation of an IT environment requires integrating a large number of parameters (hardware, software, networks, security) into project design. Econocom, thanks to its expertise in all these areas of expertise and a long-term relationship with the main suppliers in the market, is able to offer bespoke solutions to ensure the success of any project.

- **Distribution:** with a catalogue of more than 150,000 references and 2,000 brands, Econocom offers one of the broadest choices on the market and provides its customers with a guarantee of successful and appropriate sourcing. Our certifications and approvals guarantee unique conditions for the largest hardware manufacturers, and our value chain ensures a controlled process at each stage: from sourcing to services to extend the life of equipment, through customisation and the full management of the deployment project.
- **Financing:** bespoke equipment financing and management solutions to address technological, industrial and energy challenges.
- **Managed Services:** as experts in the user environment, we transform and operate the IT organisation of companies.
- **Reconditioning:** with Econocom Factory, an industrial company specialising in the second life of IT equipment since 1986, Econocom collects, reconditions and repairs smartphones, tablets, computers and connected watches. Through its SMAAART brand of reconditioned products, the Group is addressing the challenge of prolonging the life of electronic devices as much as possible, through a short-circuit approach.

2.2. Audiovisual & Digital Signage: immersive solutions for a unique experience

Our comprehensive audiovisual and digital signage offering aims to transform spaces, capture the attention of audiences, and strengthen visual communication. Whether for a company, public place, or event, our solutions are designed to provide an immersive and memorable experience.

With the launch of its new brand, Gather, in 2023, the Econocom Group confirmed its commitment to redefining the audiovisual landscape, offering its customers innovation, expertise and convergence of services on an international scale, for all companies in all sectors, such as multinationals, airports, chain stores, financial institutions, governments and stadiums.

Our offering includes:

1. **Dynamic digital signage:** high Resolution LED screens: state-of-the-art LED screens providing exceptional image quality for optimal visibility and interactive touch signage: engaged audiences thanks to interactive touch screens, ideal for presentations or interactive information.
2. **State-of-the-art sound systems:** audio conference systems: to facilitate meetings and presentations with state-of-the-art audio systems for clear and effective communication.
3. **Video conferencing and unified communications solutions:** HD cameras and communication platforms enhance virtual meetings with high-definition cameras and user-friendly video conferencing platforms.

Focus on unified communications offers

- **Entreprise telephony:** this solution provides convergence of operator access with existing collaboration solutions:
  - collaboration with the existing operator or the one recommended by Econocom for an international approach;
  - advanced telephony services (interactive voice switchboards, physical or virtual receptionists, etc.);
  - cost optimisation by monitoring licences in line with needs and uses (dashboards and reports available).
- **Video collaboration:** the world of videoconferencing has been revolutionised with the arrival of new players such as Microsoft, Zoom and Google. We have the expertise to equip meeting rooms by combining ease of use and performance:
  - Cisco Webex: Webex connection of devices to join Teams meetings with new Microsoft certified devices;
  - Microsoft Teams Rooms: one-click Team Meetings with the latest innovations in video capture and rendering, through our partners POLY, YEALINK or LOGITECH;
  - Zoom Rooms: for a collaboration in HD video whatever the space for a real-time interaction, respecting the latest innovations in video capture and rendering.
- **Contact centre:** the call centre is becoming a strategic contact centre that offers a multitude of means of communication (voice, video, instant messaging, etc.). Econocom supports the integration of new solutions.

4. Digital signage for retail and events:

- Personalised display solutions: unique shopping experiences with dynamic screens showcasing promotions, product videos and interactive content.
- Event signage: audiences entertained at special events with video walls, LED displays, and stunning visual installations.

5. Content management and maintenance:

- **Content management platforms:** facilitates the updating and management of content with user-friendly platforms.
- **Preventive maintenance:** ensures the continuity of facilities with a preventive maintenance service to minimise downtime.

Our teams of experts create bespoke solutions that meet the specific needs of organisations. Innovation, visual impact and reliability are all an integral part of our Audiovisual & Digital Signage approach and solution.

2.3. Infrastructure and Networks

In an ever-changing digital age, infrastructure is the backbone of the growth and efficiency of any company. Our comprehensive infrastructure offering is designed to meet the complex needs of companies, providing a solid foundation for innovation, security and operational performance.

1. Advanced networks and connectivity:

- Scalable network architecture: design a robust and scalable network to support your company's growing needs.

- Broadband Connectivity: maximise speed and reliability with our broadband connectivity solutions for seamless, instant communication.

2. **Cloud and virtualisation:**

- Cloud migration: transform your IT infrastructure by moving to the cloud, improving flexibility and reducing operating costs.
- Server virtualisation: optimise the use of resources with server virtualisation, enabling better management and scalability.

3. **Infrastructure security:**

- Advanced threat protection: ensure the security of your sensitive data with our advanced threat protection solutions.
- Access and identity management: establish robust security policies with our advanced identity and access management.

4. **Storage and backup solutions:**

- High-performance storage: meet the growing demand for data with our high-performance storage solutions.
- Automated backup: protect your critical data with automated backup solutions, ensuring rapid recovery when needed.

5. **Analysis and optimisation:**

- Performance analysis: monitor and optimise the performance of your infrastructure with advanced analysis tools.
- Cost optimisation: identify cost optimisation opportunities for a more efficient financial management of your infrastructure.

2.4. Financing strategic assets

Our dedicated "strategic assets" support the long-term growth and competitiveness of companies in Europe. They aim to facilitate the acquisition, modernisation and development of essential and key assets for the company, while optimising cash flow by offering reliable financial support thanks to EDFL (Econocom Digital Finance Limited) and our refinancing partners.

Highlights of our offering

- **Bespoke financing:** we design flexible financing solutions tailored to the needs and demands of our customers. We are able to finance the acquisition of a wide variety of assets critical to their production, including advanced technologies or upgrades to critical infrastructure.
- **Expert support:** our team of dedicated experts guide our customers through the process, from the initial assessment to finalising of financing.
- **European coverage:** we can support our customers throughout Europe in terms of financing their strategic assets.
- **Simplified management:** simplified procedures, fast turnaround times and open communication are at the heart of our approach, making our financing process transparent and efficient.
- **Sustainable commitment:** we value sustainable initiatives and encourage investments in assets that have a positive impact on the environment and society.

3. Presentation of the Group's business lines and expertise

The various business lines and areas of expertise presented below correspond to the analytical model used to present the Group's financial results.

3.1. Distribution (Products & Solutions)

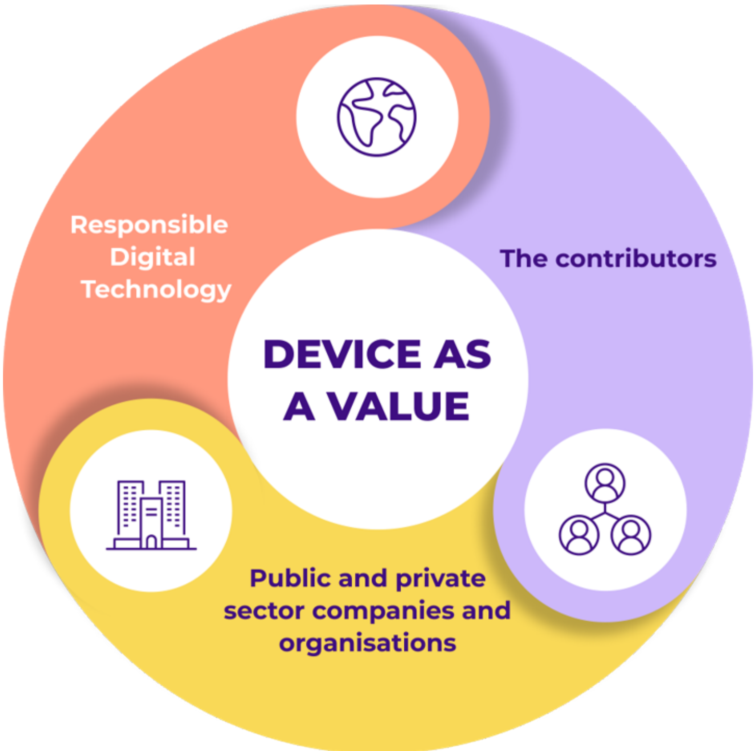
The equipment provided influences the efficiency and comfort of employees. The performance of remote working or collaborative tools in the office is essential to maintain ties and foster creativity.

With a catalogue of more than 150,000 references and 2,000 brands, Econocom offers one of the broadest choices on the market. Our certifications and approvals guarantee unique conditions for the largest hardware manufacturers.

Lastly, our strategic partnerships guarantee a "Modern Workplace" approach, notably with Apple, Microsoft and Google.

Our conviction: device as a value

We firmly believe that the device is a strategic asset for public and private organisations that helps improve the efficiency and attractiveness of their workplace.



Our value chain ensures a controlled process at each stage: from sourcing to equipment life extension services, through customisation and complete project management.

Our value chain

The keys to our success:

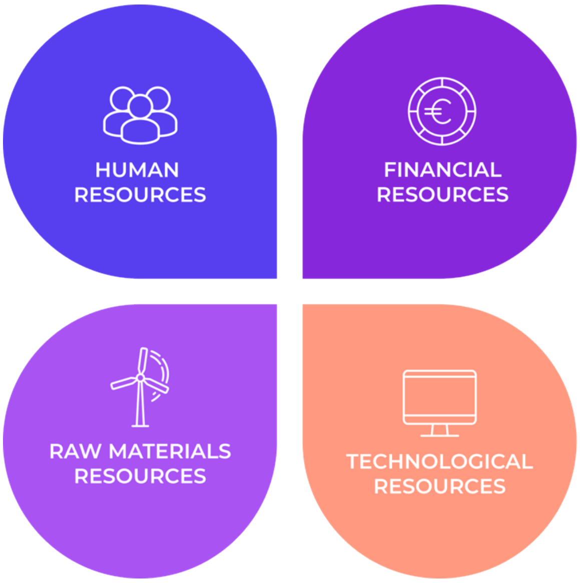
- **Impartial advice:** we support our customers in their digital transformation by a simplifying their product sourcing and technological choices while satisfying end-users requirements.
- **Effective, simple financing :** we work with our customers to build turnkey, as-a-service solutions that are tailored to their changing needs and budget.
- **A powerful logistics organisation:** we take into account logistics specificities by offering bespoke solutions regardless of the volume of orders and projects.
- **Premium after-sales service:** we guarantee continuity of service and ensure users remain operational at all times thanks to our dedicated product after-sales service team.
- **An eco-responsible approach:** we handle the end-of-life stage of your IT equipment through an eco-responsible approach that promotes the circular economy and a cost-cutting approach for companies and administrations.

3.2 Financing (Technology Management & Financing)

The Technology Management & Financing (TMF) business addresses companies IT asset-leasing and their strategic asset-financing needs, covering the full range of equipment requirements, particularly for the assets needed for their business: industrial equipment, medical devices, vehicles, maritime equipment, etc.

Our beliefs

Companies are constantly looking for resources to help improve their competitiveness, deliver their value proposition and future-proof their operations:



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

A pioneer in responsible digital transformation for a number of years, Econocom's aim, through its end-to-end offering, is to support its customers in the virtuous approach of the circular economy. Econocom provides its customers with practical solutions and tools to reduce their digital footprint while guaranteeing execution quality and compliance in short supply chains, as part of an inclusive approach.

Optimising the life cycle

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

In addition, employees and customers uses are evolving, with an ever-increasing need for responsiveness, ergonomics and simplicity. When it comes to choosing and adopting technology for their day-to-day at work, it's the users who call the shots.

Companies are therefore under pressure to find the right balance between technological choices, operational efficiency and cost control. Econocom addresses this issue by offering a range of modular solutions to satisfy customers technological needs.

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

Reducing the carbon footprint

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

Where the energy transition is concerned, all these organisations have the same goal: to reduce the energy consumption of their buildings, contribute to the reduction of greenhouse gas emissions, find new end-to-end solutions to control energy and contribute to the production of renewable energies. And as important as reducing their carbon footprint is for the future, they have another, more pressing challenge: making cost savings.

The leasing model is by definition a circular economy and carbon footprint reducing model, based on the shared use of equipment : equipment is returned at the end of the lease by one user and then reused by another. The environmental impact of leased digital assets is allocated to each user *pro rata* to their time of usage.

For 50 years, Econocom, as a responsible digital entrepreneur, has collected and recovered nearly 500,000 pieces of IT equipment to give them a second life.

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

Renewing company equipment for more responsible choices

Transport is undergoing a transformation and the market will be increasingly driven by solutions with low CO2 emissions. Consequently, the market should see an increase in the volumes of equipment such as e-charging stations, hydrogen storage stations, and pedelecs. Most of these assets have fast technological obsolescence rates and as such are ideally suited to leasing.

This area of development is perfectly in line with the Group's historical offerings and is a major source of diversification.

3.2.2. DIVERSIFICATION WITH FINANCING OF STRATEGIC ASSETS

The FAST activity is an example of Econocom's diversification to provide its customers with new ranges of equipment and assist with their energy transition.

Through this activity Econocom can provide its customers with the right financial solutions to enable them to navigate both the digital and environmental transitions, while preserving their financial base.

This offering covers the full range of companies' equipment particularly those required for their business: industrial equipment, medical devices, vehicles, maritime equipment, etc.

In order to fast-track the roll-out of its most advanced digital solutions, Econocom set up a specialised unit in 2014 to boosts its financial innovation capacities.

Econocom Digital Finance Limited (EDFL) is a dedicated, centralised unit specialising in risk management and financing solutions. It offers specific expertise in transaction security and non-standard contract financing. Through EDFL, Econocom has increased its independence and refinancing capacity.

The financing of strategic assets represented nearly 15% of EDFL's revenue in 2023 and represents the solution to finance the most complex transformation projects.

3.2.3. RECONDITIONING

With the acquisition, in 2022, of SOFI Group by Technology Management & Financing, Econocom has further improved its integrated industrial process in order to guarantee its customers control of the complete value chain of the circular economy and to offer a committed and integrated solution that meets the ecological, societal and economic requirements.

SOFI Group, renamed Econocom Factory, the French industry leader for reconditioning smartphones and tablets, is an ISO 14001-certified "company with a mission", with more than 75% of employees recruited under POEI contracts (a government scheme that helps provide training and employment for the unemployed). Prices fluctuates substantially mainly upwards. Production, component and transportation costs, as well as conversion rates, all contributed to regular and consecutive price increases.

The virtues of reconditioning

- **Cost optimisation:** reconditioning offers an economical alternative to the outright replacement of equipment, thereby generating cost savings while maintaining quality.
- **Sustainability and environment:** reconditioning is part of an eco-responsible approach, by reducing the production of electronic waste.
- **Increased performance:** our reconditioning processes enable equipment to return to or exceed its original performance.
- **Strict quality controls:** each reconditioned item of equipment undergoes strict quality controls to ensure maximum reliability and longevity.

The reconditioning process

- **Initial assessment:** we carefully examine the equipment to assess its current condition and determine the need for reconditioning.
- **Customised upgrades:** in conjunction with our customers, we identify the necessary improvements and potential upgrades to maximise equipment performance.
- **Repair and overhaul:** our highly trained technicians carry out the necessary repairs, replace defective parts and perform a complete overhaul of the equipment.
- **Quality controls:** each reconditioned item of equipment undergoes rigorous testing to ensure compliance with the highest quality standards.
- **Final customisation:** we adjust parameters and configurations according to the indicated specifications, before final delivery.

Industrial "made in France" quality

With its industrial know-how and by following very strict protocols, Econocom Factory has built a **qualitative** and **transparent** reconditioning process in a **short-circuit circular economy** in France. Products reconditioned at the factory are audited and tested using tools developed by our inhouse R&D teams, enabling up to 58 control points to be audited.

Our environmental commitments

As more than 80% of the carbon footprint of a digital product comes from its manufacture, the benefit of extending its life is obvious for Econocom Factory. By handling the entire refurbishing process of its products, from the supply of used products, mainly locally, to selling, it ensures complete traceability of the products that pass through its factory. The use of short circuits also minimises the impact of the reconditioned products.

Econocom Factory is ISO 14001 certified for its environmental management system.

A social and solidarity-based company

Committed to the development of industry and jobs in France, Econocom Factory is developing an internal training school in conjunction with Pôle Emploi, (France's national employment agency) for people who are approaching the end of their unemployment benefits. The recruitment method is based on the skills required for the positions, and training takes place over 400 hours. 83% of trainees are hired at the end of the programme.

The company has obtained the "**Service France Garanti**" label for its reconditioning and repair services, guaranteeing that 90% of the workforce, and 90% of staff in direct contact with customers are under an employment contract under French law.

Econocom Factory supports Ligue Contre le Cancer and resells used telephones to invest in cancer research.

A company with a mission

Econocom Factory naturally became the first company in its sector to adopt the status of a **company with a mission**.

Its mission is to actively contribute to extending the life of electrical and electronic equipment, and to develop an innovative, meaningful and value-creating industry in the circular economy, using short supply chains.

With the following four environmental objectives:

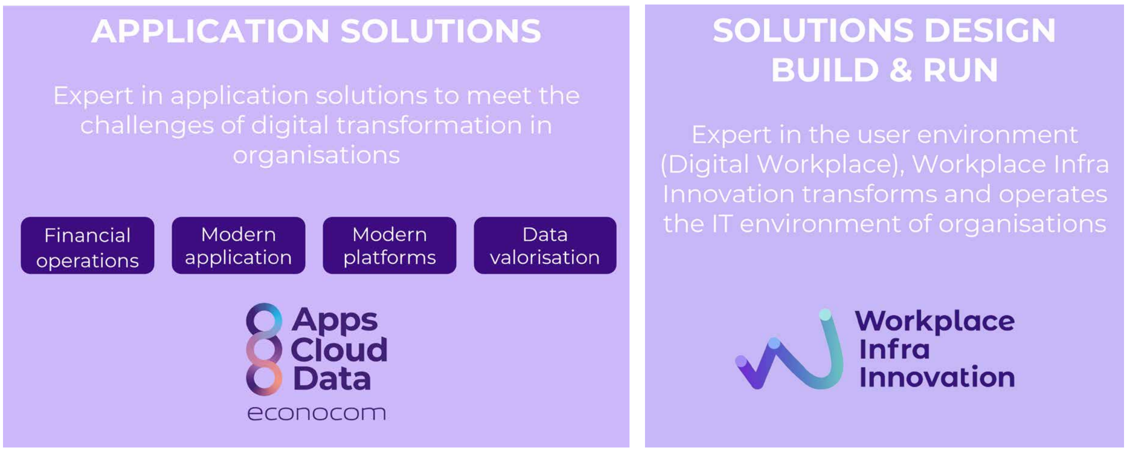
- reduce greenhouse gas emissions by collecting used electrical and electronic equipment for reconditioning, by promoting the use of renewable energies produced in France;
- contribute to the saving of resources and raw materials used for manufacturing electrical and electronic equipment;
- recover the waste generated by reusing or recycling electrical and electronic parts that cannot be repaired;
- raise awareness on sustainable consumption.

And two social objectives:

- promote the hiring of a local workforce;
- provide in-house training for unskilled labour.

3.3. Services

The Econocom Group's Services activity creates and develops tailored services to support our customers' digital projects and respond with agility to their needs in terms of user environments, infrastructure services, including migration to the cloud and hybridisation, application modernisation and data management.



User environment

Econocom implements workstation environments assists users in adopting them and guarantees availability, as part of a continuous improvement and innovation approach.

The "digital workplace" offering includes the design, integration and management of the user's digital work environment.

The areas covered by our offering are as follows:

- cloud-based collaboration and productivity solutions;
- management of user devices;
- digitalised service desk;
- deskside support services.

In 2023 Econocom remained the leading player in the users' outsourcing market in France (Teknowlogy/PAC 2023 ranking) for the fifth year running and continues to support large French and global companies in the digital transformation. Also according to PAC, Econocom is also a leader in France in all services dedicated to the Digital Workplace: consulting, integration, managed services and user support.

Cloud, infrastructure and hybridisation

Companies are increasingly using cloud computing in all its forms, IaaS, PaaS or SaaS, whether private or public.

The most popular solutions currently are multi-cloud and hybrid cloud, which involve choosing a variety of cloud suppliers (AWS, Microsoft or Google) and types of cloud.

However, they also have to manage their "legacy" applications and infrastructures which are often installed locally in their own datacentre. This ability to juggle local infrastructures with multi-cloud is called hybridisation.

The key to a successful transformation therefore lies in the IT Department's ability to implement a holistic, effective governance for the cloud migration project while keeping its legacy applications operational and/or by upgrading them.

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

Econocom transforms, implements and optimises its customers infrastructure services by keeping pace with new market trends, in particular hyper-automation and the hybrid cloud:

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

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

Econocom experts' close ties with software vendors give us access to new innovative features from beta versions, enabling us to test them and acquire all the skills necessary to offer them to our customers at the right time and with confidence.

Econocom Apps, Cloud & Data

At the heart of the IT system, applications are not just a growth lever, but a way to establish a company as innovative, unique - even disruptive in its market.

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

For it's no longer enough to approach these projects purely from a development perspective you also have to consider the choice of the underlying platform, managing the data, security and integrity. Furthermore, the applications are interdependent from IT systems, whether the Company's or third parties.

To help CIOs with their application portfolio development projects, Econocom has designed an offer based on three complementary components:

- modern applications;
- modern platforms;
- data exploitation.

Econocom adopts a structuring methodological approach, DevOps (Development/Operation).

This involves designing and managing the development of the application, its integration, deployment, operation and maintenance of the infrastructures as an overall project.

The principles of DevOps favour shorter development cycles, an increase in the frequency of deployments and continuous automated deliveries.

In addition, Econocom assists its customers in getting the most out of their data, so they can generate economic and competitive advantages. This involves collecting, storing, transforming and then restoring them with custom dashboards and reports that give customers a clear picture of the information they need to make informed decisions for their business.

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

4. Digital solutions offered by Econocom Satellites

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

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

4.1. Cybersecurity: the Econocom offering

- **Asystel-BDF (Italy):** oversees IT security through consulting, inventory, monitoring, vulnerability assessment and penetration testing, and remedial action.

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

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

To complement and integrate the SecurE-Learning solution, we provide two dynamic tools with a monthly output: a) the Security Tips collection to provide employees and workers with dynamic information on risks and vulnerabilities in a language that lay people can understand ; b) the Vulnerability Bulletin, where we select and rank vulnerabilities by their severity level, categorising them (applications, databases, operating systems, browsers, etc.) and indicating CVEs, issues, and the solutions available to provide IT staff with a tool that accelerates choices and remedial actions.

Furthermore, in view of the current international context, with growing cyber threats and an explosion of digital data, as well as the importance of the CISO's role for companies, Asystel-BDF also offers a new CaaS (CISO as-a-Service) programme for developing and implementing security policies and technology and risk management policies to protect digital assets and ensure the organisations' operational continuity, as well as helping customers to comply with European policies such as GDPR and DORA. This service is implemented by cybersecurity professionals and involves continuous intervention over time.

The Cybersecurity team also has partnerships and expertise in terms of implementation and support with the main suppliers in the market, such as: Darktrace, Elastic Security, Palo Alto, Trend Micro, Trellix (McAfee & FireEye), Microsoft (Defender, AIP, Sentinel), Bitdefender, Cisco, Check Point, CrowdStrike, Fortinet, It's Mine, Kaspersky, Libraesva, Okta, Watch Guard and many others.

Focus on Asystel-BDF's offering for defence against advanced threats and vulnerability management.

To address the ever-increasing number of data breaches, Asystel-BDF has designed and implemented a modular cyber defence and vulnerability management platform. It monitors server and terminal traffic in near real time (the platform can ingest data from the various EDRs in the market), even outside the company's scope, to identify security leaks and respond automatically and rapidly to threats thanks to artificial intelligence and machine learning technologies, which shape systems and enable companies to simplify their security management.

- **Exaprobe (France):** is a benchmark entity for securing corporate infrastructures and digital territories, as well as network and audiovisual infrastructures.

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

Today, it employs 225 people and posts revenue of €157.1 million. Exaprobe has forged a reputation for technological expertise and innovative offerings. Following the acquisition of Aciernet in 2017, Exaprobe now has specific expertise in designing and equipping large datacentres. The acquisition of So-IT in 2021 enabled Exaprobe to strengthen its presence in the South-West region and to supplement and enhance its Network and Security skills with strategic partners such as Palo Alto, Arista, etc.

Exaprobe's Networks and Security teams benefit from high-level partnerships with the largest hardware manufacturers. Our experts support our customers with architecture, implementation, support and outsourcing missions for market leaders: Cisco, Fortinet, Palo Alto, CrowdStrike, F5, Wallix, Vade, HPE-Aruba, Check Point, Stormshield, Ubika, Trend Micro, Cato Networks, Infoblox, Arista, Opengear, Ucopia, Cloudi-Fi, etc.

Focus on Exaprobe's SOC offering

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

In order to meet the growing challenges of IT security and the multiplication of threats, Exaprobe has, for several years, focused on the development of its SOC (Security Operations Centre) and turnkey service offerings, called Go4Secu, which offers clients the expertise of a dedicated team of cyber analysts based in France who provide both security threat analysis and remedial action, 24/7.

These offers consist of:

- a 100% cloud-based technological component supported by market leaders (Cisco, CrowdStrike, Palo Alto) to ensure the protection of workstations and servers, email and web browsing;

- integration and operation services for the protection solutions in place to ensure the detection of and response to security incidents 24/7.

Our organisation, which combines both expert threat analysts and advanced tools using automation and artificial intelligence, enables us to quickly process and block the threats detected by limiting, as far as possible, their impact on our customers' IT systems.

In 2024, Exaprobe is offering a new service with fake phishing campaigns in order to:

- assess the Company's human vulnerabilities;
- regularly check the level of vigilance of teams;
- raise employee awareness of cyber risks.

Phishing remains the number one vector of IT attacks and intrusions ; it is therefore essential to regularly raise awareness among users as they are on the front lines for this type of attack.

- **Trams (United Kingdom):** in 2023, Trams continued to expand its security offerings by partnering with carefully selected cybersecurity and phishing prevention companies. The company is still ISO27001 certified and, in 2023, it worked towards achieving Cyber Essential Plus certification in order to offer its customers additional security support and knowledge.

Working with pioneers in their field (such as Darktrace, Phished, Barracuda and CrowdStrike) enabled Trams to offer its customers complete visibility of their ecosystem and protection of all their devices, exchanges, data and identities. As a leading Jamf reseller, Trams also provides Jamf Protect and Jamf Trusted Access for macOS and iOS. These partnerships allowed Trams to win numerous security contracts in 2023.

4.2. Microsoft technologies: the Econocom offering

- **Asystel-BDF (Italy):** using the WaaS (Windows as a Service) model to manage the distribution of patches, and the distribution and installation of software centres, also via a catalogue of software centres, Asystel-BDF designs innovative solutions to meet the challenges of modern workplace management and specialises in the field of Modern Work SMEs and Data & Artificial Intelligence (Azure). Asystel-BDF is also an authorised Microsoft HoloLens reseller, offering a complete and value-added proposition in the field of digital and multimedia.

- **Trams (United Kingdom):** with decades of experience in Microsoft products and services, Trams provides MO365, CSP and LSP licences and solutions to companies of all sizes.

4.3. Apple Technologies: the Econocom offering

- **Asystel-BDF (Italy):** the ideal partner for customers looking to adopt an agile, intelligent working model through Apple technologies, Asystel-BDF takes care of all aspects of a project: from choosing the best devices to suit users' needs in a mobile or desktop environment, to Asystel-BDF's collaboration applications and platforms and value-added services (*e.g.* training, modern device management with leading UEM/MDM providers (*e.g.* VMware, Workspace One, MobileIron/Ivanti, Microsoft Intune, Jamf), in-depth knowledge of the ABM platform, Service Desk 2.0, implementation and logistics with contactless enrolment programmes, cybersecurity protection services). Econocom International Italia, with its associated company Asystel-BDF, is an Apple Authorised Reseller (AAR) whose team includes several ACSPs (Apple Certified Support Professionals).

- **Trams (United Kingdom):** Trams has been an Apple Authorised Reseller in the United Kingdom and Apple Authorised Service Provider for several decades. Since 2023, Trams has been part of the Apple consulting network, which helps more organisations identify the best Apple technology for their business needs, as well as implement and support IT solutions.

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

Focus on Trams

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

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

Focus on Energy Net

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

4.4. Apps & Cloud

Applications

At the heart of the user experience, applications are the most visible part of the daily lives of the Company's customers and employees. Today, every company needs ever-faster access to powerful business-oriented applications, that can keep pace with a rapidly changing market, uses and technologies.

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

- **Asystel-BDF (Italy):** provides companies with the unlimited potential of modern applications thanks to its expertise in providing customised solutions. Asystel-BDF targets different areas of application, from front-end to back-end. It manages end-to-end customer experience projects with industry-leading partners, applying AI to support users or automating multiple services, enabling omnichannel interaction, and addressing customers' needs for an optimal end-user experience. It handles digital process transformation, and business process management and digitisation, which is also enhanced by AI to automate and understand document content and valuable data. The Asystel-BDF engineering team updates legacy applications, by replatforming them both on a modern development stack and *via* low-code tools, in line with a "cloud-ready" approach. Low-code is adopted for mobile and web applications and for application services exposed on the network, ensuring faster development and maintenance and improved change management, by maintaining the highest possible level of development security. In addition, IoT solutions applied to the Telco vertical industry monitor, diagnose and configure the networks of millions of devices. Asystel-BDF also relies a range of in-house applications, as part of its Arte tool, to enable customers to communicate effectively with the service desk and to manage and track quickly and securely (through tickets) incidents or support requests, giving customers complete visibility and governance. It is intrinsically designed to be easily integrated with third-party tools or applications and fully customised. Lastly, Arte's "Smart Refresh" feature draws up an efficient inventory of IT assets, essential for understanding and managing information on IT equipment use.

BizPro is a leading tool for monitoring the raw materials market ; It detects suspected market abuse and provides an end-to-end automated process, from the source of data to reports and case management flows.

The onStage hybrid integration platform provides a solution for a variety of uses : API management tool, cloud services integration, mobile application integration, SOA governance, legacy gateway replacement, API security and threat protection, back-end application control, business logic control and workflow management. Asystel-BDF also helps companies to develop customised web/ mobile applications able to solve business problems, increase sales, retain customers and/or employees, and to accelerate and automate internal business processes through a logic agreed with the client;

- **Synertrade (France)** offers an SaaS solution dedicated to purchasing, covering the entire purchasing chain: from supplier qualification to negotiations, including legal agreements, orders, and invoicing up to the end of the cycle, by assessing supplier performance and planning continuous improvement actions. The Accelerate platform covers the needs of direct or indirect purchasing departments, and gives Purchasing decision-makers complete control of their purchasing strategy thanks to a reliable orchestrated Source to Pay platform, facilitating end-to-end collaboration between departments. Synertrade has more than 250 clients worldwide, from all business sectors (Industry, Health & Pharma, Energy, Retail, Agri-food, Insurance, Media, etc.). Our SaaS solution meets the strategic challenges of large Fortune 500 groups as well as large international SMEs/SMIs.

Hosting and cloud offers

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

ON THE CLOUD MARKET

- **Trams (United Kingdom):** TramsCloud is a JAMF MDM solution hosted on AWS infrastructure offering a global footprint. As an MSP, TramsCloud offers JAMF instances in an easily accessible cloud environment, without customers having to implement or manage their own platform. Customers can choose to manage and configure their own JAMF instance. Trams can also provide a fully managed service.

4.5. Infrastructure & Networks

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

Designing scalable infrastructures capable of integrating tomorrow's innovations

Developing flexibly to improve support: this is Econocom’s approach. The Group advocates traditional IT solutions together with the most innovative digital solutions (hybrid cloud solutions, etc.). This combination facilitates the digital transition and user adoption, with the added flexibility of designing scalable infrastructures that can keep pace with ever-changing technologies.

THREE SATELLITES OPERATE IN THIS MARKET:

- **Asystel-BDF (Italy)** helps companies choose the best secure infrastructure strategy, by creating and managing environments and architectures able to meet the full spectrum of a company’s application and IT service needs. Its custom solutions enable companies to deliver the applications and data they need to achieve their goals. Asystel-BDF offers companies peace of mind, by protecting their data, mainly through AI, which is now integrated into a number of solutions. Through it observability tools, it can support complex architectures and hybrid clouds. Its advanced technology and customised cybersecurity and network security solutions continuously protect companies’ infrastructure against external threats, ensuring a reliable secure operating environment. It has accreditations and certifications with leading companies such as Cisco/Meraki, HPE, Fortinet and Citrix, and with innovators for specific needs such as Ekahau for the study and remediation of Wi-Fi.

- **Trams (United Kingdom)** has engineers who are trained and qualified to deploy, manage and support customers' networks, whatever the supplier or size. Trams is a multiple award winning Quantum partner, with over 15 years of experience in the installation and project management of complex cloud, hybrid-cloud and on-premise projects in the UK and the EMEA region. Its in-house knowledge of hybrid storage workflows, backup and archiving solutions, combined with leading partnerships with vendors such as Dell, Veeam, Pure Storage and HP, make it an ideal partner to build and install a first-rate work infrastructure;
- **Exaprobe** has in-depth expertise in networks and data centres. Its areas of expertise range from the design, implementation and management of advanced network solutions, to outsourcing. Exaprobe excels in supporting customers as they optimise their infrastructures, strengthen network security, and ensure the availability and efficiency of data centres.

4.6. Mobility

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

- **Asystel-BDF (Italy)** provides its customers with all the cutting-edge technological solutions and services needed for a comprehensive, modern, secure and efficient management of terminals, guaranteeing quality of service, compliance with policies and security, increased productivity and flexibility to enable hybrid or fully remote working methods, and providing customers’ IT with unified, centralised management. Applying a BYOD approach, Asystel-BDF has in-depth knowledge of Microsoft Windows, Apple MacOS and Chrome environments, on the one hand, and Android and iOS operating systems and related device management platforms, on the other. It also has expertise in best-in-class MTD solutions (such as Lookout, Check Point, Zimperium) which are closely integrated with MDM/UEM platforms such as MS Intune, Workspace One, MobileIron/Ivanti and Samsung Knox for automated risk detection and mitigation/remediation which reconcile management practices that cover a wide range of user devices as well as remote company assets in the world of IoT, OT and IoMT.
- **Energy Net (Germany):** Econocom has strengthened its presence in Germany with the acquisition of Energy Net in 2017. This Satellite, specialising in B2B distribution and integration of Apple products, allows Econocom to consolidate its historic partnership with Apple. Energy Net enables Econocom to develop innovative solutions combining hardware, applications and services, charged as a fee.

- **Trams (United Kingdom)** offers complete Enterprise Device Management for both Apple and Windows-based IT fleets. This management covers the full device life cycle from subscriptions to zero-touch deployment, app development, self-service, security, and recycling.

4.7. Digital Signage

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

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

The following are players in this market:

- **Asystel-BDF (Italy)** is a leading player in the new multimedia communication solutions: smart collaboration solutions, implementation of environments for new-generation multimedia communication. Asystel-BDF designs complete turnkey solutions that include monitors, projectors, touchframes, IWBs, video walls, NUCs, digital signage platforms, microphones, amplifiers, interactive furniture items, reservation and biometric recognition systems, and home automation interfaces and connectors in order to create functional multimedia environments, which are extremely innovative, in harmony with overall interior design and easy to use delivering optimal experience, productivity and promotion of brand and products. The goal is to be the single point of contact for companies, from the design and implementation of cutting-edge collaboration spaces, to developing, integrating and managing IT and infrastructure services for network, security, unified communication and audiovisual needs, both on-premise and in the cloud;
- **BIS|Econocom (Benelux):** specialist in audiovisual & IT solutions, video collaboration and unified communications. BIS|Econocom speeds up digital transformations, brings people together and makes organisations more decisive and agile. Digital technologies are adopted at lightning speed and audiovisual & IT technology plays a crucial role in this process. BIS|Econocom is a market leader in the Netherlands, creating user-friendly innovations to enhance collaboration, unified communications and other audiovisual and IT solutions, inside and outside the office environment. Among these solutions it is worth noting:

COLLABORATIVE SOLUTIONS WITHOUT BORDERS

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

WORKPLACE MANAGEMENT IN ONE CLICK

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

BIS|Econocom's workplace management solutions ensure a safe, secure workplace at any time: enabling organisations to monitor occupancy rates and book offices or secure meeting rooms in just a click.

NARROWCASTING - BEYOND COMMUNICATION

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

- **Exaprobe:** one of the French Smart Office market leaders in the and using its extensive experience of digitisation projects, Exaprobe unites the full range of audiovisual, unified communications and workspace digitisation skills.
- **Trams (United Kingdom):** created an audiovisual department in 2023, with contracts already signed over the same calendar year. The new department works closely with Gather in order to deliver cross-border projects, and examines all areas relating to digital signage, unified collaboration and AVaaS.

4.8. Consulting

Three Satellites operate specifically in the consulting market:

- **Asystel-BDF (Italy)** works with customers to define the best digital transformation strategy in line with the specific innovation needs for cloud transition, IT alignment, the BizOps approach, change management, process optimisation and DevOps. Asystel-BDF has a dedicated functional and technological consulting and project management offering, which follows appropriate governance and DevOps models according to an agile methodology. Thus, Asystel-BDF can directly address companies' transformation and innovation needs by analysing the current situation, studying areas for improvement and supporting the client on the path to optimal transformation.
- **Helis (France)** is a consulting firm specialising in mission critical infrastructure consulting and engineering. With a team of over 100 consultants on secondment , Helis experts assist companies in their respective fields, in specialised areas such as IP and network infrastructure, GDPR compliance and cybersecurity and Big Data, thus providing a bespoke solution to their transformation projects;
- **Trams (United Kingdom)** has long-standing in-house technical expertise backed by experienced technical consultants to provide qualified pre-sales, installation and after-sales support for solutions including EUC, Storage Workflows, Network Infrastructure, Cloud (AWS, Azure & Google) & Security.

5. Markets in which the Group operates

5.1. Changes in the Group's markets

5.1.1. TECHNOLOGY MANAGEMENT & FINANCING: A CONTINUALLY GROWING - LEASING MARKET

After the economic difficulties arising from Covid-19, 2021 saw a return to investments and consumption. Since then, raw material price tensions and supply difficulties have gradually emerged, resulting from the robust economic recovery. These difficulties were further exacerbated in early 2022 with the outbreak of the war in Ukraine and new lockdowns in China. The upturn in the manufacturing industry and construction industries was hampered by supply difficulties and rising production costs. These unfavourable factors, compounded by prevailing uncertainty, undermined investor confidence and stifled growth.

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

The leasing business remains attractive for the following reasons:

1. **Cash flow requirements**

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

2. **An enhanced range of services**

   The efforts by leasing companies to provide an enhanced range of services (including financing, distribution, maintenance, end-of-life management, etc.) mean companies can focus on their core business.

3. **Leasing boosted by environmental issues**

   Climate and the environment are central to customer concerns, highlighting the need to develop the leasing model, which is part of the circular economy and has organised, structured repurposing and recycling capabilities. Leasing offers companies the assurance of responsible, sustainable, expert management of their equipment.

5.1.2. PRODUCTS & SOLUTIONS

A series of crises, political uncertainties and economic upheavals are now part of the new normal that impacts the life of companies. However, IT players have developed adaptability and a certain resilience.

Significant improvement in deliveries

This years, the IT market saw a number of improvements in production and deliveries as a result of the Covid-19 measures in place since January 2020. The availability and price of containers, transport, logistical capacities for freight and production ensured good levels of delivery.

The war in Ukraine severely disrupted the supply routes of deliveries; trains and aircraft previously put in place were redirected. Deliveries of goods transiting through Ukraine and Russia, or over them, had to be diverted. In a few weeks, shipping routes were restored to the benefit of prices and to the detriment of lead-times. Despite a disrupted supply chain, compounded by a number of geopolitical challenges, and pandemics, delivery volumes were ensured and even made up for the delay in deliveries in 2021.

Inflation and currency fluctuations

Prices were once again subject to strong fluctuations, mainly increases. Production, component and transportation costs, as well as conversion rates, all contributed to regular, consecutive increases.

A resumption of IT investments

CIOs are accelerating IT investments : these disruptive events highlighted the importance of flexibility and agility. Purchasing and investment are focusing on the private and public Education sectors, analytics, cloud computing, customer experiences and security. Markets emerging in areas where demand was neglected in the early stages of the pandemic; demand from high-end users also held up. Despite a downtown due to the saturation of demand and rising costs, according to studies by IDC, Gartner, Context and Canalys, whose sales figures vary, the market has reached an inflection point towards a slower growth rate.

New marketing models

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

Subscriptions, memberships, and short- and long-term leasing arrangements are booming. Attitudes to ownership are changing : owning a product throughout its life cycle is no longer a priority. Flexibility and agility are also key success factors; laptops, smartphones and tablets, as well as infrastructure and second-life licences, are all in high demand from IT Departments.

Improving circular economy based services

There is an increasing demand from customers for the recovery, repurposing and recycling of products to extend their useful life, as well as refurbishment, a trend that was boosted by product availability, costs and environmental demands. Upgrading a machine, to extend its life or offer an additional service, are also ways to comply with CSR requirements.

Consequently, Econocom Products & Solutions France has developed its offer for purchasing end-of-use equipment from customers (Buy Back) and expanded its network of wholesalers specialising in reconditioned equipment.

The year also saw significant activity at the “**Product Care**” repair centre in the Greater Paris region, which is in charge of repairing digital equipment to extend its life.

5.1.3. SERVICES: A RECOVERY OF THE GLOBAL MARKET

Unsurprisingly, the cloud is one of the most popular IT areas and has been widely adopted by the majority of companies. In the IT and business services markets and across all regions, spending on cloud services has been the main growth driver since 2020.

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

5.2. Digital solutions

Cybersecurity is constantly evolving. Among the challenges and regulations that companies will face in 2024, three major issues stand out:

- AI, which revolutionised 2023 with the arrival of ChatGPT;
- the European NIS 2 regulation, which comes into force this year;
- the protection of industrial assets (OT).

AI – An attack and defence tool

Artificial intelligence is revolutionising the world of cybersecurity. AI is emerging as a threat amplification tool, transforming the way attacks are designed and executed, and evolve over time. At the same time, AI is also spearheading cybersecurity, providing breakthroughs in the protection of IT systems.

AI – A threat amplification tool

Phishing has long been one of the principal vectors of cyber-attacks. With AI it has become increasingly sophisticated, and AI language models coupled with AI data collection and data analysis are resulting in hyper-personalised attacks with messages designed to exploit individuals' vulnerabilities. The telecom company NexGen Networks estimates that current AI phishing is three times more efficient than traditional phishing.

AI also offers advanced automation, enabling cybercriminals to design and execute large-scale attacks quickly and without in-depth knowledge. Moreover, the use of AI means they can continually hone their methods. In 2021, Taskrabbit, a marketplace for freelancers, was attacked by a botnet network controlled by an AI. 3.75 million site users were affected as their social security numbers and bank account details were taken from their user data.

The facilitation of AI and its automation have paved the way for cyberattacks called “As A Service”. Today, all you need to do is enter a domain name or email address to launch an attack. All in all, it is safe to assume that AI-assisted attacks will only get worse.

AI – The cyber-shield of tomorrow

AI is not just a threat for companies : it is also a bulwark against cyber threats. AI promises to redefine the way we protect ourselves against digital attacks.

One of the most powerful capabilities of AI is its ability to detect threats at an early stage. Machine learning algorithms can analyse behaviour patterns, thus distinguishing normal activities from suspicious behaviours. By observing use patterns, AI can detect abnormal activities that could indicate a potential threat, thus forearming systems against sophisticated attacks.

Traditional defence systems may be static, but AI breaks these limits by enabling real-time adaptation. In the face of ever-changing attack tactics, AI is continually adjusting its models, thus always staying one step ahead in the race against cybercriminals. Threat detection can trigger an instant response, from isolating a compromised system to neutralising an ongoing attack, thereby minimising potential damage.

AI is not only effective against current threats : it can also anticipate future tactics. This provides a proactive approach, enabling organisations to strengthen their defence even before new vulnerabilities are exploited.

NIS 2 – New European directive for better protection against cybercriminals

Why NIS 2?

The European NIS 2 directive will come into force in October 2024 in response to a need for better harmonisation across EU member States as well as an increase in the level of cyber protection of companies.

NIS 2 is an evolution of the NIS directive on the security of networks and IT systems, which concerned approximately 300 entities designated as “Essential Services Operators” (OSE), implemented in 2018. Since then, the evolution of threats and impacts on society has continued to grow towards new targets (SMEs, mid-sized companies, local authorities, etc.) with dramatic consequences, particularly with the rise in ransomware attacks, which have become the scourge of cybersecurity for several years.

Faced with this finding, the European Commission decided, at the end of 2020, to extend the scope and ambitions of the NIS directive to cover thousands of entities at the national level.

In France, the ANSSI (*Agence Nationale de la Sécurité des Systèmes d’Information*) is responsible for transposing the European directive into French law.

Who is affected?

NIS 2 will raise the level of IT security of medium-sized companies in both the private and public sectors, contributing to the national supply chain.

The 18 sectors concerned are:

Energy, transport, banking, financial market infrastructure, health, drinking water, wastewater, digital infrastructure, ICT service management, public administration, space, postal and shipping services, waste management, chemical manufacturing, production and distribution, food production, processing and distribution, manufacturing, digital suppliers and research.

The directive primarily concerns, companies in these sectors with over 50 employees and revenue or the annual balance sheet in excess of €10 million.

What are the impacts?

NIS 2 will require the implementation of the following security measures:

- establish policies relating to risk analysis and IT security;
- establish incident management processes;
- ensure business continuity (backups, DRP, crisis management);
- ensure the security of the supply chain (suppliers & service providers);
- ensure the security of the acquisition, development and maintenance of IT systems;
- establish policies and procedures to assess the effectiveness of cybersecurity risk management measures;
- establish basic practices (cyber hygiene and cybersecurity training);
- establish policies and procedures relating to the use of cryptography;
- manage human resource security, access control policies and asset management;
- ensure the use of multi-factor authentication or continuous authentication of secure voice, video and text communications and of emergency communication systems within the entity, as required.

The regulated entities will also be required to report any major security incidents, within a limited timeframe, to the ANSSI.

As with GDPR, failure to comply with the directive may result in severe financial penalties of up to €10 million or 2% of global revenue.

OT – A crucial Cybersecurity challenge

Operational Technology (OT), which is at the heart of physical environments, plays an essential role in the due functioning of production tools and operational management. It encompasses a variety of assets, such as machine tools and SCADA servers, present in all industrial sectors.

The rise in connectivity and associated challenges

Historically, Operational Technology (OT) assets were confined to isolated environments, operating on closed networks and inaccessible from external networks. This architecture provided relative protection, limiting exposure to cyber threats. However, the advent of modern IT and the growing need for operational efficiency have led to a significant transformation of this configuration.

Over the years, OT assets have become increasingly connected and integrated into larger IT networks. This development has opened up new possibilities, enabling a more centralised management of advanced data analytics and the optimisation of industrial operations. However, this increased connectivity has also introduced major cybersecurity challenges.

Significant attacks and major risks

For more than a decade, OT equipment has been the subject of persistent attacks. An emblematic example is the computer worm Stuxnet, discovered in 2010, whose sophistication and unusual target (the industrial control systems of Iranian nuclear centrifuges) drew global attention.

The recent attack on Kojima Industries, a Toyota supplier, which caused the suspension of activities in 14 plants in Japan, illustrates the critical risk associated with cyberattacks on OT systems.

The repercussions of OT-related attacks go beyond financial costs, affecting vital assets such as energy and water. Consequences can also include the endangerment of employees, risks for the general population and contamination. The vulnerability of these systems underlines the crucial importance of reinforcing their security.

Adapting security to the OT world

Faced with these challenges, it is becoming imperative for companies to implement robust cybersecurity strategies, specifically adapted to the needs of OT systems. Raising employee awareness and training are also key to strengthening resilience to cyber threats.

However, OT equipment cannot always benefit from existing IT protections: network in BUS mode, closed software without antivirus software, lack of OT protocols in security signatures, etc.

It was to address this issue that the international IEC 62443 standard was created, combining ISO 27001 for IT services and the IEC 61508 operating safety standards. It establishes a framework including an organisational segment, an operational and on-the-ground segment, and lastly a component segment dedicated to equipment manufacturers.

Conclusion

Securing OT systems has become imperative in an ever-changing cyber landscape. The examples of attacks highlight the need to strengthen the security of manufacturers and implement proactive measures to prevent serious consequences from cyberattacks on OT systems. An ongoing commitment to cybersecurity is needed to ensure the protection of industrial operations and the security of critical assets.

5.2.1. MICROSOFT TECHNOLOGIES: NEW GAME-CHANGING BUSINESS MODELS

The French market for Microsoft technologies has been transformed by the arrival of new business models, in particular subscription-based models, forcing partners distributing the brand to change their approach.

The market is highly concentrated, with the acquisition of pure players by major DSCs, such as the acquisition of vNext by Insight, Azeo by Avanade, AI3 by Talan and Neos-SDI by Open group.

5.2.2. APPLE TECHNOLOGIES: A KEY UK BUSINESS MARKET FOR APPLE

With a market capitalisation of $3,000 billion in 2023, Apple remains the highest-valued company in the world.

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

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

As the demand for specialised Mac technical expertise outweighs supply, organisations will increasingly rely on professional services, such as those offered by the Econocom Group satellites, to successfully introduce the Mac into the workplace.

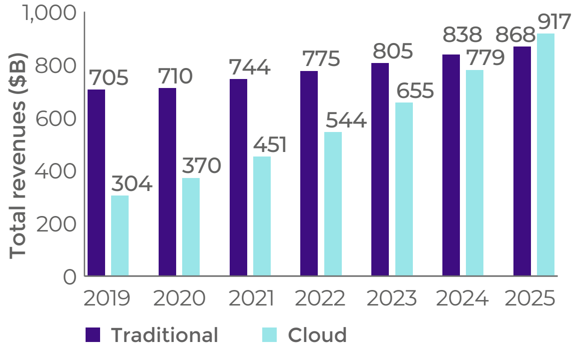
5.2.3. APPS & CLOUD: THE CLOUD IS DRIVING THE MARKET

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

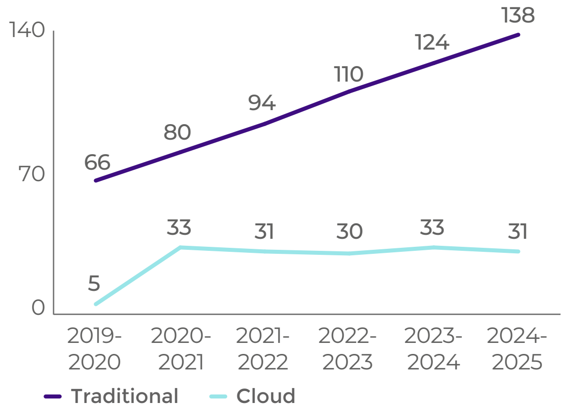
According to Gartner, by 2025, 51% of the IT spend of corporate IT departments that can migrate to the cloud will be dedicated to the cloud. This migration mainly concerns application and infrastructure software, business process management and system infrastructure services. According to Michael Warrilow,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

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

Change in the size of the cloud market worldwide from 2019 to 2025 (Source: Gartner)



Revenue growth ($bn)



Edge computing : the future of the cloud

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

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

5.2.4. INFRASTRUCTURE & NETWORKS: A MARKET UNDERGOING MAJOR STRUCTURAL CHANGES

Security and the ever-closer network

The emergence of the cloud and remote working has changed the landscape of network access, which can no longer merely provide a service, but must also secure it. An increasing number of solutions include both network and security components. The least used approach and the fact of restricting users to their default needs, defined as "Zerotrust", have brought the two fields even closer together. Solutions such as ZTNA and SASE include both a network component and a security component.

Expanding wireless and IoT technologies

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

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

The Cloud : on buyers' radar

From the end of 2022 to the beginning of 2024, cloud service providers such as Azure, AWS and OVHcloud recorded significant price increases. The figures speak for themselves, with an increase of 11% for Azure, 23% for AWS and 10% for OVHcloud. These price increases, well above general inflation, sent economic shockwaves through many companies, causing operational costs to spiral and calling into question the long-term financial viability of the cloud.

In recent years, the move to the cloud has been the norm for many companies, as it provides agile, flexible, easy management of IT resources. However, a return to hybrid cloud/on-premise infrastructures is emerging with increased monitoring of cloud spending. This change is mainly driven by the explosion of the costs of cloud services, an economic reality that is prompting an increasing number of organisations to rethink their IT strategy.

Predictable costs of on-premise infrastructures allow companies to better control their budgets, while guaranteeing the sovereignty of their data. However, cloud infrastructures provide unparalleled agility and scalability. Companies are therefore now trying to strike the right balance between operational efficiency and cost control.

This return to on-premise, at a time when the market is under great strain with regard to technical skills, has been made possible by the increasing use of automated deployment solutions, extended from on-premise infrastructures to clouds. DevOps practices are applied to network infrastructures, making it possible to standardise configurations in heterogeneous environments and to make infrastructures more reliable by reducing the risk of human error.

CSR at the heart of discussions

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

5.2.5. DIGITAL SIGNAGE & MULTIMEDIA: A GROWING MARKET DRIVEN BY THE EXPANSION OF RETAIL

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

5.3. Competitive positioning

5.3.1. THE STRENGTHS OF THE GROUP

The Group's strengths are listed in the introduction to chapter 1.

5.3.2. A UNIQUE POSITION IN THE MARKET

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

5.3.3. MAJOR PLAYER IN DISTRIBUTION

The IT market remains dynamic and competitive, and Econocom maintained its position among the leaders in the distribution market in 2023.

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

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

Econocom certified as a channel partner for Lenovo Platinum Plus International

Since 2022, Econocom has been certified as a Platinum Plus International channel partner. To date, only six partners have obtained this level of certification, in Europe, the Middle East and Africa. In the French market, Econocom has already achieved exceptional commercial results with Lenovo and aims to replicate this success in other European markets, in particular Germany, Italy, Spain and the United Kingdom.

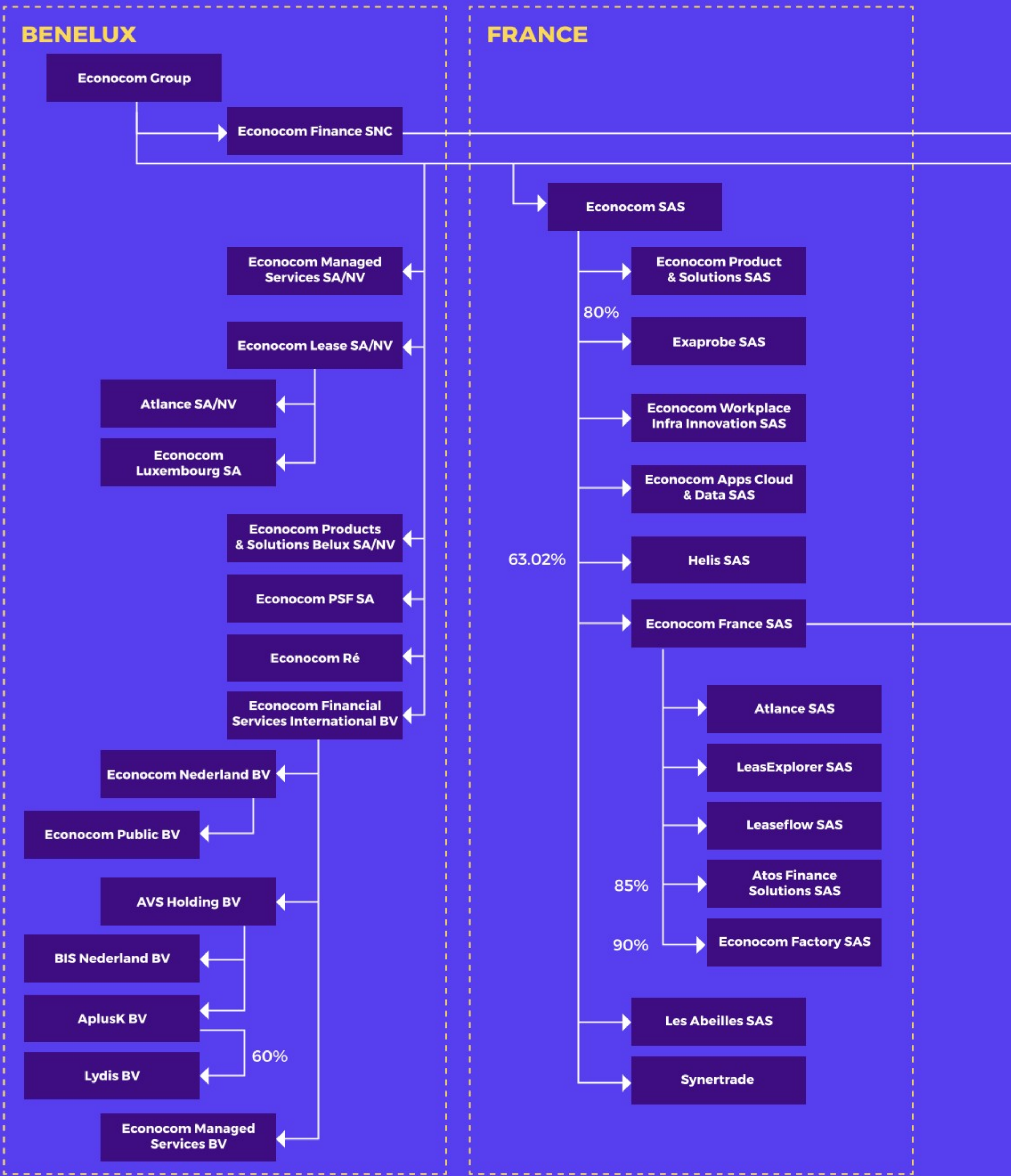
5.3.4. ECONOCOM: FRANCE'S 8TH LARGEST DIGITAL SERVICES COMPANY

Ranked France's 8th largest digital services company in 2023 [1], Econocom's competitors are companies such as Capgemini, SCC France Accenture, Orange Business Service (OBS), IBM and Atos in the services market. But the Econocom Group is the only company among its competitors to combine distribution, management and associated financing services as well as the digital expertise of its other brands.

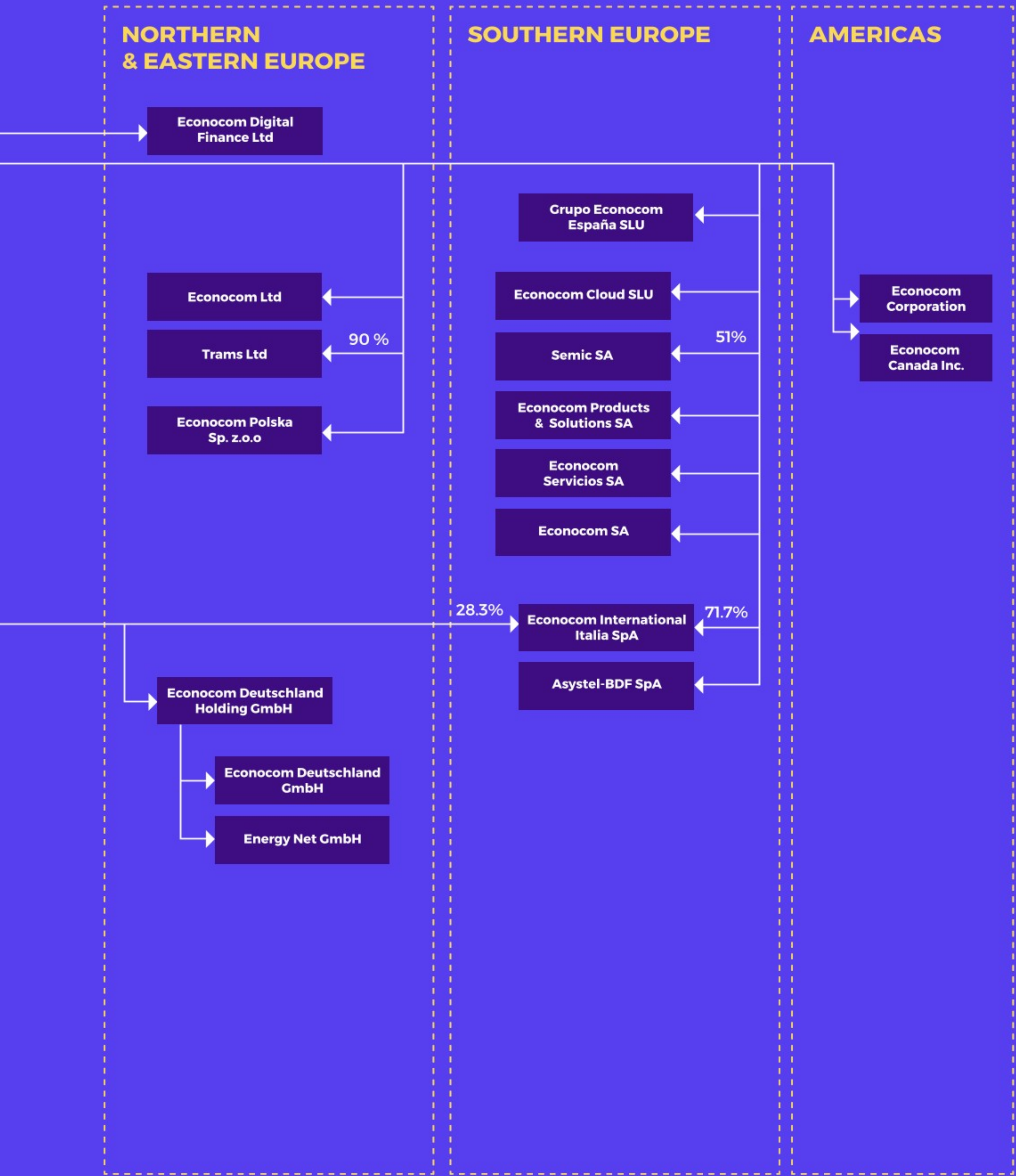
(1) Source https://www.channelnews.fr/kpmg-et-numeum-devoilent-leur-classement-2022-des-esn-et-ict-118354

6. Group organisation

6.1. Econocom Group structure



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


NORTHERN & EASTERN EUROPE
SOUTHERN EUROPE
AMERICAS
Econocom Digital Finance Ltd
Grupo Econocom España SLU
Econocom Ltd
Econocom Cloud SLU
Econocom Corporation
90 %
51%
Trams Ltd
Semic SA
Econocom Canada Inc.
Econocom Polska Sp. z.o.o
Econocom Products & Solutions SA
Econocom Servicios SA
Econocom SA
28.3%
71.7%
Econocom International Italia SpA
Asystel-BDF SpA
Econocom Deutschland Holding GmbH
Econocom Deutschland GmbH
Energy Net GmbH

6.2. Main investments

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

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

6.2.1. IN 2021

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

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

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

Other interests acquired and investments

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

6.2.2. IN 2022

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

- In April 2022, the Econocom Group acquired a majority stake in SOFI Group, a major player in the refurbished smartphones and tablets market in France. This acquisition enables the Group to position itself as a leading player in reconditioned digital equipment leasing and to manage the entire value chain of the TMF business by leveraging the industrial capabilities of SOFI Group. Through the SMAAART brand, this acquisition enables the Econocom Group to access a new fast-growing B2C market. In 2021, the company generated revenue of €21 million.

- In June 2022, the Econocom Group acquired a majority 51% stake in the share capital of Semic SA, a Spanish provider of IT solutions and services. Semic has an offering that is perfectly in line with Econocom as regards sectoral verticals, technological areas and partnerships. The founders and main executives of the acquired company remain committed to managing the development of the business. In 2021, the company generated revenue of €78 million.

- In July 2022, the Econocom Group acquired a majority stake in the Dutch company Lydis BV, which specialises in the distribution of equipment in Benelux on the VoIP (Telco) and videoconferencing markets. This investment will foster synergies with the Belgian and Dutch subsidiaries and other Group entities while benefiting from a growing market segment. In 2021, the company generated revenue of €25 million.

Other interests acquired and investments

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

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

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

6.2.3. IN 2023

The main investments made during the financial year concerned investments in the Group's IT tools and equipment:

- investments in internal tools, mainly made in France, focused on the modernisation of IT tools for the TMF and Products & Solutions activities;
- investments in the tools and offerings developed for customers mainly concerned the Services activities in France and Spain, and the Products & Solutions activities in Italy.

Other interests acquired and investments

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

Trams: the Econocom Group increased its stake by exercising its options, raising its stake to 90%.

6.3. Acquisitions, disposals, equity investments and creation of subsidiaries

6.3.1. DISPOSALS

During the 2023 financial year, the Group did not sell any activities or subsidiaries.

6.3.2 ACQUISITION AND CREATION OF COMPANIES

During the year, the Group carried out the following transactions:

- **Reliance Financial Services:** at the end of March 2023, Econocom acquired, *via* its leasing subsidiary in the Netherlands, all of the shares of Reliance Financial Services, a Dutch digital asset leasing company. This entity was included in the Technology Management & Financing activity.

6.3.3. ACQUISITIONS, DISPOSALS, EQUITY INVESTMENTS AND CREATION OF SUBSIDIARIES

During 2023, Econocom Group exercised some of its options to increase its stake in the share capital of its subsidiary Trams to 90%.

6.4. Other legal restructuring

As is the case each year, Econocom Group implemented measures to streamline and simplify its legal organisation.

Measures performed in 2023 were aimed at combining companies with similar activities in the same country. These transactions consisted of company mergers in France and Italy.

In this context, Econocom merged its subsidiaries Asystel Italia and BDF in Italy.

In addition, the Group closed or liquidated certain subsidiaries that, notably, were not active in France and the United Kingdom.

7. Research and development

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

In 2023, R&D efforts continued in the areas addressed in previous years, with a view to providing as much support as possible for customers as they put innovative solutions into production.

For example, for several years we have been working to reduce not only our own carbon footprint but also to develop practical innovative solutions to help our customers reduce the environmental impact of their digital devices and make them a driver for social inclusion. For example, we have developed Watt's Green, for measuring the carbon footprint of digital technology and identify the drivers to act on it by exploiting all available data on the life cycle of digital equipment.

In 2023, the Group continued its efforts to strengthen the collaboration of its various entities (Planet and Satellites) on innovative projects in order to combine all the available in areas with high potential for the Group's business. To that end, work was carried out on the virtualisation of workstations and end-to-end management of virtualised assets, as well as research and development on the use of artificial intelligence and chatbots to optimise user support. The experiments carried out in 2023 proved very satisfactory and enabled us to translate this R&D work into customer projects, and to identify new research fields to exploit the full potential of artificial intelligence and digital technology to serve the user experience.

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

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

02

corporate governance

1. Governance

1.1. Governance framework and structure

1.1.1. GOVERNANCE FRAMEWORK

1.1.1.1. Applicable Corporate Governance Code

Econocom Group confirms its adherence to the principles of the Belgian Corporate Governance Code, which entered into force on 1 January 2020 ("2020 Code"). It is available on:

www.corporategovernancecommittee.be

Econocom publishes its various internal regulations and Corporate Governance Charter on its website:

www.econocom.com

section: About us / Governance / Board of Directors, and Group Executive Committee.

During Econocom Group's transformation into a European Company on 18 December 2015, the Board of Directors amended the internal rules of the Board of Directors and the Executive Committee on 19 May 2016.

Subsequently, the Management Committee's Internal Rules changed again on 7 September 2016, and the committee was renamed the Executive Committee.

The internal rules of the Audit Committee and the Compensation Committee were also reviewed on 23 January 2020 to monitor changes in the Company's corporate governance. On this occasion, the Compensation Committee was renamed the Compensation and Appointments Committee.

On 20 October 2022, the Board of Directors amended the internal rules of the Board of Directors ("Board of Directors' internal rules") and the Executive Committee ("Executive Committee's internal rules"), in order to harmonise their regulations and amend their respective power thresholds with regard to external growth/divestiture/investment/divestment transactions or internal reorganisations.

Lastly, on 14 February 2023, the Board of Directors adopted a corporate governance charter, covering the main aspects of Econocom Group's governance, its structure and its various internal rules.

1.1.1.2. Exemptions from the 2020 Code

Econocom Group applies the recommendations of the 2020 Code, except for those which the Board of Directors has deemed ill-suited to Econocom Group's size, or that it intends to implement over the long term. The principles with which Econocom Group does not comply, in whole or in part, are described below.

The Group currently only partially applies the recommendations of Principle 3 of the 2020 Code.

Econocom International BV, represented by Jean-Louis Bouchard, combines the roles of Chairman of the Board of Directors, Executive Director and Chair of the Executive Committee/CEO. The Group thus does not adhere to the principle of segregating the supervisory power of the Board of Directors and the executive power. On 31 December 2023, Econocom International BV directly held 49.79% of the share capital of Econocom Group. Such a system is in line with the characteristics of Econocom Group’s shareholdings and is aimed at ensuring management stability as Econocom implements its long-term strategy.

Furthermore, the Board of Directors has not yet formally appointed a Secretary in charge of advising it on governance matters. However, this role is partly fulfilled by the Group Legal Director.

Econocom Group partially applies the recommendations of Principle 5 of the 2020 Code. Econocom Group has not formalised a procedure for appointing directors. However, the Compensation and Appointments Committee is in charge of suggesting appointments and formulating recommendations to the Board of Directors on appointments and reappointments of corporate officers and certain executive managers.

Econocom Group only partially complies with the recommendations of Principle 7 on the compensation of members of the Board of Directors and executive managers. The terms of compensation are detailed in the compensation policy for executives, which was approved by the Ordinary General Meeting of 18 May 2021.

In addition, the Chairman of the Board of Directors does not systematically conduct General Meetings, contrary to the recommendations of Principle 8.4 of the 2020 Code, but he ensures compliance with article 30 of the Company’s Bylaws, which provides that in the absence of such Chairperson, the General Meeting is chaired by the oldest of the Directors.

Econocom Group has not formalised the procedures for assessing the performance of its governance, contrary to the recommendations of Principle 9 of the 2020 Code, insofar as the assessment of the performance of its executive management and Board of Directors is part of an ongoing process that does not require any specific formalities.

1.1.2. GOVERNANCE STRUCTURE

The Company has adopted the form of a European company with a single-tier governance structure in which the essential role and responsibility of the Board of Directors is to approve Econocom Group strategic guidelines, to appoint the Executive Director(s) and Managing Directors, as well as the members of the Executive Committee, to supervise this Committee and to appoint and supervise the other Advisory Committees set up within Econocom Group, without prejudice to the powers entrusted to it by law (see article 1 of the Board of Directors’ internal rules).

Operational management is entrusted to the Executive Committee and the daily management of the Company is delegated to one or more Executive Director(s) and Managing Directors, in accordance with article 21 of the Bylaws. The Board of Directors ensures the quality of management and the consistency of the tasks thus delegated with Econocom Group's strategic objectives.

1.2. Board of Directors

1.2.1. PRESENTATION OF THE BOARD OF DIRECTORS

1.2.1.1. Individual presentation of the Directors

At 31 December 2023, the Board of Directors was made up of the following nine members:

Born on: 4 April 1942 (81)

Gender: M

First appointment: 19 May 2020

End of term of office: 2024 Ordinary General Meeting

Econocom International BV / Jean-Louis BOUCHARD

Chairman, CEO and Executive Director of the Board of Directors

Background

Econocom International BV is controlled and represented by Jean-Louis Bouchard.

After starting his career at IBM in Europe and the United States, Jean-Louis Bouchard founded the Group in France in 1973 under the name of Europe Computer Systèmes (ECS).

After the acquisition in 1984 of Econocom, an American SME, he brought together all the international subsidiaries of ECS and named the new entity Econocom.

Voted Entrepreneur of the Year by *Challenges* magazine in 1987, he accurately forecast the changes that IT would bring about in the daily lives of companies, institutions and users.

Thanks to his external growth strategy, the Group expanded rapidly, anticipating the convergence between IT and telecoms, and the need to offer its customers financing solutions to enable them to undertake the in-depth transformation of their companies.

In 2013, Econocom acquired the Osiatis group, which enabled it to break into the digital services market.

Jean-Louis Bouchard studied at Prytanée National Military School in La Flèche before attending the École Nationale Supérieure du Génie Maritime and becoming a naval architect.

He played a decisive role in the Group's acquisition of French company Les Abeilles in early 2020.

Current positions

Jean-Louis Bouchard holds controlling interests in a number of companies outside the Group, where he serves as Manager or Chairman. He is notably:

- Chairman of SAS Domaine Fontainebleau en Provence
- Manager of SCI Orphée
- Manager of SCI de Dion Bouton
- Manager of SARL Écurie Jean-Louis Bouchard
- Manager of SCI JMB
- Manager of SCI LBB
- Manager of SNC Fontainebleau International
- Manager of SCI 1 Montmorency

Born on: 27 July 1971 (52)

Gender: M

First appointment: 5 October 2009

End of term of office: 2025 Ordinary General Meeting

Robert BOUCHARD

Vice-Chairman and non-Executive Director of the Board of Directors

Background

Robert Bouchard began his career with Cardif in 1995 as negotiating clerk for MATIF on the Paris stock exchange.

In 1997, he became an executive shareholder of a number of restaurants in Paris (La Gare, L'Ampère, Meating and Carmine).

In 2010, he took over as Chairman of APL Datacenter (specialising in the design, implementation and running of datacentres), and is currently its majority shareholder.

He was Chairman of Digital Dimension from November 2016 to November 2017, Group Chief Operating Officer from June 2017 to March 2018, and Group Chief Executive Officer from March 2018 to November 2018.

Robert Bouchard is Jean-Louis Bouchard's son.

Current positions

- Manager of SARL GMPC
- Representative of SARL GMPC, itself Chair of SAS APL Data Center
- Chairman of SAS Ecofinance
- Co-Manager of SCI Maillot Pergolèse

Born on: 28 April 1960 (63)

Gender: M

First appointment: 31 March 2023

End of term of office: 2027 Ordinary General Meeting

Angel BENGUIGUI DIAZ

Executive Director of the Board of Directors

Background

For 35 years, Angel Benguigui Diaz has been working in international environments, mainly in the fields of finance and digital technologies.

After starting his career at the Crédit Lyonnais and Crédit Agricole groups, he joined the Group in 2006 as Country Manager for Spain, where he developed the financing business as well as distribution and digital services, notably through a policy of successful acquisitions.

These developments established Econocom as a leading added-value digital integrator in Spain.

In 2019, after a few years on the Executive Committee, he was appointed Chief Financial Officer.

In 2020, he was appointed Managing Director of Econocom Group and was subsequently granted the powers of daily management.

He was appointed Director in 2023.

Current positions

- Mandates held in subsidiaries of the Group

Véronique di BENEDETTO

Non-Executive Director of the Board of Directors

Born on: 5 January 1961 (63)

Gender: F

First appointment:
5 December 2011

End of term of office:

2025 Ordinary General Meeting

Background

Véronique di Benedetto started out as an Account manager at IBM. In 1985, she became a sales agent before being appointed Sales Director with ECS, and then taking over the Group's international activities, and finally becoming Managing Director in 2009.

After the merger between Econocom and ECS, she was appointed Deputy Managing Director of the new group, running operations in France.

In 2015, she was appointed Vice-President of France, responsible primarily for the CSR strategy and overseeing start-ups in various sectors, including education and culture.

She is also Chairwoman of the Statutory Committee of Numeum, a French professional body for digital companies.

Current positions

In addition to her mandates in subsidiaries of the Group:

- President of Numeya SAS
- Independent Director of SA MFC Hexaôm
- Director of the "100 000 entrepreneurs" association

Jean-Philippe ROESCH

Non-Executive Director of the Board of Directors

Born on: 27 July 1961 (62)

Gender: M

First appointment:
21 May 1996

End of term of office:

2024 Ordinary General Meeting

Background

Jean-Philippe Roesch began his career with six years at Arthur Andersen.

He joined the Group at the end of 1989 as Chief Financial Officer for Econocom France.

After heading various Group subsidiaries, he became Group Company Secretary in 2001, Deputy Managing Director in 2004, and then Managing Director in 2006. He stepped down at the end of 2016, before returning to a Support role on the Executive Committee between October 2018 and July 2019.

Current positions

- Co-Manager of SCI Cinetic
- Manager of La Criolla
- Chairman of SAS Orionisa Consulting

Born on: 1 June 1958 (65)

Gender: M

First appointment:
18 December 2015

End of term of office:
2027 Ordinary General Meeting

Bruno GROSSI

Non-Executive Director of the Board of Directors

Background

Bruno Grossi worked for over 20 years at Accenture, where he was partner, in charge of the telecom and media sectors in France and in Benelux.

He was Co-Chairman of Osiatis from 2010 to 2013, before its merger with the Group in September 2013.

He was Executive Director in charge of daily management of Econocom Group until 20 October 2020.

Current positions

In addition to his mandates in subsidiaries of the Group:

- Manager of SARL Vilnaranda II
- Manager of SASU Redwood Advisors
- Chairman of the Supervisory Board of SAS Vision d'Entreprise
- Director of SAS Araxxe

Born on: 6 March 1967 (56)

Gender: F

First appointment:
17 May 2016

End of term of office:
2024 Ordinary General Meeting

Adeline CHALLON-KEMOUN

Independent Director of the Board of Directors

Background

Adeline Challon-Kemoun began her career as a communications consultant with Image 7.

She subsequently held senior management positions (Euris and Rallye), serving as Communications and Marketing Director for major groups (Casino, France Télévisions and Air France-KLM).

She was notably Executive Vice President of Marketing, Digital & Communications for Air France-KLM and a member of the Group Executive Committee until 2017.

In 2018, she joined the Michelin group as Executive Vice President of Engagement and Brands, and became a member of the Group Executive Committee. She also managed the Michelin Group's Lifestyle activities, including the Michelin Guide.

She has a sound understanding of the expectations of brand and image issues, as well as individual and corporate customers.

Current positions

- Director of the NGO Aviation Sans Frontières
- Director of the Michelin Foundation

Marie-Christine LEVET

Independent Director of the Board of Directors

Born on: 28 March 1967 (56)

Gender: F

First appointment: 17 May 2016

End of term of office: 2024 Ordinary General Meeting

Background

Marie-Christine Levet is one of France's pioneering figures in the Internet world, with over 25 years' experience in the new technologies sector as both an entrepreneur and investor.

She has run several French Internet and media companies (Lycos, Club-Internet, Tests group, etc.).

Leveraging her entrepreneurial experience, she switched over to the investment sector, taking part in the founding of Jaina Capital, one of France's first investment funds specialising in seed funding.

A firm believer in the need to transform the Education sector, in October 2017 she founded Educapital, the first European investment fund dedicated to the future of the world of education and work, with €200 million under management.

Her entrepreneurial experience as both an investor and Director of pioneering companies in the digital market as well as in digital transformation consulting is invaluable for supporting the Group's development strategy.

Current positions

- Director of GIE PMU
- Director of SA Solocal Group
- Chairwoman of SAS Educapital
- Chairwoman of SASU MCLJ
- Director / Partner of Conservatoire augmenté

Éric BOUSTOULLER

Independent Director of the Board of Directors

Born on: 30 December 1960 (63)

Gender: M

First appointment: 9 September 2021

End of term of office: 2025 Ordinary General Meeting

Background

Éric Boustouller has held a number of Marketing and Sales positions (Compaq, Microsoft) and General Management (Microsoft France then Western Europe).

Since November 2021, he has been a Partner in the C4 Ventures investment fund.

From 2010 to 2012, he was Chairman of the French-American Chamber of Commerce and from 2017 to 2020, CEO of SoLocal (French listed company).

Since 2011 he has been a business angel in start-ups (Content Square, Codingame, Confiant, Jus Mundi, Saagie, Intercloud, Elevo, etc.) and investment funds (Partech, Cap Horn, C4 Ventures).

He is also a Knight of the Legion of Honour (*Chevalier de la Légion d'Honneur*).

Current positions

- Independent Director of Graitec
- Member of the Supervisory Board of SAS Vision d'Entreprise

At 31 December 2023, the Board of Directors therefore comprised:

- a Chairman, Econocom International BV (represented by Jean-Louis Bouchard). Its role is to ensure the management of the Board of Directors and its efficient functioning, notably by assessing its size and composition as well as that of its Committees. It also oversees the quality of the interactions between the Board of Directors and the Executive Committee in order to ensure the effectiveness of the decision-making process;
- a Vice-Chairman, Robert Bouchard. He is appointed by the Board of Directors from among its members. In the event that the Chairman is unable to attend, the Vice-Chairman chairs the Board of Directors' meetings;
- two Executive Directors in charge of daily management of Econocom Group: Econocom International BV and Angel Benguigui Diaz;
- four non-Executive Directors, Véronique di Benedetto, Robert Bouchard, Jean-Philippe Roesch and Bruno Grossi. Véronique di Benedetto held operational roles within Econocom Group companies at 31 December 2023. However, she is not considered to be an Executive Director, as this status is reserved for Directors holding executive positions at Econocom Group itself, in accordance with a decision of the Board of Directors dated 24 November 2016;
- three independent Directors in accordance with article 7:87 §1 and §2 of the Belgian Companies Code, Adeline Challon-Kemoun, Marie-Christine Levet and Eric Boustouller.

Samira Draoua resigned from her position as Director with effect from 8 September 2023.

Pursuant to a decision of the Extraordinary and Special General Meeting on 18 December 2015, the term of office for Directors has been reduced from six to four years in order to comply with the recommendations of the Corporate Governance Code. Other than their office on the Board of Directors of Econocom Group, certain Directors have other offices, as set out above.

The Board of Directors declares that, to its knowledge:

- none of the Directors has ever been convicted of fraud;
- no official and/or public incrimination has been communicated;
- no sanction has ever been imposed by a legal or supervisory authority;
- no Director has been prevented by a court from acting as a member of a Board of Directors; and
- that, in this capacity, they have never been involved in a bankruptcy.

1.2.1.2. Summary table of the Board of Directors

	Age	Gender	Indepen-dence	Start of term of office	End of term of office	Audit Committee	Compensation and Appointments Committee
Jean-Louis Bouchard	81	M	✕	19/05/2020	2024 Ordinary General Meeting		
Robert Bouchard	52	M	✕	05/10/2009	2025 Ordinary General Meeting	✷	●
Angel Benguigui Diaz	63	M	✕	31/03/2023	2027 Ordinary General Meeting		
Éric Boustouller	63	M	✓	09/09/2021	2025 Ordinary General Meeting		
Adeline Challon-Kemoun	56	F	✓	17/05/2016	2024 Ordinary General Meeting		●
Véronique di Benedetto	63	F	✕	05/12/2011	2025 Ordinary General Meeting		
Bruno Grossi	65	M	✕	18/12/2015	2027 Ordinary General Meeting		
Marie-Christine Levet	56	F	✓	17/05/2016	2024 Ordinary General Meeting	●	✷
Jean-Philippe Roesch	62	M	✕	21/05/1996	2024 Ordinary General Meeting	●	

● Member
✷ Chairperson

1.2.1.3. Director attendance

	Attendance rate at the Board of Directors	Board of Directors	Audit Committee	Compensation and Appointments Committee
Econocom International BV	100%	5	-	-
Robert Bouchard	100%	5	6	3
Angel Benguigui Diaz*	100%	4	-	-
Éric Boustouller	100%	5	-	-
Adeline Challon-Kemoun	40%	2	-	3
Véronique di Benedetto	100%	5	-	-
Bruno Grossi	100%	5	-	-
Marie-Christine Levet	80%	4	6	3
Jean-Philippe Roesch	100%	5	6	-
Samira Draoua	/	2	-	-
Total number of meetings		**5**	**6**	**3**

* The 100% attendance rate of Mr Angel Benguigui Diaz concerns his attendance rate at the Board of Directors since his appointment in March 2023 as Director of Econocom Group SE. At the first Board meeting in 2023, Mr Benguigui Diaz was not yet Director of Econocom Group SE.

1.2.1.4. Diversity policy

Since 23 November 2017, one-third of the members of Econocom Group's Board of Directors have been women, pursuant to the conditions set out in article 7:86 of the Belgian Companies Code.

At 31 December 2023, there were three women on the Board: Véronique di Benedetto, Adeline Challon-Kemoun and Marie-Christine Levet.

Women also sit on each of the various Committees created by the Board of Directors, namely: the Executive Committee (Mathilde Saint-Pol), the Audit Committee (Marie-Christine Levet) and the Compensation and Appointments Committee (Marie-Christine Levet and Adeline Challon-Kemoun).

Econocom's commitments, objectives and actions in terms of diversity, as well as the results of this policy, are described in the report relating to the statements of non-financial performance and relate notably to gender parity and support for people from disadvantaged backgrounds and those with disabilities.

1.2.2. COMPOSITION OF THE BOARD OF DIRECTORS

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

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

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

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

The Bylaws do not include any special rules for appointing Directors or for renewing their term of office, nor do they impose any age limit on the Board.

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

The Board regularly reviews its composition, functioning and interaction with the Executive Director(s), Managing Directors, who are in charge of daily management, and with the Executive Committee.

1.2.2.2. Vacancy (article 15 of the Bylaws)

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

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

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

The Chairman of the Board is responsible for:

1. Managing the work of the Board, and in particular, ensuring that the Board is well organised, operates efficiently and performs its obligations and responsibilities, which involves:
   - preparing, convening, chairing and managing the Board meetings and ensuring that in the meetings, sufficient time is dedicated to a serious in-depth discussion of the relevant issues,
   - drawing up the agenda for the meetings of the Board, in liaison with the Executive Director(s), the Managing Directors and, where appropriate, the Executive Committee,
   - ensuring that the Board receives the appropriate information and that the documents supporting proposals for decisions are relevant and readily available within a reasonable time prior to Board meetings;
2. Ensuring the quality and continuity of the Board's work by initiating and managing procedures concerning:
   - the assessment of the size, composition and performance of the Board of Directors or the Executive Director(s), its Committees, the Managing Directors and the Executive Committee to ensure the efficiency of the decision-making process,
   - appointing or re-electing members of the Board, the Executive Director(s), members of the Board's Committees and the Executive Committee and Managing Directors;
3. "Liaising" between the Board, the Managing Directors and the Executive Committee. This involves:
   - meeting regularly with the Executive Director(s), the Managing Directors and other members of the Executive Committee,
   - ensuring that relations between the Board and the Managing Directors and Executive Committee are of a professional and constructive nature and that the Executive Committee provides the Board with the information necessary to perform its duties of assessment, decision, supervision and oversight.

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

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

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

1.2.3. POWERS OF THE BOARD OF DIRECTORS

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

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

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

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

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

1.2.3.2. Representation (article 22 of the Bylaws)

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

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

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

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

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

1.2.4. FUNCTIONING OF THE BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

The Board of Directors meets as often as it deems necessary. In 2023, it met five times. It also made three unanimous written decisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Directors have access to all of the information needed to perform their duties in a due and proper manner. Non-Executive Directors may raise issues with members of the Executive Committee, after consulting the Chairman of the Board or an Executive Director and ensuring that this will not jeopardise the proper conduct of business.

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

1.3. Delegation of daily management

1.3.1. DAILY MANAGEMENT – DELEGATION (ARTICLE 21 OF THE BYLAWS AND ARTICLE 3 OF THE BOARD OF DIRECTORS' INTERNAL RULES)

The Board of Directors may delegate the power to manage the Company's daily management or to represent the Company with regard to its daily management to one or more Directors bearing the title of Executive Director and/or to one or more executives who bear the title of managing Director.

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

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

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

1.3.2. DIRECTOR IN CHARGE OF DAILY MANAGEMENT

The Board of Directors has entrusted the daily management to two Executive Directors and a Managing Director.

As of 31 December 2023, the day-to-day management was entrusted to:

- the Executive Director Econocom International BV, represented by Jean-Louis Bouchard;
- the Executive Director Angel Benguigui Diaz;
- the Managing Director, Patrick van den Berg.

These persons may also, each individually, represent the Company in accordance with article 22 of the Bylaws.

On 19 October 2023, the Board of Directors decided to terminate the delegation of daily management powers granted to Samira Draoua.

1.4. Committees of the Board of Directors

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

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

1.4.1. EXECUTIVE COMMITTEE

1.4.1.1. Role of the Executive Committee

Pursuant to article 21 of the Company's Bylaws, the Board of Directors set up an Executive Committee, the existence of which was ratified by the Extraordinary General Meeting of 18 May 2004.

Following the transformation of Econocom Group into a European company, the Board of Directors revised the internal rules of the Executive Committee on 19 May 2016 and 7 September 2016.

The Board entrusted the Executive Committee with Econocom's operational management, in accordance with article 21 of the Bylaws.

The role of the Executive Committee is to recommend strategic guidelines to be set by the Board of Directors, approve the budgets to be established (in accordance with the strategic guidelines defined by the Board of Directors), manage the Group's operational entities (within the scope of the powers of their governing bodies) and monitor their financial and operating performance.

1.4.1.2. Composition of the Executive Committee

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

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

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

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

1.4.1.3. Responsibilities of the Executive Committee

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

- taking all steps necessary to implement the decisions or recommendations of the Board;
- proposing strategic guidelines to be set by the Board, and framing budgets within the strategic guidelines laid down by the Board;
- managing the Group's operating entities (in accordance with the powers of the bodies of these entities), and supervising their financial and operating performance;
- entering into all agreements, making and approving all pricing proposals, placing and accepting all orders to buy, sell or lease any equipment and other capital goods and services;
- leasing and renting out, including for long periods, any properties, equipment or intangible assets, and entering into any lease and rental agreements concerning such assets;

- concluding financing, with or without the provision of collateral, except for the following transactions, which fall within the scope of the powers of the Board: any capital market transaction (other than commercial paper), any financing that has the effect of causing consolidated net debt to exceed consolidated equity or to represent more than 2x consolidated EBITDA;
- authorising the implementation of any external growth, sale, investment, divestment or internal reorganisation transaction, with the exception of any transaction considered strategic by the Chairman of the Board or the Executive Committee (including any transaction whose value or *quid pro quo* exceeds €25 million) and which, as such, falls within the remit of the Board. In the case of a sale or acquisition, this threshold represents the full (100%) enterprise value, including the estimate of put debts, earnouts and investments planned over the 12 months following the transaction (*e.g.* identified need for recapitalisation);
- acting in dealings with the national government or EU, regional, state and municipal authorities, the Crossroads Bank for Enterprises (*Banque-Carrefour des Entreprises*), the tax authorities, the postal service, customs authorities, telecommunications companies and any other public departments or authorities;
- managing all legal or arbitration proceedings, as plaintiff or defendant, negotiating all settlements, taking all steps necessary in this respect, and obtaining and enforcing all rulings;
- representing Econocom in its dealings with trade union and employer representative bodies;
- drafting and signing all documents necessary for implementing the powers delegated to it.

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

- implementing internal controls;
- preparing full, timely, reliable and accurate financial statements in accordance with accounting standards and with Econocom's overall policies as defined by the Board;
- presenting the Board with an impartial and comprehensible assessment of the Company's financial position and, more generally, promptly providing the Board with all of the information it needs to perform its duties.

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

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

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

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

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

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

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

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

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

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

It meets at least ten times a year.

At 31 December 2023, it was made up of the following members:

- Econocom International BV, represented by Jean-Louis Bouchard, Chairman and Executive Director;
- Angel Benguigui Diaz, Executive Director;
- Patrick van den Berg, Managing Director;
- Philippe Goullioud, Executive Management Products & Solutions France;
- Long Le Xuan, Managing Director Services France;
- Mathilde Saint-Pol, Managing Director TMF France.

Samira Draoua resigned from her position as member of the Executive Committee with effect from 8 September 2023.

The Executive Committee is chaired by Econocom International BV, which acts as CEO.

1.4.1.5. Group Management Committee

This body is an extension of the Executive Committee.

Its purpose is to share the Executive Committee's strategic and operational guidelines with the managers of the Group's key businesses and functions. It issues proposals for the development of the Group's strategy and major projects.

It meets monthly.

At 31 December 2023, it was made up of the following members:

- Angel Benguigui Diaz, Executive Director;
- Patrick van den Berg, Managing Director;
- Philippe Goullioud, Executive Management Products & Solutions France;
- Long Le Xuan, Managing Director Services France;
- Mathilde Saint-Pol, Managing Director TMF France;
- Chantal De Vrieze, Managing Director Belux;
- Carlos Perez-Herce, Managing Director Spain;
- Alessio Lechiara, Managing Director Italy;
- Christoph Blaeser, Managing Director Germany / Poland;
- Israel Garcia, Managing Director Business Development & Support;
- Ben Wylie, Managing Director UK;
- Eric Bazile, Group Chief Financial Officer;
- Quentin Bouchard, Group Tools Coordinator;
- Alexandre Murati, Group Transformation Director.

1.4.2. AUDIT COMMITTEE

The Board of Directors has set up an Audit Committee in accordance with article 7:99 of the Belgian Companies Code. The composition of this Committee, its tasks and internal rules are established by the Board of Directors, pursuant to the provisions of the Belgian Companies Code.

1.4.2.1. Composition of the Audit Committee

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

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

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

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

At 31 December 2023, the Audit Committee was made up of the following members:

- Robert Bouchard;
- Jean-Philippe Roesch;
- Marie-Christine Levet.

The Audit Committee is chaired by Robert Bouchard.

1.4.2.2. Responsibilities of the Audit Committee

The Audit Committee is responsible for helping the Board of Directors control Econocom Group's operations. Specifically, it examines the quality and relevance of internal and external audit engagements, monitors internal control and risk management procedures, ensures that the accounting policies used are appropriate, and that the Group's financial data are complete and accurate.

Article 3:6 of the Belgian Companies Code stipulates that companies must be able to demonstrate the independence and audit and accounting expertise of at least one of the members of the Audit Committee. Econocom complies with this requirement.

The Audit Committee is responsible for the tasks described below:

1. Financial reporting:

- monitoring the process of preparing financial information and ensuring its reliability, *i.e.* the accuracy, completeness and consistency of the financial statements,
- discussing any material financial reporting issues with the members of the Executive Committee and with the Statutory Auditor. The Executive Management, and in particular the Executive Director(s) and Managing Directors inform the Audit Committee of the methods used to account for material and unusual transactions when several possible approaches exist, and of the existence and justification of activities carried out through special purpose vehicles,
- communicating the results of the statutory audit of the annual and consolidated financial statements to the Board of Directors, explaining how the statutory audit contributed to the integrity of the financial information and the Audit Committee's role in this audit process;

2. internal control – risk management:

- ensuring that the risk management and control system is effective, assessing whether the systems are appropriate and, where applicable, making recommendations to mitigate any material risks,
- reviewing the results of any investigations undertaken within the Company in response to fraud or errors, or for any other reason, as well as decisions made by Executive Management on these occasions and, where necessary, formulating its own recommendations,
- ensuring that the systems in place within the Company and its subsidiaries guarantee compliance with the main legal and regulatory requirements applicable to them,
- ensuring the implementation of a specific system for employees to confidentially raise concerns about any irregularities in the preparation of financial information or other matters;

3. Internal Audit:

- reviewing and making recommendations on Executive Management proposals for:
  - the appointment and replacement of the internal audit manager for whom the Audit Committee has a right of veto,
  - the annual budget allocated to its operations,
- defining, together with the Internal Audit manager, the control plan to be conducted during the financial year,
- ensuring the systematic implementation of the Internal Audit control plan and updating it at least every six months,
- reviewing the effectiveness of the Internal Audit function, chiefly by analysing to what extent management provides full support and applies the findings and recommendations;

4. External Audit:
   - formulating recommendations to the Board of Directors regarding the appointment of the Company's Statutory Auditor or the renewal of their term of office, the amount of their compensation and any mention of their mission,
   - ensuring the Statutory Auditor's independence, chiefly in light of the provisions set forth in the Belgian Companies Code,
   - identifying the Statutory Auditor's work programme and reports,
   - periodically reviewing the effectiveness of the external audit process and analysing how the Executive Management follows up on any recommendations made by the Statutory Auditor,
   - defining, together with the Company's Statutory Auditor, the nature, scope and cost of the Statutory Auditor's involvement in any work performed that is unrelated to the statutory audit engagement;
5. Other:
   - formulating recommendations to the Board of Directors concerning matters falling within the Audit Committee's remit,
   - fulfilling any other roles assigned by the Board of Directors.

1.4.2.3. Functioning of the Audit Committee

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

It met six times in 2023.

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

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

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

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

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

The Audit Committee can deliberate if at least two of its members are in attendance or legitimately represented. Resolutions of the Audit Committee are passed by a majority vote. If the majority requirement is not met, the Chairman of the Committee has the casting vote.

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

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

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

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

1.4.3. COMPENSATION AND APPOINTMENTS COMMITTEE

The Board of Directors has set up a Compensation Committee in accordance with article 7:100 of the Belgian Companies Code. The composition of this Committee, its tasks and internal rules are established by the Board of Directors, pursuant to the provisions of the Belgian Companies Code.

1.4.3.1. General information

On 31 August 2011, the Board of Directors set up a Compensation Committee pursuant to article 7:100 of the Belgian Companies Code and article 21 of the Company's Bylaws.

On 23 January 2020, the Board of Directors decided to extend the Compensation Committee's responsibilities to Appointments, and to limit its scope of action to corporate officers (Directors and Managing Directors in charge of daily management) and executives involved in the Group Management. Members of the Executive Committee who are not involved in the Group Management do not fall within the scope of this Committee's activities.

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

1.4.3.2. Composition of the Compensation and Appointments Committee

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

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

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

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

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

At 31 December 2023, the Compensation and Appointments Committee was made up of the following members:

- Marie-Christine Levet;
- Adeline Challon-Kemoun;
- Robert Bouchard.

It is chaired by Marie-Christine Levet.

1.4.3.3. Responsibilities of the Compensation and Appointments Committee

Compensation component

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

1. the compensation policy;
2. individual compensation (in particular Directors' fees, fixed and variable compensation, long-term incentives, including shares and stock options, termination benefits);
3. the contractual terms and conditions that support this compensation;
4. the determination and assessment of performance targets linked to individual compensation;
5. stock option or share plans (budget, beneficiaries, characteristics and conditions).

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

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

Appointments component

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

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

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

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

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

Implementation of plans relating to the granting of financial instruments

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

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

1.4.3.4. Functioning of the Compensation and Appointments Committee

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

It met three times in 2023.

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

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

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

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

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

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

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

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

1.5. Conflicts of interest

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

Article 7:96 of the Belgian Companies Code provides for a specific procedure within the Board of Directors to address conflicts of interest involving one or more Directors when it makes decisions or concludes transactions. This procedure, like the one referred to in article 7:97 of the Belgian Companies Code, was not implemented during the 2023 financial year.

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

These recommendations are described in detail in the procedure relating to conflicts of interest adopted on 22 November 2012 by the Board of Directors (the "Internal rules on conflicts of interest"), as well as in the Board of Directors' internal rules and the Executive Committee's internal rules with regard to Directors, on the one hand, and members of the Executive Committee, on the other.

Notably, it is expected that:

- Directors and Executive Committee members must at all times act in the interests of the Company and its subsidiaries. They apply rigorous discipline to exclude potential conflicts of interest in respect of personal assets, professional or other aspects as much as possible, and to comply strictly with rules on conflicts of interest adopted by the Company;
- a Director having, directly or indirectly, an interest of a financial nature in a decision or transaction falling within the remit of the Board of Directors, shall immediately inform the Chairman as well as, at the latest at the beginning of the meeting during which the matter giving rise to the conflict is discussed, the other Directors. He or she shall not take part in the discussion or vote on the matter;
- any conflict of interest of a financial nature is specified in the minutes of the meeting, as well as its financial consequences for Econocom and the justification for the decision taken by the Board of Directors. This part of the minutes is published in the annual report for the financial year in question. The Statutory Auditor is informed of the conflict and receives a copy of the minutes of the meeting of the Board of Directors, in order to be able to report on it in accordance with the Belgian Companies Code;
- if, in the event of a decision that the Executive Committee must adopt or of a transaction that it plans to implement, it appears that one of its members is in a situation of proven or potential conflict of interest with the Group, the Executive Committee member concerned must inform the Chairman of the Board of Directors prior to any deliberation by the Executive Committee. As necessary, the Chairman of the Board will submit the transaction to the Board of Director, which will be responsible for making a decision (where applicable, in compliance with the conflict of interest rules in force at Econocom Group).

The transactions covered by this section are submitted to the Audit Committee, whose task is to ensure that said transactions comply with the procedures outlined above or, where applicable, that they are normal transactions conducted under normal market conditions and guarantees generally applied to transactions of a similar nature. It found that almost all of agreements reached during the 2023 financial year were normal transactions conducted under normal market conditions.

The transactions covered by the procedure described in this regulation are the subject of a report submitted to the Audit Committee and the Statutory Auditor, and all the Group’s major transactions with related parties are mentioned in note 23 “Information on related parties” of the consolidated financial statements of the 2023 annual financial report.

Moreover, the Group has established a procedure to identify and manage transactions with the Group’s related parties. It helps identify the relationships between these related parties and Econocom Group SE or any Group company.

This procedure was presented to the Audit Committee on 17 October 2023. The declaration campaign was launched in December 2023, and is monitored by the Statutory Auditor.

2. Report on compensation

This report was drawn up in accordance with article 3:6, §3 of the Belgian Companies Code. Its purpose is to describe and provide a complete overview of the compensation granted to the Directors (executive and non-executive) and to the members of the Executive Committee of Econocom Group during the financial year covered by said report.

2.1. Compensation policy for Directors and members of the Executive Committee

Directors may be remunerated or work free of charge in accordance with article 14 of the Bylaws and Article 10 of the Board of Directors' internal rules. Any fixed or variable compensation may be set by the General Meeting acting on a recommendation from the Board of Directors assisted by the Compensation and Appointments Committee.

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

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

2.1.1. COMPENSATION PROCEDURE FOR DIRECTORS AND MEMBERS OF THE EXECUTIVE COMMITTEE

On 31 August 2011, the Board of Directors set up a Compensation Committee. The Committee is composed of three non-Executive Directors, two of whom are independent in accordance with article 7:87 §1 of the Belgian Companies Code.

On 23 January 2020, the Board of Directors extended the Compensation Committee's responsibilities to Appointments, thereby limiting its scope of action to corporate officers and executives authorised in fact or in law to use the Group's signature. Members of the Executive Committee who are not involved in the Group Management do not fall within the scope of the Committee's activities.

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

A compensation policy was approved by the Ordinary General Meeting of 18 May 2021.

Compensation component

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

a) the compensation policy;

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

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

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

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

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

Implementation of plans relating to the granting of financial instruments

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

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

The Compensation Committee met three times in 2023.

2.1.2. COMPENSATION PAID IN 2023

2.1.2.1. Board of Directors

The Bylaws provide for Directors' fees.

The Extraordinary General Meeting of 18 December 2015 set the compensation of non-Executive Directors at €5,000 per Board meeting and per Director from January 2016, subject to actual attendance at meetings.

Executive Directors do not receive any compensation in respect of their directorships for Econocom Group. Their compensation comes from contractual relationships or their terms of office with one or more Group companies. At its meeting of 24 November 2016, the Board of Directors clarified the status of Executive Director, excluding from the concept Directors having an operational role within subsidiaries but not holding executive positions at Econocom Group. People in this position are considered to be non-Executive Directors. However, they do not receive Directors' fees.

Directors not exercising any operational role do not receive any compensation other than the below-mentioned Directors' fees.

A summary of the nature of the compensation paid to Directors is as follows:

	Terms of office in 2023	Nature of compensation
Econocom International BV (EIBV)	Chairman and Executive Director – represented by Jean-Louis Bouchard	Compensation in respect of a service contract(1)
Robert Bouchard	Vice-Chairman Non-Executive Director	Directors' fees
Angel Benguigui Diaz	Executive Director	Compensation in respect of a contract with a Group company
Éric Boustouller	Independent Director	Directors' fees
Adeline Challon-Kemoun	Independent Director	Directors' fees
Véronique di Benedetto	Non-Executive Director	Compensation in respect of a contract with a Group company
Bruno Grossi	Non-Executive Director	Directors' fees
Marie-Christine Levet	Independent Director	Directors' fees
Jean-Philippe Roesch	Non-Executive Director	Directors' fees
Samira Draoua	Executive Director	Compensation in respect of a contract with a Group company

(1) The structure of this compensation is described in section 2.1.2.5.

2.1.2.2. Committees

At the Extraordinary General Meeting of 18 December 2015, the compensation of Chairs and members of the Audit Committee and the Compensation and Appointments Committee was set at €3,000 per meeting from January 2016, subject to actual attendance.

2.1.2.3. Executive Directors, non-Executive Directors exercising an operational role, and members of the Executive Committee

The compensation of Executive Directors, non-Executive Directors with operational roles and members of the Executive Committee complies with the compensation policy adopted by the Ordinary General Meeting of 18 May 2021 and includes a significant variable portion, which may account for up to 50% of the total compensation.

However, this compensation structure does not apply to Econocom International BV, represented by Jean-Louis Bouchard ("EIBV"), whose compensation is discussed in section 2.1.2.5.

The Ordinary General Meeting, at its meeting on 19 May 2020, for the free share allocation plan of 2020, and on 18 May 2021 for the free share allocation plans of 2021 and 2022, authorised the Board of Directors to deviate from the rules provided for in article 7:91, §2 of the Belgian Companies Code with respect to the setting of variable compensation for executives and the granting of shares or stock options to current Executive Directors and other current executives of the Company.

The variable compensation of Executive Directors, non-Executive Directors with operational roles and members of the Executive Committee was set in 2023 based on annual performance criteria.

This compensation was subject to the achievement of objectives, both qualitative and quantitative.

A significant proportion of compensation paid to members of the Executive Committee was subject to the achievement of joint quantitative objectives relating to the Group's budget targets, and in particular recurring operating profit from operating activities, revenue and the net financial debt of the Group and/or areas of responsibility specific to each executive. The other qualitative and quantitative objectives are specific to each Executive Committee member and Executive Director, and depend on the scope of their duties and responsibilities.

As is the case with all Econocom Group employees, the Executive Directors and Executive Committee members who are employees of the Group, are assessed on a continuous basis throughout the year by their managers and at the annual appraisal, which is held in the first quarter of the following year.

The compensation of non-Executive Directors with operational roles is set by the Chairman or a member of the Executive Committee.

The Board of Directors believed, given the reliability of the Group's financial information, by way of exemption from the principle laid down by the 2020 Corporate Governance Code, that it was unnecessary to implement a collection right for variable compensation awarded on the basis of incorrect financial information.

2.1.2.4. Non-Executive Directors

This section sets out the individual compensation and benefits paid directly or indirectly to non-Executive Directors by Econocom Group or any of the Group's other companies in 2023.

Compensation paid in 2023, including social costs

in €	
Robert Bouchard	52,000
Éric Boustouller	25,000
Adeline Challon-Kemoun	19,000
Bruno Grossi	25,000
Marie-Christine Levet	47,000
Jean-Philippe Roesch	43,000
Total	**211,000**

2.1.2.5. Compensation paid to the Chairman of the Board of Directors

Until 19 May 2020, Jean-Louis Bouchard served as Chairman of the Board of Directors, Executive Director and Chairman of the Group's Executive Committee. He received no compensation whatsoever for these duties, and did not benefit from any special pension or insurance, or any other benefits paid either directly or indirectly by either Econocom Group or any companies in the scope of consolidation. As of 20 May 2020, Econocom International BV (EIBV), a company incorporated under Dutch law, represented by Jean-Louis Bouchard, has assumed all these roles. EIBV does not receive compensation for these duties.

However, EIBV continues to provide leadership services for the Group and therefore receives compensation that covers approximately three quarters of staff costs calculated on the basis of hours of service at an hourly rate defined according to the qualification of the person providing the service within EIBV. This compensation takes into account an annual budget established in advance and the remainder of chargebacks of costs incurred by EIBV on behalf of the Company (management seminars, etc.). This compensation is received from the Company's subsidiaries under service agreements entered into with the entities concerned. EIBV is not eligible for variable compensation, whether in cash or in the form of free shares or stock options.

EIBV billed fees of €2.4 million to Econocom Group and its subsidiaries in 2023 for managing and coordinating the Group. These fees amounted to €2.4 million in 2022.

2.1.2.6. Compensation paid to the Executive Directors, non-Executive Directors with operational roles and members of the Executive Committee in 2023

This section indicates in aggregate the amount of compensation and other benefits granted directly or indirectly to the Executive Directors (excluding the compensation of the Chairman of the Board of Directors commented on in paragraph 2.1.2.5), to the non-Executive Directors exercising an operational role and members of the Executive Committee of Econocom Group or a company that is part of the consolidation scope in 2023.

Total compensation paid in 2023, including social costs

in €	
Fixed portion	2,219,487
Variable portion[1]	2,049,928
Pensions and other compensation, including benefits in kind[2]	1,174,021
Social costs[3]	1,254,465
Directors' fees	-
Total	**6,697,901**

(1) Including €1,620 thousand for 2022, and paid in 2023.
(2) Including €11 thousand for 2022, and paid in 2023.
(3) Including €253 thousand for 2022, and paid in 2023.

Total compensation for 2023, including social costs

in €	
Fixed portion	2,219,487
Variable portion(1)	1,807,000
Pensions and other compensation, including benefits in kind(2)	1,426,090
Social costs(3)	1,323,853
Directors' fees	-
Total	**6,776,497**

(1) Of which €1,377 thousand yet to be paid in 2024. The non-finalised variable portions were recorded on the assumption that 100% of targets were met.

(2) Of which €263 thousand yet to be paid in 2024.

(3) Of which €300 thousand yet to be paid in 2024.

This information corresponds to the compensation charged. Six of these executives were paid under their employment contract in their capacity as employees of Econocom Group companies and one of these executives received compensation indirectly *via* a company that he controls, as an officer of an Econocom Group company and/or as a service provider. This lump-sum compensation is included in the summary table above.

Five of the Executive Directors, non-Executive Directors with operational roles and Executive Committee members have a company car.

2.1.3. STOCK OPTIONS AND FREE SHARES GRANTED

Some of the Executive Directors, non-Executive Directors with operational roles and Executive Committee members benefit from stock option and/or performance share plans.

The General Meeting of 18 May 2021 approved the terms of a performance share plan covering 4,000,000 shares, the vesting of which will take place over two or three years.

During the financial year, the Executive Directors, the non-Executive Directors with an operational role, and the members of the Executive Committee did not benefit from any share allocations and definitively acquired 550,000 shares and lost 250,000 shares.

In addition, under a stock option agreement set up in 2022 for one of these executives, 200,000 shares were acquired, giving rise to the sale of an equivalent number of treasury shares.

At 31 December 2023, the Executive Directors, the non-Executive Directors with an operational role and the members of the Executive Committee were the beneficiaries of 200,000 Econocom Group performance shares not yet vested and 350,000 stock options.

2.1.4. TERMINATION BENEFITS AND OTHER CONTRACTUAL OBLIGATIONS

The employment contracts of the Executive Directors, Executive Committee members and non-Executive Directors with operational roles in office at 31 December 2023 contain standard clauses, in particular as regards notice period. They contain no specific clause with respect to pension benefits.

2.2. Econocom Group employee share ownership schemes

The Group has set up several incentive plans for its personnel, employees, managers and executives. At 31 December 2023, only the 2021 Free Share Allocation plan, closed on 31 December 2023, was still in force. In addition, a three-year stock option agreement was set up in 2022 for the benefit of a Group executive.

During the 2023 financial year, 700,000 free shares were definitively transferred to executives under the 2020 and 2021 Free Share Plans, giving rise to the disposal of an equivalent number of treasury shares. The financial impact for the Group corresponds to the market value of the shares transferred. In addition, a total of 300,000 free shares were forfeited as a result of the departure of beneficiaries or failure to meet individual or collective performance targets, and a total of 175,000 stock options, giving entitlement to 260,000 shares, were forfeited as they were not exercised by beneficiaries. Lastly, under the stock option agreement set up in 2022, 200,000 shares were acquired by an executive, resulting in the sale of an equivalent number of treasury shares.

An updated summary of the Group's commitments in respect of these plans at 31 December 2023 is provided below:

Plan	Year granted	Number of options and free shares	Number of corresponding shares	Expiry date	Exercise price *(in € per share)*	Exercise price *(in € thousands)*
2021 Free Share Plan	2021	250,000	250,000	July 2024	-	-
Stock options	2022	200,000	200,000	Dec. 2024	0.42	84
		150,000	150,000	Dec. 2025	0.42	63
Total		**-**	**600,000**			**147**

These plans cover Econocom Group shares listed on the Euronext Brussels stock exchange. The aim is to build a strong relationship between the Company and its staff and retain its most talented executive officers and employees, thereby promoting a strong alignment of the interests of beneficiaries with those of shareholders.

The granting of some of the stock options and free shares, comprising between 50% and 100% of the stock options and shares allocated, is contingent on their beneficiaries achieving individual, collective, internal and/or external performance goals. The exercise price is set in accordance with current legislation.

The options are non-transferable. There is no hedging of the risk of loss by Econocom Group in the event of a fall in the share price.

The free share plan issued in 2021 was approved by the General Meeting of 18 May 2021. The awards made under this plan were approved by the Board of Directors on 21 July 2021. The vesting of free shares by the beneficiary will result in delivery of existing shares. The grant period ended on 31 December 2023.

At 31 December 2023, the options and free shares not yet vested gave entitlement to a total of 600,000 Econocom Group shares, fully paid in existing shares, representing 0.34% of the number of shares issued at the end of the financial year.

Lastly, of the total number of shares corresponding to stock options and free shares granted and not yet exercised, 25.0% were still subject to the achievement of future quantitative and/or qualitative, and individual and/or collective performance conditions.

The exercise of all these options would result in an equity increase of €0.1 million.

3. External auditor fees

External auditor fees

in €	Dec. 31 2023	Dec. 31 2022
Statutory Auditor's fees for auditing the financial statements	420,377	397,363
Statutory Auditor's fees or fees for similar assignments performed in the Group by individuals related to the Statutory Auditor	1,279,649	1,275,790
Fees for non audit-related engagements or specific assessments carried out by the Statutory Auditor for Econocom Group	–	–
Non-audit certification engagements	–	–
Tax advisory engagements	–	–
Other non-audit engagements	–	–
Fees for one-off tasks or specific engagements carried out for Econocom Group by persons related to the Statutory Auditor(s)	–	–
Non-audit certification engagements	–	–
Tax advisory engagements	–	–
Other non-audit engagements	–	–

03

information on the company and the share capital

1. Main information on the Company

1.1. Company name and registered office

Company name: Econocom Group SE

Registered office: Place du Champ de Mars 5, 1050 Brussels (Tel. +00 32 2 790 81 11).

1.2. Legal form

Econocom Group was incorporated as a limited company (*société anonyme*) under Belgian law on 2 April 1982, under a deed held by Jacques Possoz, notary, and published in the Belgian Official Gazette (*Moniteur belge*) of 22 April 1982 (no. 820–11). It was transformed into a European Company by decision of the General Meeting of 18 December 2015 under a deed of the same date held by Tim Carnewal, notary, published in the Belgian Official Gazette (*Moniteur belge*) of 31 December 2015.

1.3. Applicable regulations

Econocom Group SE is a European Company governed by the provisions of regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company (the "SE Regulation") and Directive No. 2001/86/EC of 8 October 2001 supplementing the statute for a European Company with regard to the involvement of employees and the provisions of Belgian law in respect of European Companies, as well as, for all other matters not yet covered or only partially covered by the SE Regulation, Belgian law applicable to limited companies insofar as they are not contrary to specific provisions applicable to European Companies. Econocom Group SE is a listed company within the meaning of article 1:11 of the Belgian Companies Code (*Code des sociétés et des associations*).

1.4. Date of incorporation and term of the Company

The Company was incorporated on 2 April 1982 for an unlimited period.

1.5. Corporate purpose (article 3 of the Bylaws)

The Company's purpose is, in all countries:

- the design, construction, operational and administrative management, and financing of computer, digital and technological, information and data processing, and telecommunication systems and solutions, or such systems and solutions as they relate to the Internet of Things (IoT);
- the purchase, sale, leasing and trading of all types of hardware, software and computer, technological, digital or telecommunications solutions, for businesses and individuals alike, and more broadly any accessory connected with such solutions, as well as any advice, services and related financial transactions.

To this end, the Company may acquire, manage, operate and sell patents, trademarks, and technical, industrial and financial knowledge.

It may establish branch offices or subsidiaries in all countries.

It may acquire interests in any company with similar or complementary activities in any country by means of asset transfers, acquisitions, partial or total mergers, subscriptions to initial capital or capital increases, financial investments, disposals, loans or any other means.

It may perform, in all countries, all industrial, commercial, financial, securities and property transactions related in whole or in part, directly or indirectly, to one or other branch of its purpose, or one that is liable to expand its purpose or facilitate its achievement.

It may provide guarantees or grant real or other personal guarantees in favour of companies or individuals, in the broadest sense.

It may conduct its activities in its own name or on behalf of third parties, for its own account or for the account of others.

1.6. Trade and Companies Register

It is registered with the Brussels register of companies under number 0422.646.816.

1.7. Financial year

Financial year: 1 January to 31 December.

1.8. Major contracts

In the course of its operations, the Group signs substantial contracts with its customers, suppliers, funders and other partners, some of which are binding for several years. The importance of these players is set out in the dependency factors, in chapter 5 on risk factors and the control environment, in the section entitled "Dependency risks".

2. Information on share capital

2.1. Share capital (article 5 of the Bylaws)

At 31 December 2023, the Company's share capital stood at €23,731,026.74 and was composed of 179,045,899 ordinary shares with no stated nominal value, held in registered, or dematerialised form. The capital is fully paid-up.

2.2. Amendment of share capital (article 6 of the Bylaws)

The share capital may be increased or reduced by a decision of the General Meeting in accordance with the conditions required for amending the Bylaws.

For capital increases approved by the General Meeting, the price and conditions for issuing new shares are set at the same meeting based on recommendations from the Board of Directors.

Existing shareholders have a pre-emptive right to subscribe for the new shares in cash, in proportion to the number of shares they hold, within a time limit set at the General Meeting and in accordance with conditions determined by the Board of Directors.

Shares with no stated par value below the carrying amount of the nominal value of existing shares may only be issued in compliance with legal requirements.

Pre-emptive subscription rights may, however, in the Company's best interests, be limited or cancelled by decision of the General Meeting ruling in accordance with the conditions required for amending the Bylaws or by the Board of Directors, within the authorised capital, in favour of one or more designated persons who are not employees of the Company or its subsidiaries, all in accordance with legal provisions.

The Board of Directors may sign agreements, containing the clauses and conditions it deems appropriate, with any third party in order to ensure that all or part of the shares to be issued are subscribed.

The share capital may be redeemed without being reduced by repaying a portion of the distributable profits to securities representing this share capital, in accordance with the law.

2.3. Changes in share capital

The changes in the share capital consisted, on the one hand, of capital increases carried out as part of the exercise of stock options by Group managers and, on the other, of capital increases carried out as part of bond conversions.

As of 31 December 2023, there are no longer any dilutive elements that could have an influence on the capital of Econocom Group SE.

The following changes to the share capital occurred in 2021:

As part of the exercise of stock options by the beneficiaries of the 2014 Stock Option Plan, Econocom Group SE issued:

- on 13 August 2021, 400,000 shares, bringing the share capital to €23,555,349.67, represented by 221,280,430 shares;
- on 1 September 2021, 50,000 shares, bringing the share capital to €23,560,674.67, represented by 221,330,430 shares;
- on 29 September 2021, 50,000 shares, bringing the share capital to €23,565,999.67 represented by 221,380,430 shares;

- on 29 October 2021, 110,000 shares, bringing the share capital to €23,577,714.67, represented by 221,490,430 shares;
- on 9 December 2021, 218,650 shares, bringing the share capital to €23,601,000.89 represented by 221,709,080 shares;
- on 17 December 2021, 572,900 shares, bringing the share capital to €23,662,014.74, represented by 222,281,980 shares.

At 31 December 2021, the share capital amounted to €23,662,014.74, represented by 222,281,980 shares.

The following changes to the share capital occurred in 2022:

As part of the exercise of stock options by the beneficiaries of the 2014 Stock Option Plan, Econocom Group SE issued:

- on 24 January 2022, 648,000 shares, bringing the share capital to €23,731,026.74, represented by 222,929,980 shares.

At 31 December 2022, the share capital amounted to €23,731,026.74, represented by 222,929,980 shares.

The following changes to the share capital occurred in 2023:

- the Extraordinary General Meeting of 22 June 2023 decided to cancel 43,884,081 treasury shares, with no change in the share capital of Econocom Group SE.

At 31 December 2023, the share capital amounted to €23,731,026.74, represented by 179,045,899 shares.

Changes in the Company's share capital and the number of shares since 1 January 2014 are summarised in the table below:

Transaction date	Type of issue	Change in the number of shares	Change in share capital *(in €)*	Issue premium *(in €)*	Total transaction *(in €)*	Number of shares	Share capital subscribed *(in €)*
1 Jan. 2014		-	-	-	-	106,517,314	19,874,285.37
24 Jan. 2014	Capital increase by conversion of OCEANE bonds	20,000	3,732.00	101,268.00	105,000.00	106,537,314	19,878,017.37
25 Feb. 2014	Capital increase by conversion of OCEANE bonds	266,028	49,640.82	1,347,006.18	1,396,647.00	106,803,342	19,927,658.19
26 Mar. 2014	Capital increase by conversion of OCEANE bonds	210,592	39,296.47	1,066,311.53	1,105,608.00	107,013,934	19,966,954.66
28 May 2014	Capital increase by conversion of OCEANE bonds	708,428	132,192.66	3,587,054.34	3,719,247.00	107,722,362	20,099,147.32
18 June 2014	Capital increase by conversion of OCEANE bonds	7,850,228	1,464,852.54	39,748,844.46	41,213,697.00	115,572,590	21,563,999.86
29 Dec. 2014	Cancellation of treasury shares	(3,053,303)	-	-	-	112,519,287	21,563,999.86
17 Feb. 2017	Capital increase by conversion of OCEANE bonds	400,000	76,640.00	4,299,240.00	4,375,880.00	112,919,287	21,640,639.86
3 Mar. 2017	Capital increase by conversion of OCEANE bonds	1,198,194	229,573.97	12,883,101.71	13,112,675.68	114,117,481	21,870,213.83
16 Mar. 2017	Capital increase by conversion of OCEANE bonds	800,000	153,280.00	8,603,440.00	8,756,720.00	114,917,481	22,023,493.83
21 Mar. 2017	Capital increase by conversion of OCEANE bonds	1,144,500	219,286.20	12,311,386.50	12,530,672.70	116,061,981	22,242,780.03
24 Mar. 2017	Capital increase by conversion of OCEANE bonds	657,418	125,961.29	7,072,897.29	7,198,858.58	116,719,399	22,368,741.32

Transaction date	Type of issue	Change in the number of shares	Change in share capital *(in €)*	Issue premium *(in €)*	Total transaction *(in €)*	Number of shares	Share capital subscribed *(in €)*
31 Mar. 2017	Capital increase by conversion of OCEANE bonds	1,961,518	375,826.85	21,106,537.80	21,482,364.65	118,680,917	22,744,568.17
6 Apr. 2017	Capital increase by conversion of OCEANE bonds	3,889,298	189.50	41,855,117.90	42,600,307.40	122,570,215	23,489,757.66
2 June 2017	Two-for-one share split	122,570,215	-	-	-	245,140,430	23,489,757.66
21 June 2019	Capital increase by exercise of stock options	240,000	22,992	639,408	662,400	245,380,430	23,512,749.67
19 May 2020	Cancellation of treasury shares	(24,500,000)	-	-	-	220,880,430	23,512,749.67
13 Aug. 2021	Capital increase by exercise of stock options	400,000	42,600	1,061,400	1,104,000	221,280,430	23,555,349.67
1 Sep. 2021	Capital increase by exercise of stock options	50,000	5,325	132,675	138,000	221,330,430	23,560,674.67
29 Sep. 2021	Capital increase by exercise of stock options	50,000	5,325	132,675	138,000	221,380,430	23,565,999.67
29 Oct. 2021	Capital increase by exercise of stock options	110,000	11,715	291,885	303,600	221,490,430	23,577,714.67
9 Dec. 2021	Capital increase by exercise of stock options	218,650	23,286.22	580,187.78	603,474	221,709,080	23,601,000.89
17 Dec. 2021	Capital increase by exercise of stock options	572,900	61,013.85	1,520,190.15	1,581,204	222,281,980	23,662,014.74
24 Jan. 2022	Capital increase by exercise of stock options	648,000	69,012	1,719,468	1,788,480	222,929,980	23,731,026.74
22 June 2023	Cancellation of treasury shares	(43,884,081)	-	-	-	179,045,899	23,731,026.74

3. Information on shareholders

3.1. Ownership structure

At 31 December 2023, Econocom Group SE's share capital consisted of 179,045,899 shares, held as indicated below:

	2023	2022
Companies controlled by Jean-Louis Bouchard	49.79%	39.99%
Public	46.61%	40.20%
Treasury shares	3.60%	16.77%
Held by the Company's subsidiaries	-	3.04%
Total	**100%**	**100%**

Econocom International BV (represented by Jean-Louis Bouchard) Chairman of the Company, remains Econocom Group SE's largest shareholder, with approximately 49.79% of the share capital at 31 December 2023.

Econocom Group SE was informed that, other than the companies controlled by Jean-Louis Bouchard, the American company FMR LLC (Fidelity Management & Research Company LLC, FIAM LLC, Fidelity Management Trust Company) exceeded, as at 31 December 2023, the shareholding threshold of 5%.

There are no shareholders with special controlling rights.

The Extraordinary General Meeting of 19 May 2020 decided to implement a double voting right for registered shares held for more than two years. Accordingly, each Econocom Group SE share gives its holder the right to cast a vote or, where applicable, two votes at General Meetings.

3.2. Limitation of shareholders' rights

Article 10 of the Company's Bylaws stipulates that the shares are indivisible. If there are several owners of a security, the Company may suspend the exercise of the related rights until a person is designated as the owner of the security.

In addition, treasury shares (3.60%) and shares held by the Belgian Caisse des Dépôts et Consignations (0.60%) belonging to bearer shareholders who did not make themselves known during the dematerialisation process on the Belgian market, were stripped of their voting rights. There are no other particular legal or statutory restrictions with respect to voting rights.

Similarly, with the exception of the provisions limiting purchases and sales by Econocom Group SE of its treasury shares, the Company's Bylaws do not impose any restrictions on the transfer of its shares.

3.3. Provisions that could delay, defer or prevent a change in control of the Company

3.3.1. GENERAL INFORMATION

Laws relating to takeover and squeeze-out bids and their implementing orders, as well as the Belgian Companies Code and other applicable laws, contain various provisions (such as the requirement to disclose major shareholdings – see section 5.11 of this chapter – and competition provisions) that may be applicable to the Company, and which place certain restrictions on hostile takeover bids or other changes of control. These provisions could discourage potential takeover bids that other shareholders may consider to be in their interests and/or prevent shareholders from selling their shares at a premium.

In certain conditions, the Board of Directors may defer or prevent the issuance of shares that could have a dilutive impact on existing shareholdings.

3.3.2. AUTHORISED SHARE CAPITAL (ARTICLE 7 OF THE BYLAWS)

Pursuant to a decision of Econocom Group SE's Extraordinary General Meeting of 19 May 2020, the Board of Directors was granted authorisation to increase the share capital, on one or more occasions, under conditions it deems fit, by an amount of up to €23,512,749.67. At 31 December 2023, authorised unissued capital (excluding issue premiums) amounted to €23,512,749.67.

The Board of Directors may use this authorisation to issue shares with or without voting rights, convertible bonds, equity notes, subscription rights payable in cash or in kind, and other share equivalents or equity instruments issued by the Company.

Any capital increase effected under this authorisation may be carried out:

- either by means of contributions in cash or in kind, including any restricted issue premium, whose amount is fixed by the Board of Directors, or by creating new shares carrying rights that will be determined by the Board;
- or by converting reserves – including restricted reserves – or the issue premium into capital, with or without creating new shares.

This authorisation is granted to the Board of Directors for a period of five years from the date of publication of the decision of the Extraordinary General Meeting of 19 May 2020 in the annexes of the Belgian Official Gazette. It may be renewed on one or more occasions, in accordance with applicable provisions.

In the event that a capital increase is carried out within the authorised capital, the Board of Directors will allocate any issue premium to a restricted account. This account will form part of shareholders' equity in the same way as the share capital, and, provided it is converted into capital by the Board of Directors, may only be reduced or cancelled by the General Meeting under the conditions required by article 7:208 of the Belgian Companies Code.

The Board of Directors may limit or cancel pre-emptive subscription rights of existing shareholders in accordance with the conditions set forth in articles 7:190 *et seq.* of the Belgian Companies Code if it is in the Company's interests. It may even do so for one or more specific parties other than employees of the Company or of its subsidiaries, except as provided in article 7:201 of said Companies Code.

The Board of Directors may decide, with the right of substitution, to amend the Bylaws to reflect the Company's new capital and shares each time the share capital is increased within the limit of the authorised capital.

3.3.3. ACQUISITION AND DISPOSAL OF TREASURY SHARES (ARTICLE 12 OF THE BYLAWS)

The Company may only acquire its own shares or (if applicable) profit shares by means of a purchase or exchange, directly or by a person or entity acting in their own name but on the Company's behalf following a decision of a General Meeting voting pursuant to the quorum and majority requirements set forth in article 7:154 of the Belgian Companies Code, which notably sets the maximum number of shares or profit shares that can be acquired, the period for which the authorisation is granted, within the limit provided in article 7:215 of the Belgian Companies Code, as well as the counter values.

On 30 November 2021, the Extraordinary General Meeting amended article 12 of the Bylaws relating to the acquisition and disposal of treasury shares, so as to remove the references to the 20% limit of share capital provided for in article 7:215 of the Belgian Companies Code. This ceiling was set on 19 May 2020 by the Extraordinary General Meeting, thereby authorising the Board of Directors to buy back treasury shares for a five-year period.

Following this amendment, the Extraordinary General Meeting of 30 November 2021 authorised the Board of Directors to acquire a maximum of 88,000,000 Company treasury shares. The minimum purchase price was set at €1 per share and the maximum price at €10 per share. In addition, the Board of Directors was also authorised to pledge treasury shares of the Company, in accordance with article 7:226 of the Belgian Companies Code. These authorisations were granted for a period of five years as from the date on which the decision of the General Meeting is published.

The Board of Directors may be authorised, in accordance with legal provisions, to acquire the Company's shares by way of purchase or exchange when this acquisition is necessary to avoid serious and imminent damage to the Company. This authorisation was granted to the Board of Directors of Econocom Group SE by decision of the Extraordinary General Meeting of 22 June 2023. It is valid for a period of three years from the publication of the decision of said Meeting in the annexes to the Belgian Official Gazette (*Moniteur belge*).

The Board of Directors may sell Company shares in the cases laid down by the Belgian Companies Code, including to one or more identified persons. If necessary, this authorisation may be extended to the disposal of treasury shares of the Company by its subsidiaries.

The Board of Directors may otherwise dispose of shares of the new Company in the conditions provided by the Belgian Companies Code, as well as to spare the Company serious and imminent harm, provided, in such cases, that the securities are sold on the market or as a public offering made on the same conditions to all shareholders.

The Extraordinary General Meeting of 22 June 2023 amended article 12 of the Bylaws in order to expressly authorise the Board of Directors to cancel the Company's treasury shares, without any further approval or intervention by the General Meeting and without limitation over time. The Board of Directors is therefore authorised to amend the Bylaws following a cancellation to reflect the number of shares issued by the Company. This authorisation also applies to the cancellation of the Company's treasury shares acquired by the direct subsidiaries of the Company within the meaning of article 7:221 of the Belgian Companies Code.

Changes in relation to treasury shares

In 2023, the following treasury share movements took place:

- Econocom Group SE acquired 13,883,937 Econocom shares, for an acquisition price of €39.1 million;
- Econocom Group SE cancelled 43,884,081 treasury shares at the Extraordinary General Meeting of 22 June 2023;
- Econocom Group SE transferred 900,000 treasury shares to the beneficiaries of free share plans and share-based payment agreements.

As at 31 December 2023, Econocom Group SE held 6,444,846 treasury shares acquired under its share buyback programme. The treasury shares represent 3.60% of the total number of shares issued.

The voting rights associated with the shares held by the Company have been suspended. The shares held by the Company do not confer a right to dividends or refunds of issue premiums.

Econocom Group SE's distributable reserves (statutory data) stood at €8.0 million, in addition to retained earnings in the amount of €223.9 million.

Econocom Group SE's non-distributable reserves stood at €18.9 million in addition to restricted issue premiums in the amount of €113.8 million.

3.4. Relations with major shareholders

At 31 December 2023, the number of shares issued by Econocom Group totalled 179,045,899, of which Jean-Louis Bouchard held 49.79% *via* Econocom International BV. Treasury shares held by Econocom Group do not carry voting rights, meaning that, at 31 December 2023, Jean-Louis Bouchard held 64.16% of the Company's voting rights, directly and indirectly.

The Company maintains relations with this majority shareholder, mainly corresponding to the provision of services and leases to companies controlled by Jean-Louis Bouchard (SCI Maillot Pergolèse, SCI de Dion Bouton and SCI JMB). These contracts were signed on arm's-length terms.

3.5. Appropriation of profit and dividend policy

The Board of Directors will ask the General Meeting of 2 April 2024 to approve the repayment of the issue premium equivalent to paid-up share capital in the amount of €0.16 per share.

This repayment represents stability compared to the amount repaid last year, after a 14.3% increase in 2023.

4. General Meetings

4.1. Ordinary General Meetings

On 30 November 2021, the Extraordinary General Meeting modified the date of the Ordinary General Meeting provided for in article 27 of the Bylaws. Henceforth, the Ordinary General Meeting meets automatically on the last day of March each year, at 11:00 am. If the day is a statutory holiday, the Meeting takes place on the following business day.

At Ordinary General Meetings, the Board of Directors submits to shareholders the annual statutory financial statements prepared in accordance with applicable accounting standards, the annual consolidated financial statements prepared in accordance with IFRS, and the reports of the Board of Directors and Statutory Auditor on the statutory and consolidated financial statements.

The Meeting decides whether to approve the statutory financial statements, the appropriation of income, the discharge of Directors and the Statutory Auditor and, where applicable, the appointment, removal or re-election of the Statutory Auditor and/or certain Directors.

4.2. Extraordinary General Meetings and Special General Meetings

A Special General Meeting, or, where appropriate, an Extraordinary General Meeting, may be called by the Board of Directors or by the Statutory Auditor as often as is required in the Company's interest. Any such Meeting must be called at the request of the Chairman of the Board of Directors, an Executive Director, a Statutory Auditor, or one or more shareholders representing at least one-tenth of the Company's share capital (article 27 of the Bylaws).

4.3. Content of General Meeting convening notices

General Meeting notices must contain at least the following information:

- the date, time and place of the General Meeting;
- the agenda, indicating the items to be discussed as well as resolution proposals;
- a clear and accurate description of the formalities to be completed by shareholders in order to attend the General Meeting and exercise their voting rights, in particular the deadline by which shareholders should indicate their intention to attend the Meeting, as well as information regarding:
  - the right of shareholders to add items to the agenda, file resolution proposals, and ask questions, as well as the period in which these rights may be exercised and the email address to which shareholders should send their requests. Where applicable, the Notice of Meeting also indicates the deadline for publishing the revised agenda. The Notice may contain only the details of these periods and the email address to be used, provided that more detailed information on shareholder rights is posted on the Company's website,
  - the procedure to follow in order to vote by proxy, and in particular the proxy voting form, the conditions in which the Company will accept notifications of the appointment of proxies sent by electronic means, along with the timeframe within which the proxy voting rights may be exercised,

- where appropriate, the procedure and timeframe set by or pursuant to the Bylaws allowing shareholders to participate in the General Meeting remotely and opt for distance voting prior to the Meeting (articles 28 and 34 of the Bylaws);

- the record date, along with a statement indicating that only people who are shareholders at that date are entitled to attend and vote at the General Meeting;
- the address where shareholders can obtain, for example, the full text of the documents and resolution proposals described, along with the procedure to follow in order to obtain such documents;
- the exact website address on which the information mentioned below will be available.

4.4. Available on Econocom's website

As from the date of publication of the General Meeting convening notice and up to the date of the General Meeting, the following information is posted for shareholders on Econocom's website (www.econocom.com):

- the notice of meeting as well as, where applicable, the agenda completed and published in accordance with article 7:130, paragraph 3, of the Belgian Companies Code;
- the total number of shares and voting rights at the date of the Notice of Meeting, including separate totals for each class of shares, when the Company's share capital is divided into two or more share classes;
- the documents to be submitted to the General Meeting;
- for each item placed on the General Meeting agenda, a resolution proposal or, when the matter to be discussed does not require any resolution to be adopted, the Board of Directors' comments thereon. The resolution proposals formulated by shareholders pursuant to article 7:130 of the Belgian Companies Code are posted online as early as practicably possible after they have reached the Company;
- the proxy voting form and, where applicable, the postal voting form, unless these forms are sent directly to each shareholder.

When the forms mentioned above cannot be posted online due to technical reasons, the Company must explain on its website how to obtain a hard copy of them. In this case, Econocom is required to send the forms promptly and free of charge to the postal or email address indicated by any shareholder that so requests them.

The information mentioned in this section will be available on Econocom's website (www.econocom.com) for five years as from the date of the General Meeting to which they relate.

4.5. Formalities and notice periods

Notification of all General Meetings must be made by announcements placed at least 30 days before said Meeting in:

- the Belgian Official Gazette (*Moniteur belge*);
- a newspaper with national circulation, unless the notice concerns an Ordinary General Meeting held in the place and at the time and date indicated in the Bylaws, and whose agenda is confined to the review of annual financial statements, the annual report, the Statutory Auditor's report and the vote to grant discharge to Directors and the Statutory Auditor;
- any media as may reasonably be relied on to efficiently disseminate information to the public throughout the European Economic Area and which is readily accessible in a non-discriminatory manner.

Holders of registered shares as mentioned in the Belgian Companies Code, along with Company Directors and the Statutory Auditor must be notified of the General Meetings 30 days before they are due to take place. This notification is sent by ordinary letter unless the recipients have individually and expressly agreed in writing to receive notification by another means, although no proof of compliance with this formality is required. Notices of Meetings are also available on Econocom's website (www.econocom.com).

If another Notice has to be called because a first Meeting did not meet the quorum, and provided that the date of any second Meeting was indicated in the paragraph above in the first Notice of Meeting and that no items have since been added to the agenda, the 30-day period specified above is reduced to at least 17 days before the Meeting.

5. Shareholder rights and obligations

5.1. Right to participate in General Meetings

All shareholders are entitled to attend Econocom Group's General Meetings, regardless of the number of shares they hold, provided that they meet the admission requirements to attend General Meetings.

Holders of bonds, subscription rights and certificates issued in connection with the Company may attend the General Meeting in a non-voting capacity only, provided that they meet the admission requirements applicable to shareholders.

5.2. Right to call General Meetings

Shareholders who represent one-tenth of Econocom's share capital are entitled to ask the Board of Directors or Statutory Auditor to call a General Meeting.

5.3. Right to add an item to the agenda and to table draft resolutions

Shareholders who, alone or jointly, hold at least 3% of Econocom Group's share capital may ask for items to be added to the agenda of General Meetings and file resolution proposals concerning agenda items.

This right does not apply to Meetings called following a first Meeting that could not validly make decisions due to a failure to meet quorum requirements.

Shareholders wishing to exercise this right must:

(i) prove that they actually hold at least 3% of Econocom Group's share capital on the date of filing of their request; and

(ii) ensure that their shares representing at least 3% of the share capital are duly registered at the record date.

Ownership is established either by a certificate stating that the corresponding shares are recorded in the Company's share register or by a certificate issued by an authorised account holder or clearing institution certifying that the corresponding number of shares is registered in the account held by the account holder or clearing agent.

Shareholders may send their requests to the Company by post or email. Where appropriate, these requests must also include the items to be added to the agenda together with the related resolution proposals and/or the text of the newly proposed resolutions concerning items already on the agenda. Requests must also indicate the postal or email address to which Econocom should send confirmation of receipt. Requests must reach the Company no later than the 22nd day preceding the date of the relevant General Meeting.

Econocom Group SE will confirm receipt of any requests within 48 hours, and will publish a revised agenda no later than 15 days before the General Meeting. Proxy forms and postal voting forms are also published on the Company's website (www.econocom.com).

However, all proxies and postal voting forms previously submitted to Econocom Group SE remain valid for the agenda items they cover. The proxy holder may deviate from the voting instructions given by the shareholder for items on the agenda for which alternative resolution proposals have been made if the execution of these instructions is liable to compromise the interests of the shareholder he/she represents. The proxy holder must in any event inform the shareholder of any such votes. The proxy must also indicate whether the proxy holder is entitled to vote on new items added to the agenda by shareholders or whether he/she should abstain.

5.4. Right to ask questions

After the Notice of Meeting has been published, all shareholders are entitled to put questions to Econocom's Directors or Statutory Auditor concerning their reports. After the Notice of Meeting has been published, all shareholders are also entitled to put questions to Econocom's Directors regarding items on the agenda of the General Meeting. The Directors and Statutory Auditor are required to answer these questions, provided they do not harm the Company's commercial interests or any confidentiality undertakings made by the Company, its Directors or its Statutory Auditor. Questions relating to the same subject may be grouped together for and answered together by the Directors and the Statutory Auditor.

Questions may be submitted before the General Meeting (by post or by electronic means, to the address shown in the Notice of Meeting) or during the Meeting (verbally). Questions submitted by post or by electronic means must reach Econocom Group no later than the sixth calendar day before the Meeting. They will only be answered if the shareholder meets the admission requirements for the relevant General Meeting.

5.5. Other rights and information

All Econocom Group shareholders have rights to information.

Most rights to information concern General Meetings. They include, among other things, the information referred to in section 4.4 of this chapter.

5.6. Right to vote at General Meetings

5.6.1. PRINCIPLE

Each share entitles its holder to one vote, subject to any restrictions provided by law – with the exception of fully paid-up shares registered in the Company's register of shareholders for at least two (2) uninterrupted years in the name of the same shareholder, which confers two (2) votes, subject to applicable legal regulations.

As a general rule, the General Meeting alone is responsible for:

- approving the annual statutory financial statements (no such approval is required for the consolidated financial statements prepared in accordance with IFRS);
- appointing and removing Directors and the Statutory Auditor;
- granting discharge to the Directors and Statutory Auditor;

- setting the amount of compensation for the Directors and Statutory Auditor for the performance of their duties;
- distributing profits;
- filing claims against Directors;
- authorising certain actions by the Board of Directors;
- approving the compensation report;
- authorising the acquisition of treasury shares;
- taking decisions that involve the liquidation, merger or certain types of restructuring of the Company;
- approving any amendments to the Bylaws.

General Meetings cannot vote on items that are not on the agenda.

5.6.2. QUORUM AND VOTING REQUIREMENTS

Except as provided by law, decisions are taken by a majority vote regardless of the number of shares represented at the Meeting.

General Meetings can only validly deliberate and decide to amend the Bylaws if those attending the meeting represent at least one-half of the share capital. To be adopted, resolutions must be approved by a majority of three-quarters of votes cast.

If the amendments to the Bylaws concern the Company's corporate purpose, the General Meeting can only validly deliberate and decide on said amendments if those in attendance represent one-half of the share capital and one-half of any profit shares if any. To be adopted, amendments must be approved by a majority of at least four-fifths of votes cast. The quorum and voting requirements also apply when the General Meeting votes to authorise the acquisition or disposal of treasury shares, or to authorise such an acquisition without the authorisation of the General Meeting to protect the Company from serious and imminent harm.

An attendance list indicating the names of shareholders and the number of shares registered for voting purposes is signed by each shareholder or by their proxy prior to entering the meeting.

5.6.3. PROXY VOTING

All shareholders can choose to be represented at the General Meeting by a proxy, who may or may not be a shareholder of the Company, in accordance with articles 7:142 to 7:145 of the Belgian Companies Code.

The Board of Directors may decide on the form of proxy. Proxies must reach the Company no later than the sixth day preceding the date of the Meeting. All proxy voting forms that reach the Company before the revised agenda is published, pursuant to article 7:130 of the Belgian Companies Code, remain valid for the agenda items covered.

5.6.4. DISTANCE VOTING

Shareholders who satisfy the attendance requirements specified below may vote at all General Meetings either by post or, where permitted in the Notice of Meeting, by electronic means. Shares will be taken into consideration for the purposes of voting and quorum requirements only if the form provided by the Company has been duly completed and reaches Econocom at the latest on the sixth day before the date of the General Meeting. If the Notice of Meeting allows shareholders to opt for distance voting through electronic means, it must provide a description of the means used by the Company to identify shareholders that choose to do so.

5.7. Pre-emptive subscription rights in the event of a capital increase

In the event of a capital increase in cash involving the issuance of new shares, or if the Company were to issue convertible bonds or stock warrants exercisable in cash, existing shareholders have, in principle, a pre-emptive right to subscribe for the new shares, convertible bonds or stock warrants in proportion to the percentage of share capital they already own at the issuance date.

The Company's General Meeting may, however, limit or cancel such pre-emptive subscription rights under specific conditions upon presentation of a report of the Board of Directors. Any such decision is subject to the same quorum and voting requirements as a decision to raise the Company's share capital. Shareholders may also allow the Board of Directors to limit or cancel said pre-emptive subscription rights in the event of a capital increase within the authorised capital limits.

5.8. Distribution of profits

All shares carry the same rights to participate in Econocom's profits.

The Company's profit for the year is calculated in accordance with applicable legal regulations. 5% of this profit is deducted each year and allocated to the legal reserve. This allocation is no longer required when the legal reserve equals 10% of the share capital.

Acting on a recommendation of the Board of Directors, every year the General Meeting independently determines how the residual profit balance will be used and allocated by simple majority vote of members present, within the limits set by articles 7:212 and 7:214 of the Belgian Companies Code. No profits are distributed when, at the end of the last reporting period, net assets as shown in the annual financial statements total less than paid-up capital or would total less than paid-up capital if profits were distributed or if net assets exceed called-up capital plus any reserves not available for distribution pursuant to the law or to the Company's Bylaws.

5.9. Changes in rights attached to shares

Rights attached to shares issued by Econocom Group may be modified by the Extraordinary General Meeting, voting in accordance with the conditions required for amending the Bylaws. Any changes approved apply to all shareholders.

5.10. Formalities to be completed in order to attend General Meetings

Shareholders may only attend and vote at General Meetings if their shares are registered in their name at the record date, *i.e.*, by midnight (CET) on the fourteenth day preceding the Meeting, either in the Company's share register or in the books of an authorised account holder or clearing institution, regardless of the number of shares held by the shareholder at the date of the General Meeting.

The shareholders shall inform the Company (or the person designated for this purpose) of their intention to attend the General Meeting no later than the sixth day preceding the date of said Meeting, in accordance with the formalities provided in the Notice of Meeting, and provided that shareholders present the share certificate delivered by the authorised account holder or clearing institution.

Holders of bonds or subscription rights issued in connection with the Company may attend the General Meeting in a non-voting capacity only, provided that they meet the admission requirements applicable to shareholders.

5.11. Notifications of major shareholdings

In accordance with the law of 2 May 2007 on the disclosure of significant shareholdings in issuers whose shares are admitted to trading on a regulated market ("Transparency Act") and the royal decree of 14 February 2008 on the disclosure of significant shareholdings (the "Royal Transparency Decree"), any natural or legal person who directly or indirectly acquires shares conferring voting rights in the Company shall notify the Company and the FSMA (Financial Services and Markets Authority) of the number and percentage of existing voting rights that it holds as a result of this acquisition, when the voting rights attached to the securities conferring the voting right amount to 5% or more of the total existing voting rights.

Shareholders must also notify the Company in the event that they directly or indirectly acquire securities carrying voting rights when, as a result of their acquisition, the number of voting rights reaches or exceeds 10%, 15%, 20%, and every five-percentage point threshold thereafter, of total existing voting rights. Notification is also required in the event that shareholders directly or indirectly sell securities carrying voting rights when, as a result of this sale, the voting rights fall below one of the thresholds stated above.

In accordance with article 6 of the Transparency Act, the disclosure requirements mentioned above apply whenever the number of voting rights rises above or falls below the specified thresholds as a result of, among others:

1. the acquisition or sale of securities carrying voting rights, regardless of how the securities were acquired or sold, for example, by means of a purchase, sale, exchange, contribution, merger, spin-off or succession;
2. unintentionally crossing the specified thresholds (due to an event altering the allocation of voting rights); or
3. the conclusion, modification or termination of an agreement to act in concert.

The FSMA and the Company must be informed of any such event as soon as possible, and at the latest within four working days of the date on which the event took place.

The Company is required to publish all of the information contained in such notifications no later than three business days after receipt. It must also disclose its ownership structure in the notes to its annual financial statements, based on the notifications received.

The Company is also required to publish the total amount of share capital, the total number of securities carrying voting rights and the total number of voting rights, as well as a breakdown by class (where appropriate) of the number of securities carrying voting rights and the total number of voting rights, at the end of each calendar month during which changes occurred in these amounts. At the time of each publication, the Company shall also mention, if applicable, the total number of bonds convertible into securities conferring voting rights and of rights, whether or not represented by securities, to subscribe for securities conferring voting rights that have not yet been issued, the total number of voting rights that would result from the exercise of these conversion or subscription rights and the total number of shares without voting rights.

6. Information on the market for Econocom shares

2021	Price *(in €)*				Volume	
	Highest *(in €)*	Lowest *(in €)*	Last *(in €)*	Price *(in €)*	Number *(in €)*	Value of shares processed *(in € thousands)*
January	2.78	2.37	2.55	2.52	4,172,326	**10,504**
February	3.19	2.53	3.08	2.95	6,967,963	**20,576**
March	3.48	3.09	3.35	3.29	6,622,027	**21,774**
April	3.58	3.29	3.33	3.43	4,056,338	**13,913**
May	3.40	3.08	3.28	3.23	3,630,484	**11,735**
June	3.63	3.18	3.20	3.41	2,379,750	**8,104**
July	3.70	3.11	3.67	3.38	2,672,224	**9,045**
August	3.74	3.17	3.59	3.49	2,152,230	**7,514**
September	3.69	3.13	3.33	3.34	3,056,633	**10,207**
October	3.69	2.81	3.66	3.18	5,837,449	**18,588**
November	3.94	3.18	3.36	3.60	4,712,484	**16,985**
December	3.67	3.31	3.65	3.51	2,178,589	**76,367**
Total 2021	**3.94**	**2.37**	**3.65**	**3.23**	**48,438,497**	**156,582**

2022	Price *(in €)*				Volume	
	Highest *(in €)*	**Lowest** *(in €)*	**Last** *(in €)*	**Price** *(in €)*	**Number** *(in €)*	**Value of shares processed** *(in € thousands)*
January	3.88	3.33	3.53	3.59	2,440,238	**8,772**
February	3.68	3.04	3.62	3.49	3,907,219	**13,648**
March	4.12	3.15	4.03	3.71	6,619,933	**24,567**
April	4.07	3.42	3.65	3.66	1,625,849	**5,951**
May	3.77	3.52	3.65	3.62	2,232,976	**8,090**
June	3.76	3.22	3.34	3.46	1,919,634	**6,641**
July	3.50	3.95	3.32	3.23	1,285,480	**4,150**
August	3.42	3.10	3.11	3.23	727,795	**2,348**
September	3.15	2.43	2.55	2.81	1,006,303	**2,830**
October	2.89	2.49	2.76	2.68	985,072	**2,640**
November	3.10	2.67	2.82	2.86	695,576	**1,987**
December	3.00	2.63	2.85	2.86	1,020,904	**2,919**
Total 2022	**4.12**	**2.43**	**2.85**	**3.46**	**24,466,978**	**84,544**

2023	Price *(in €)*				Volume	
	Highest *(in €)*	**Lowest** *(in €)*	**Last** *(in €)*	**Price** *(in €)*	**Number** *(in €)*	**Value of shares processed** *(in € thousands)*
January	3.12	2.70	2.85	2.86	674,814	1,930
February	3.39	2.72	3.07	3.05	1,236,740	3,770
March	3.25	2.91	2.96	3.04	874,961	2,659
April	3.29	2.97	3.12	3.10	941,434	2,917
May	3.14	2.65	2.73	2.79	3,870,871	10,240
June	2.92	2.59	2.66	2.81	1,430,396	4,023
July	2.80	2.53	2.63	2.65	1,482,621	3,926
August	2.84	2.57	2.79	2.71	2,629,329	7,115
September	2.95	2.44	2.50	2.80	5,951,396	16,673
October	2.51	2.10	2.32	2.24	2,045,036	4,591
November	2.59	2.22	2.46	2.36	2,113,595	4,979
December	2.75	2.42	2.57	2.60	1,363,399	3,547
Total 2023	**3.39**	**2.10**	**2.57**	**2.72**	**24,414,592**	**66,371**

04

non-financial performance statement

1. Our approach

1.1. CSR issues and mission

USEFUL DIGITAL TECHNOLOGY AT THE CORE OF OUR CSR APPROACH

Econocom designs and develops digital technology that is really useful for the end user. We are convinced that useful digital technology, as part of the circular economy, is essential for both combatting digital waste, and contributing to the performance and competitiveness of companies. **The Econocom Group's corporate social responsibility commitment is defined as follows: promoting a responsible, circular digital approach to generate a positive impact.**

This commitment to useful digital technology is also reflected in the group's charity initiatives to fight the digital divide. Recycling or reusing equipment, in partnership with organisations in the social and solidarity-based economy, is also a priority; lastly the Group strives to optimise the energy efficiency of its digital infrastructures.

Our independence ensures that CSR is a driver for positive impact innovation

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

Instead of seeing CSR purely as a compliance requirement, our employees innovate, develop and test offers that address CSR issues with the aim of creating value for our customers' business. Developed through a co-construction approach, our offers are always practical, concrete responses to customer needs, and are provided completely independently of manufacturers, service companies, cloud providers and financial institutions. We work with the entire ecosystem to create tailored solutions, with the best choices.

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

Because we believe the best way to initiate change is to exemplify it, everything we do is based on a responsible approach.

Promoting responsible digital to bring about social transformation

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

Contributing to the ecological transition through digital technology while reducing its carbon footprint, and promoting changes in society and ensuring inclusion and data security: these are the fundamental challenges that the Econocom Group intends to address by drawing on the full spectrum of its expertise to ensure as lasting positive impact.

A responsible entrepreneurial approach and balanced governance, which reflects the Group's diversity

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

Econocom gives employees the freedom to develop entrepreneurial initiatives - an approach that is reflected in the sheer diversity of offers the Group provides.

In addition, Jean-Louis Bouchard relies on a solid governance structure, which reflects this entrepreneurial spirit and diversity, with an Executive Committee of five people from France and overseas, each in charge of a country or business line, and a Board of Directors of nine people, including three women and three independent directors. These members all come from an entrepreneurial background.

ENVIRONMENTAL, LABOUR AND SOCIAL ISSUES

Digital pollution generated by the internet seems invisible; and yet every email, every online search, every video uses energy and generates greenhouse gas emissions. Various studies have evaluated the carbon footprint of digital technology on a global scale, placing it between 2% and 4.3% of total CO_2 emissions and between 5 and 10% of total electricity consumption, depending on the sources.

As a digital player, the Econocom Group needs to take concrete measures, and fast!

This is why **responsible digital technology and combatting digital waste are two major focuses of the Group's CSR strategy.**

The Group is also committed to effecting positive change in society by promoting the diversity of skills, inclusion and by developing increasingly people-oriented ethics. Lastly, the Econocom Group also has a committed human resources strategy.

A continuous improvement approach

CSR is more than ever part of Econocom's DNA. In 2023, the Group strengthened most of its flagship initiatives and launched new ones, both in France and internationally. To embody its vision, in 2021 the Econocom Group published its Manifesto in which it outlines the goals it has set itself to pursue as a Responsible Digital Entrepreneur.

We also ensure that all our offers are useful: our investment strategy is above all responsible and mindful of our impact.

In 2023, the Econocom Group decided to publish its first sustainability report in accordance with the CSRD framework (defined in the glossary), for which Mazars group carried out its dual materiality assessment.

1.2. Commitments to SDGs (Sustainable Development Goals)

Since 2019, we have been measuring our progress and will continue to do so because we are fundamentally responsible. Econocom recognises the urgent need for private and public sector players to work together to achieve the 17 Sustainable Development Goals (SDGs) identified by the United Nations. As part of this commitment, an internal working group was set up to select the most important SDGs for the Group.

Econocom has therefore identified which of the SDGs are high priorities, which ones it intends to make an active contribution to, and which ones it aims to contribute to. As a result, 11 goals were identified and included in the Group's CSR policy.

Five of them are top priorities for Econocom: responsible consumption and production, climate action, quality education, reduced inequalities and partnerships for the goals.

To make this selection, the Group consulted several of its internal stakeholders who helped organise and prioritise the SDGs.

These internal stakeholders are the HR, Purchasing, Sales, Marketing, and Legal Departments.

1.3. Group CSR policy: 1 mission, 4 pillars

The Econocom Group has defined its four CSR pillars, as well as its mission, with all its stakeholders.

Promoting a responsible, circular digital approach to generate a positive impact

CSR Impact offers for more sensible, sustainable use

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

Committed and local conduct of our activities

- Leading the way in Green IT and the circular economy
- Responsible management of the business's carbon footprint (buildings, cars, logistics)
- CSR partnership
- Responsible purchasing and supply chain resilience
- Strong local presence
- Providing jobs for the local community
- Philanthropic initiatives (education and responsible digital technology)

Human capital that creates value

- Developing new approaches to work
- Health, well-being and quality of life in the workplace
- Industrial relations and employee engagement
- Inclusion and diversity

Responsible governance

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

The ambitious and challenging programme includes all the main issues identified in the assessment by internal and external Group stakeholders and highlights the areas which Econocom would like to focus on over the coming years.

Main objectives

The Group has set itself social, environmental and governance objectives:

Social

- Disability: reach 6% of people with disabilities by 2028
- Diversity: improve the Gender Equality Index by 2 points per year

Environment

- Carbon footprint:
  - SBTi commitment for the Group by 2024
  - Obtain ISO 14001 and BREAM certification on our most strategic sites by 2024-2025
  - Run on 100% renewable energy by 2023 in France and by 2028 internationally
  - The utility and passenger vehicle fleet is 35% hybrid and electric by 2025.

Responsible governance

- Ensure 80% of employees complete ethics training by 2025
- Ensure 90% of employees complete GDPR training by 2025
- Ensure 90% of employees complete cybersecurity training by 2025

Offering

- Develop a new offering with a CSR dimension every year

2. Commitments, recognition and highlights

Commitments

Since 2012, the Econocom Group has been a member of the United Nations Global Compact: as such, Econocom is committed to respecting and promoting the ten principles of the Global Compact. These principles concern: Human Rights, labour law, the environment and the fight against corruption.

- Econocom is a signatory of the Charter of the Institut du Numérique Responsable.

- Our SBTi (1) submission should be confirmed by mid-2024. Econocom is committed to this initiative with carbon emission reduction plans aligned with the Paris Agreement, committing to limit the global temperature increase to 1.5 °C above pre-industrial levels.

Recognition

- Econocom was awarded the Ecovadis Gold Medal for its CSR performance with a score of 70/100 for 2023, up 12 points on 2019.

- For the second consecutive year, the Econocom Group has been classified among the top 250 socially responsible companies in France, and among the top 20 in its industry sector. This study was conducted by Le Point, in collaboration with Statista. This award is a testament to the efforts made by the Group and reinforces its commitment to its ecosystem, the circular economy, inclusion and innovation to meet the challenges of the future.

- For the first time, Econocom has obtained a place in the Financial Times ranking of diversity leaders. This ranking puts us at 753 out of 850 companies assessed in Europe and at 60 out of 65 in the IT, software and services category, in recognition of our commitment to inclusion and diversity.

(1) SBTi: Science-based target initiative.

- In 2023, Econocom Factory received an environmental award which symbolises commitments to the environment, in particular its core business: refurbishing digital devices.
- SMAAART.fr (Econocom Factory website) was recognised as the No. 1 e-commerce site in the REFURBISHED PRODUCTS category of Capital magazine's ranking of the best sites in 2023 (Statista survey carried out on 10,000 retail sites selected according to their audience and activity).

Highlights

- In April 2024 the Econocom Group decided to launch a dedicated website to publish its initiatives as a responsible digital entrepreneur. The site is designed to be informative and educational, and demonstrates the Group's determination to measure the impact of its actions towards a responsible digital future, in line with its ecosystem, in a pragmatic, continuous way.

It can be consulted online: www.econocom.com/impact from April 2024.

- In 2023, Econocom Factory received the *Service France Garanti* environmental prize. This award is a testament to the brand's many commitments to the environment, particularly its core business, refurbishing digital devices.
- Econocom attended the Produrable trade fair in September 2023, leading a workshop on "Setting a course for the digital technology and energy transition. Impactful solutions for a sustainable future."

3. Standards and certifications

- We systematically apply ISO 26000 to ensure the integrity of our societal action guidelines. This rigour and transparency guarantee our partners the high quality and sustainability of our initiatives.
- Similarly, for six years, our service solutions have been compliant with ISO/IEC27001, one of the world's most recognised standards for guaranteeing information security.
- ISO 9001 and ISO/CEI 27001 certifications are managed locally in France, Morocco, Benelux, Spain and Italy.
- ISO 14001 certifications are managed locally and we have considerably increased the number of certified sites.
- We have obtained the Belgian VOKA certification, which recognises the importance of the responsible actions we take to achieve sustainable development goals.
- Our **Product Care** service centre received **the QualiRepar label**. Product Care is the after-sales service for mobility, in charge of maintaining, repairing and extending the useful life of mobile devices (phones, tablets and laptops).
- Our Econocom Factory refurbishing activity, with the SMAAART brand, also received this label, as well as the **QualiCert certification**, which is a testament to the quality of the services provided. In addition, this activity received the RecQ label, the leading European quality label for used products.

4. CSR governance

The role of administrative, management and supervisory bodies

GOV-1

Management of the approach

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

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

A panel of CSR functional and geographical correspondents has also been set up. These correspondents are members of the operational teams of the CSR Steering Committee members and are responsible for meeting objectives in their respective areas. They are responsible for the operational implementation of the action plans approved by Committees, and also act as ambassador for the policy to their teams.

Composition of the supervisory bodies

The Management Report provides details on the composition of the Group's Board of Directors, Executive Committee and CSR Steering Committee, as well as information on their diversity and skills (see "Introductory guide – Governance" chapter).

Processing of sustainability information and issues by the supervisory bodies

GOV-2

The various members of the administrative bodies are informed of sustainability issues and challenges during the annual closing Audit Committee, and *via* other committees over 2023, as well as through the strategic plan.

Integration of sustainability performance in incentive schemes

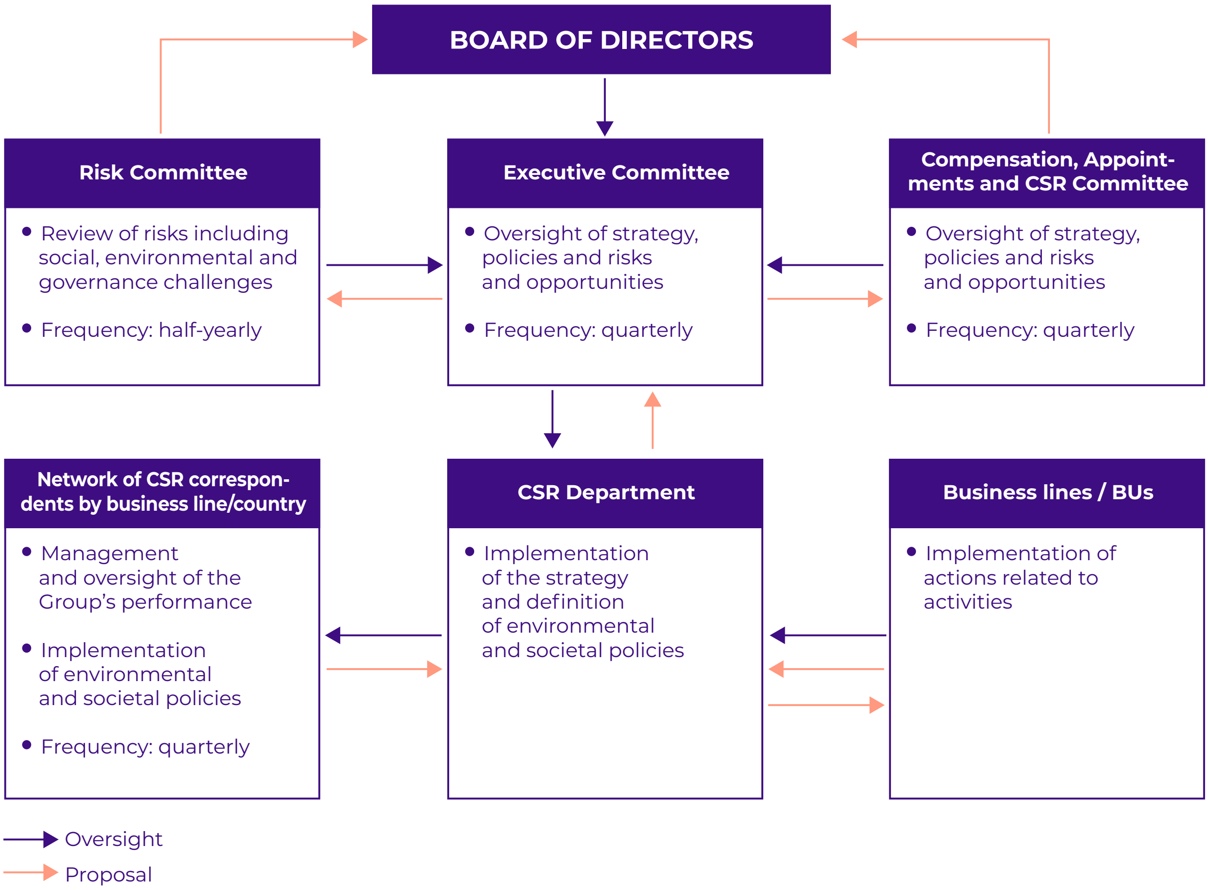
GOV-3

NA. (Not Applicable)

Sustainability due diligence reports

GOV-4

Some members of these bodies (Board of Directors, CSR Steering Committee, etc.) participated in the materiality assessment through the sustainability due diligence process (details of the functions concerned are presented in section SBM-2: Stakeholder interests and views on the Company's strategy).



Risk management and internal control over sustainability reporting

GOV-5

The non-financial performance statement/ CSRD [1] is drawn up by the Group's CSR Department and the Finance Department, which also coordinates the reporting of non-financial data. Such data are provided by the departments involved (Human Resources, CSR, CFO, Purchasing, Facilities, etc.), in France and in other countries. These data are entered in a reporting dashboard, which making it easier to collect, monitor and manage performance indicators. The reporting methodology is described in a document that is regularly updated and distributed to contributors at the start of the data collection process.

(1) Corporate Sustainability Reporting Directive.

5. Basis for preparing the report

5.1. General basis for preparing sustainability reports

[BP-1]

INFORMATION ON THE SCOPE OF REPORTING

The sustainability statements were prepared on a consolidated reporting basis, in line with the financial statements.

Unless otherwise specified, the scope includes all Group subsidiaries. Due to their independent status, sales agents are excluded from the scope of publication. Any other exclusion to the scope is mentioned and explained in the corresponding paragraph(s). The data collection process is carried out once the calendar year is ended, from 1 January to 31 December.

Nevertheless, it should be noted that, for 2023, data collection was carried out for a financial year from 1 January to 30 November (the data for the month of December were approximated).

INFORMATION ON THE PROCESSING OF VALUE CHAIN INFORMATION

The information provided in the sustainability reports covers items at both ends of Econocom's value chain. The elements relating to the value chain were assessed and approved during the dual materiality assessment carried out by the Group for the preparation of these sustainability reports.

The information on the value chain and relating to the climate change standard (ESRS-E1) was partly consolidated:

- qualitatively, notably thanks to the implementation of an SBTi plan in 2023 (which will be approved in 2024). One of the objectives of this Econocom plan requires that 80% of the Group's suppliers must themselves follow SBTi plans;
- quantitatively, thanks to the evolution and precision of Scope 3 of the Group's carbon assessment.

5.2. Specific principles of preparation

[BP-2]

DEFINITION OF TIMELINES

The definition of timelines is aligned with the requirements of the CSRD regulation:

- short term: less than 1 year;
- medium term: 1-5 years;
- long term: over 5 years.

VALUE CHAIN ESTIMATION

It is important to remember that the elements relating to the value chain may prove difficult to apprehend depending on the nature of the necessary indicators (both qualitative and quantitative) and require action plans that will be implemented over various timelines.

For example, the reporting requirements specific to *labour standards for workers in the value chain* (ESRS-S2) and *consumers and end-users* (ESRS-S4), which are significant for the Group, present more difficulties for reporting due to the unavailability or absence of this information within the Group.

The metrics for the value chain (quantitative performance indicators), which are calculated on the basis of estimates, sectoral averages or other methods, concern mainly the environmental standard on climate change (ESRS-E1) and the *circular economy and the use of resources* (ESRS-E5). These estimates relate to:

- the calculation of Scope 3 of the 2023 carbon assessment (the assumptions for this calculation will be detailed in section [ESRS E1-6 > gross emissions, Scope 1, 2 and 3] [(1)]);
- the matter of WEEE processing and recovery (often outsourced, whether for refurbishing or destruction).

SOURCES OF ESTIMATES OR UNCERTAINTY

The main sources of estimates and uncertainty for Econocom are as follows:

Governance data

- in particular the way in which administrative, management and supervisory bodies consider, address and integrate sustainability issues.

Data on the Environment pillar

- some information was not available and was not reported for certain subsidiaries (data on energy consumption, waste treatment).
- the calculation of all the scopes of Econocom's 2023 carbon assessment. All details can be found (as explained above) in the ESRS E1-6 sub-standard. Previous carbon assessments were carried out retrospectively. For the 2023 sustainability reports, only the most relevant categories of Scopes 1, 2 and 3 were retained (<90% of Scope 3 was calculated).
- the performance indicators presented in the ESRS-E5 standard (environmental standard relating to the use of resources and the circular economy) are, for certain items, estimates (indicators collected from subcontractors of the Group's subsidiaries) of the volume of waste processed or destroyed over the 2023 financial year. In addition, some comparable data for 2022 will not be provided because they are not significant for the NFPS (the sustainability reports that will be audited in 2025 will have the 2024 reports as a basis for comparison).

(1) Scope 1 emissions are the direct emissions of companies (related to their own operations). Those in Scope 2 relate to electricity consumption. Lastly, those of Scope 3 relate to the company's value chain.

Data on the Social pillar

Social standards relating to the value chain. Econocom intends to define action plans from 2024 to consolidate the required elements as well as their robustness.

CHANGE IN THE PREPARATION AND PRESENTATION OF SUSTAINABILITY REPORTS

Econocom has decided to define its 2023 sustainability report as a transition report that:

- on the one hand, complies with the current regulations on the Non-Financial Performance Statement (NFPS); and
- on the other, also meets the sustainability standards required by the new Corporate Sustainability Reporting Directive (CSRD). The changes in the preparation of these reports mainly concern the analysis of dual materiality, and the integration of Econocom's carbon assessment for the financial year in question, and show the gap in compliance between the current NFPS and the CSRD.

STRATEGY AND BUSINESS MODEL

SBM-1

Econocom's business model and strategy are described in the "Introductory guide – Group profile" chapter of the Universal Registration Document.

"One Econocom" strategic plan

In November 2023, Econocom presented its new strategic plan for the 2024-2028 period. This plan, called "One Econocom", combines financial and non-financial objectives for the first time.

The financial objectives are to enter into a robust phase of mainly organic growth:

- generate €4 billion in revenue in 2028 with a first step of €3.4 billion in 2026;
- double net income to reach €130 million in 2028;
- reduce net financial debt.

Non-financial objectives aim to strengthen Econocom's impact in terms of digital transformation:

- triple the number of assets recycled or refurbished and doubling the number of assets repaired in our repair centres;
- obtain the Ecovadis Platinum medal in order to become one of the Top 1% companies committed to CSR;
- engage the Group in an SBTi approach;
- double the proportion of employees with disabilities to reach 6% in 2028;
- exceed a score of 90/100 for the gender equality index. (Group scope)

The success of the Group's strategic plan will depend on several growth levers that will enable it to increase its market share with new customers and develop its revenue on its existing client base:

- to that end, the Group will step up its recruitment and training efforts for its sales teams, in order to strengthen the coverage of its target regions and improve its commercial efficiency;
- Econocom will also further develop the "As-a-Service" component in its range of solutions ensuring customers a seamless experience with value-added services and a positive impact;

- synergies between solutions and regions will also be reinforced to enable the Group to increase the deployment of its expertise by leveraging its European leadership;
- lastly, Econocom will continue its targeted acquisition programme in geographical areas where the Group needs to increase its critical size or strengthen certain areas of expertise (for example, refurbishing).

6. Identification of significant impacts, risks and opportunities

6.1. Stakeholder interests and views

SBM-2

How stakeholders are taken into account (notably in the dual materiality assessment process) can be summarised through the following matrix:

Stakeholder mapping:

Financial community
- **Shareholders**: Deputy Corporate Legal Director
- **Insurance**: External consultant (BC - Legal)
- **Banks**: Treasury Director
- **Investors**: M&A Director

Commercial stakeholders
- **Industry players**: Group CSR Director
- **Cloud providers**: Director of IT Systems
- **Service providers** (hardware manufacturers, software): Operations and Marketing Director
- **Service providers**: Operations Director (WII)

Internal stakeholders
- **Candidates Talent**: Human Resources Director
- **Employees, Trade unions**: Local HRD SSE Cross-Cutting Services; Human Resources Director
- **Management**: Human Resources Director

Institutional stakeholders
- **Local authorities**: Group CSR Director
- **Legislators**: Group Legal Director; Managers Risks and compliance

Local stakeholders
- **Schools/ Training**: Director, HR Excellence Division
- **Integration structures**: Brokerage Director France
- **End users**: Agent Business Manager; TMF Development Director; Business Unit Director

Customers
- **Customers**: Services, leasing and distribution business development departments

Civil society
- **Associations**: CSR Manager
- **Media**: Group Communications Director

- In the course of our consultation, 19 stakeholder categories were identified.
- An analysis of the dialogue with each of the stakeholders was carried out to ensure that the Econocom contributors interviewed had sufficient knowledge of the expectations to rate the Group's impacts, risks and opportunities in terms of sustainability.

6.2 Description of the process to identify and assess significant impacts, risks and opportunities for Econocom

IRO-1

In 2023, the Group reorganised its key issues in line with the next CSRD requirements on dual materiality, which has two dimensions: impact materiality and financial materiality.

We analysed how the Econocom Group is affected by its dependence on the availability of economic, environmental and social resources, independently of its potential impacts on these resources:

- the matter of sustainability is important from an impact point of view when it concerns significant impacts, actual or potential, positive or negative, on people or the environment in the short, medium and long term. Impacts include those caused or contributed by Econocom and those directly related to its own operations and its commercial relationships as a whole;
- a financial matter is significant from a financial point of view when it generates or may generate risks or opportunities that have a significant influence on the Econocom Group's cash flows, development performance, position, cost of capital, or access to financing;
- an issue can be important from both points of view.

We will update our dual materiality assessment on a regular basis.

Our materiality assessment approach is based on: collecting stakeholder views on these topics by managing questionnaires with internal stakeholder groups with a very advanced view of our external stakeholders (customers, investors and analysts, business partners, and non-profit partners), in order to understand their points of view on the importance and classification of issues in their relationship with the Econocom Group.

LEVEL OF DISAGGREGATION USED

The identification of impacts, risks and opportunities was initially carried out at a level of disaggregation by activity, then aggregated at Group level.

The nature of each Econocom business line requires a more detailed analysis according to the specificities of each of the following business lines:

- **Product & Solutions (P&S):** IT equipment distribution business;
- **Technology Management and Financing (TMF):** leasing solutions;
- **Services:** digital services (workplace, infrastructure, networks, cloud, cybersecurity).

RATING PROCESS

Impact materiality assessment

1. Determination of the type of impact (positive, neutral or negative) and its timing (current or potential).
2. Rating of the Impacts, Risks and Opportunities (IROs) by workshops with internal contributors based on ESRS rating criteria (scale, scope, reversibility).
3. Calculation of the final materiality impact rating by adding the three numerical criteria and multiplying the result by a probability of occurrence.
4. Determination of significant IROs by selecting IROs above a defined threshold.

Financial materiality assessment

1. Rating of IROs by workshops with internal contributors based on the rating criteria of the ESRS(2) standards (severity of financial effects and probability of occurrence).
2. Calculation of the final financial materiality rating by multiplying the above two criteria.
3. Weighting of the scores awarded in order to harmonise the financial and impact scores in view of the selection of significant challenges for the Group.
4. Determination of significant IROs by retaining IROs with a score higher than the same threshold applying to impact materiality.

In conclusion, the significance of an issue will be determined if **at least** one of its scores (financial and/or impact) exceeds the threshold defined during the dual materiality assessment.

6.3. Challenges identified as significant

[SBM-3]

The position of topics on the materiality matrix clearly demonstrates a high level of consensus among stakeholders. The stakeholders were consulted independently with a strong focus on climate change, the circular economy and the commitment of people.

Environmental component

Observations

1. The 10 significant challenges identified mainly relate to impact:
   - 1 purely financial challenge;
   - 1 financial and impact challenge;
   - 8 purely impact challenges.
2. Two environmental standards are considered as significant:
   - E1: Climate change;
   - E5: Circular economy;
   - the Disclosure Requirements (DRs) relating to the E2, E3 and E5 standards will not be addressed in the sustainability report because the corresponding IROs are below the materiality threshold (10 threshold).
3. A slightly different analysis of industry practices:
   - Econocom places more importance on the circular economy (E5 standard) than the companies in the benchmark;
   - the sub-topics of the E1 standard are systematically considered as significant.

Standards	Sub Topics	Significant challenges	Financial rating	Impact rating
E1	*Climate change adaptation*	Supply chain resilience	11.25	
		Reinforcement of environmental regulations in terms of energy		14
		Reinforcement of environmental regulations on the impact of digital technology	11.25	11.2
		Reinforcement of environmental regulations over the life cycle of products	11.25	
E1	*Climate change mitigation*	(Scope 3) Emissions related to downstream activities		12
		(Scope 3) Emissions related to purchases		15
		(Scope 3) Emissions related to business travel		13
		Evolution of end-user requirements		10.67
E1	*Energy*	(Scope 1 & 2) Energy consumption		14
E5	*Waste*	Management of electronic waste and processing of non-recoverable and non-recovered waste	12	10.6
		Stricter environmental regulations for the processing and reduction of IT waste	11.25	

Standards	Sub Topics	Significant challenges	Financial rating	Impact rating
E5	*Resources inflows, including resource use*	Optimising of use by developing the functional economy		12
		Promoting the circular economy in the digital sector		13
E5	*Resources outflows related to products and services*	Recycling and reuse of products and materials		10.7
		Eco-design of digital products		12

ESRS E1: Climate change - ESRS E5: Circular economy

Labour component

Observations

1. The 16 significant challenges identified concerned both financial impact and materiality:
   - 3 S4 IROs were rated as significant according to financial significance;
   - 13 IROs are significant according to impact significance.
2. No IRO of the S3 standard "Affected Communities" emerged as significant.
3. A slightly different analysis of industry practices:
   - the issues identified by Econocom as significant are also significant for the companies in the benchmark;
   - some companies attributed greater significance to IROs concerning talent attraction;
   - only Econocom considered the topic of industrial relations (collective agreements) to be significant.

Standards	Sub Topics	Significant challenges	Financial rating	Impact rating
S1	*Equal treatment opportunities for all*	Ensuring the appropriate skills and developing training		11
		Diversity and inclusion in teams		11
		Employment and inclusion of people with disabilities		10
		Fight against all forms of discrimination in the workplace		11
S1	*Other work-related rights*	Respect for human rights in our activities		12
		Security and protection of employees' personal data		11

Standards	Sub Topics	Significant challenges	Financial rating	Impact rating
S1	*Working conditions*	Collective agreements (regulatory and non-mandatory)		10.4
		Management of employees on non-permanent employment contracts (*e.g.* fixed-term contracts, temporary workers, extra staff, etc.)		11
		Compensation policy and benefits (including value sharing system)		10.05
		Quality of life at work (including work-life balance)		10.65
S2	*Other work-related rights*	Respect for human rights by suppliers and their subcontractors		10
S2	*Working conditions*	Working conditions of suppliers and their subcontractors		10
S4	*Information -related impacts for consumers and/or end-users*	Protection and security of the customer's personal data in the context of data collection, use and storage		10.3
		Raising customer awareness of CSR challenges	12	
S4	*Social inclusion of consumers and/or*	Integration of innovations in products and services, consideration of new uses and lifestyles	10.5	
	end-users	Fair and responsible business practices	12.75	

ESRS S1 – Company workers – ESRS S2 – Value chain workers – ESRS S4 – Consumers and end-users

Governance component – Business Conduct

Observations

1. The 2 significant challenges were identified as important in terms of their impact materiality.
2. The IROs relating to the following sub-topics are below the materiality threshold:
   - whistleblower protection (quantitative only);
   - animal welfare;
   - political commitment;
   - corruption and bribery (quantitative only);
   - the associated DRs will not be addressed in the sustainability report because the IROs are below the materiality threshold.
3. An analysis that is more advanced than industry practices:
   - corporate culture, identified by Econocom as a significant issue, is not reflected in the benchmark.

Standards	Sub Topics	Significant challenges	Financial rating	Impact rating
G1	*Corporate culture*	Commitment to the Company's culture and values to foster a sense of belonging and employee engagement	12	10
G1	*Management of relationships with suppliers including payment practices*	Reinforcement of environmental regulations in terms of energy	10.5	10

6.4. Non-material challenges

The challenges that emerged as **non-material** as a result of the dual materiality analysis are presented in the following matrix:

No.	ESRS – "Theme"
E2	Pollution
E3	Water
E4	Biodiversity and ecosystems
S3	Affected communities

The dual materiality assessment made it possible to granularly exclude sub-challenges, including within challenges that were material, demonstrating a refined and precise level of analysis regarding the universe of Group impacts, risks and opportunities.

These results are presented in the matrix below:

No.	ESRS – "Theme"	Sub-topics considered as not applicable to Econocom's activities
E3	Water	Water consumption
E4	Biodiversity and ecosystems	Direct impact factors of biodiversity loss: invasive alien species, population size, etc.
S1	Employees	Other labour rights – Adequate housing
S3	Affected communities	Civil and political rights – Freedom of expression, freedom of assembly, impact on human rights defenders
		Rights of indigenous peoples – Free prior consent, self-determination
S4	Consumers and end-users	Information – Access to quality information
		Safety – Personal safety and child protection
		Social inclusion – Non-discrimination
G1	Business conduct	Practices that respect animal welfare

6.5. Standards covered by the significant challenges

IRO-2

Summary of ESRS challenges addressed in the report as they are considered material

TOPICS	Sub Topics	Sub Sub Topics
E1 – Climate change	Climate change adaptation	
	Climate change mitigation	
	Energy	
E5 – Circular economy	Resource inflows	
	Resource outflows	
	Waste	
S1 – Own workforce	Equal treatment opportunities for all	Gender Equality
		Training and skills development
		Employment and inclusion of persons with disabilities
		Diversity
	Other work – related rights	Human Rights
		Privacy (personal data)
	Working conditions	Secure employment
		Adequate wages
		Collective bargaining
		Work-life balance
S2 – Workers in the value chain	Other work – related rights	Human Rights
	Working conditions	Health & Safety
S4 – Consumers and end-users	Information – related impacts for consumers and/or end-users	Privacy/cyber-security
	Social inclusion of consumers and/or end- users	Responsible marketing practices
		Access to products and services
G1 – Business conduct	Corporate culture	
G1 – Business conduct	Management of relationships with suppliers including payment practices	

7. Governance component – Business Conduct

7.1 Corporate culture and business conduct policies - G1

7.1.1. CORPORATE VISION AND CULTURE

[G1-1]

For nearly 50 years, we have been driven by the same entrepreneurial spirit that makes us act decisively and remain resilient when the future looks bleak.

Boldness, good faith, and responsiveness are Econocom's core values, which are shared by all teams and displayed at all our offices, in France and internationally. They are, like the commitment we all have essential to our very usefulness. It is also through the diversity of talent, expertise and cultures that we are a company with a sustainable impact. Our entrepreneurial spirit encourages the implementation of projects and offerings with a positive impact, in line with our sustainable development objectives. By sharing our experience, our knowledge and our ambitions, we demonstrate our fervent commitment to a circular economy.

7.1.2. BUSINESS ETHICS AND FIGHTING CORRUPTION

[G1-3; G1-4]

7.1.2.1. Code of Business Conduct and associated procedures

The Econocom Group is committed to being an ethical player and acting with integrity, at every level of its organisation. As such, it undertakes to comply with human rights and labour laws, to fight against corruption and influence peddling, and take action to protect the environment. It also attaches great importance to occupational health and safety requirements and ensures that it complies with all laws and regulations.

Econocom decided to unite all the people in the Group through a Code of Business Conduct, dealing with ethical issues and, notably, the fight against corruption and influence peddling. This Code of Business Conduct, to which is accompanied by a set of procedures and policies dealing with associated ethical issues (gifts and invitations, conflicts of interest, etc.), is based on a principle of zero tolerance of corruption for all Group employees.

The Code of Business Conduct and the associated policies and procedures are the reference documents for ethics. They documents are available in the Group's main languages and apply without exception to all Group employees, including agents.

The Company's Code of Conduct describes the systems for preventing, detecting and dealing with allegations or incidents of corruption. These procedures comprise preventive measures, including clear policies, regular training and rigorous internal controls.

In addition, the Econocom Group has set up a structured process for reporting results to the administrative, management and control bodies through an Ethics Committee. This process ensures the transparency and accountability of operations, and involves systematic documentation of results, including the results of investigations, actions undertaken and any necessary recommendations.

7.1.2.2. Corruption and influence peddling policy

Corruption and influence peddling are serious criminal offences that carry significant risks:

- criminal proceedings (fines, imprisonment) applicable to natural or legal persons;
- disciplinary sanctions (dismissal of the offender);
- harm to the image, reputation and credibility of the Econocom Group.

Mindful of the need to comply with applicable regulations, to which it refers for the definition of offences, the Econocom Group formally prohibits any use of corruption or influence peddling in the conduct of its business.

Any employee confronted with a situation of this kind, or in doubt about such a situation is urged to contact their line manager, the relevant departments (Legal or Human Resources) or the Ethics Committee. If necessary, they can also report the incident *via* the dedicated whistleblowing platform.

According to the Transparency International score, the Group mainly operates in countries with relatively similar levels of corruption. While Morocco, Mexico and Eastern Europe certainly scored lower in terms of corruption, the Group's branches in these countries are very small, and to date no reports have been made about these countries, nor is there any history of corruption in the Group's businesses there.

Alerts received are processed in accordance with internal processes, regardless of the score of the country in question.

7.1.2.3. Vigilance policy: whistleblowing platform and alert processing

Associated with the Code of Business Conduct, the Econocom Group has a procedure relating to:

- the whistleblowing system;
- the procedure for investigating and processing alerts. This procedure details the conditions for launching and conducting internal investigations; it also specifies the process for dealing with proven breaches. It is also applicable in the event of suspicions of corruption independent of a whistleblowing alert, which could for example be the result of an Internal Audit, an acquisition audit, legal proceedings, a regulatory control, etc.

7.1.2.3.1. Whistleblowing platform

In order to strengthen its policy of vigilance against ethical risks, the Econocom Group has a whistleblowing platform. This system was set up to collect and process reports of situations in breach of the Code of Business Conduct and/or regulations applicable to the Group (in cases of corruption/fraud, etc.).

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

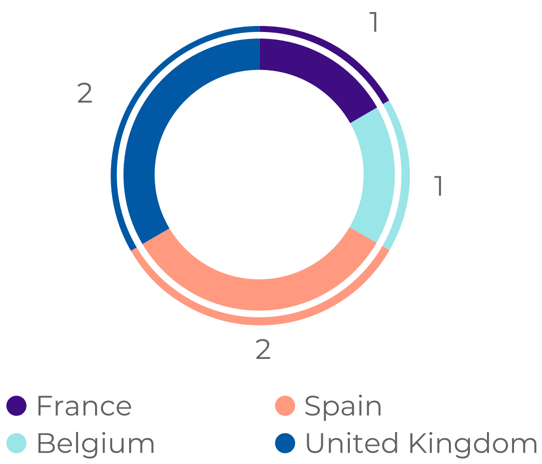
This system meets the requirements of the Sapin II Law and other European regulations. All reports received through the platform are reviewed and monitored by the Ethics Committee. These related to two main themes: (i) conflicts of interest and (ii) social responsibility and human rights.

In 2023, six alerts were reported *via* the whistleblowing platform. None of the ethics alerts resulted in legal proceedings or complaints.

Nature of the alerts

NB: the "social responsibility and human" rights category includes alerts relating to: discrimination, harassment and health & safety.

Breakdown of alerts by country



7.1.2.3.2. Whistleblower protection

The legal protection of whistleblowers applies to any person issuing an alert, even if the reported facts prove to be unfounded, provided that the person is eligible for the status of whistleblower as set by the Sapin II law, *i.e*, they must:

- be a natural person: as a result, a legal entity (*e.g.* association, professional syndicate, etc.) cannot be considered a whistleblower;
- act in good faith: must not be motivated by an intention to cause harm;
- act without direct financial compensation: they receive no benefit and are not compensated for their actions;
- have personal knowledge of the facts that they are reporting: this implies that they have directly observed the facts they are reporting. They may not infer or presuppose the facts they reveal, they may not act as intermediaries for an employee who refuses to make a report, and they may not simply repeat information that has already been disclosed;
- reveal serious incidents, i.e. ones that violate to the Group's Code of Business Conduct and/or the regulations applicable to the Econocom Group.

If the whistleblower's alert meets these criteria, he/she will receive the following guarantees:

- the absence of retaliation, direct or indirect, by the Econocom Group: no retaliatory measures (*e.g.* reduction in compensation, disciplinary sanction, dismissal, etc.), resulting from the alert or will be taken against them. Conversely, the whistleblower shall benefit from a shift adjustment in the burden of proof;
- the confidentiality of their identity and the facts reported.

Any person who believes they are the subject of reprisals for making a report or participating in its processing may report their case to the Ethics Committee. The identity of the whistleblower cannot be divulged to the person about whom the alert was made, unless the whistleblower agrees. It is forbidden to obstruct an alert anyone who prevents a whistleblower from reporting an incident may face disciplinary and criminal sanctions.

On the other hand, any abuse of the system or slanderous reports may expose the author to disciplinary and legal proceedings.

7.1.2.3.3. Role of the Ethics Committee

In order to strengthen its commitment to acting as a responsible ethical player in the economy, the Econocom Group appointed a four-member Ethics Committee in 2019. This Committee is responsible for all issues relating to ethics, the processing and monitoring of reports received via the whistleblowing system, conflicts of interest, and the due appropriation of ethical principles by employees.

The Ethics Committee is always separate and distinct from the management chain involved in the incident.

7.1.2.3.4. Alert processing – initiating an investigation

Upon review, the Ethics Committee decided that all alerts received must be followed up by an investigation, the scope and procedure of which it shall define.

This decision is made on the basis of the following criteria:

- the relevance of the alert and its potential recurrence;
- the seriousness of the offence;
- the negative consequences that could result therefrom;
- the sum of money involved;
- the threat, be it physical or mental that the offence poses to a person, etc.

The main objective of the investigation is to establish the veracity of the facts reported by the whistleblower and to determine whether or not they constitute a breach of the Group's Code of Business Conduct and/or the regulations applicable to the Group.

The duration of the investigation and the resources allocated will depend on the complexity of the case, the seriousness of the offence and the initial results of the investigation.

The Group's Executive Management will be informed of the opening of the investigation and its progress, notably in the event of a sensitive situation, except in cases where it is itself accused. The person or persons responsible for conducting the investigation are appointed by the Ethics Committee (*e.g.* Compliance, HR, Internal Audit, etc.). When more than one person is involved in an investigation, a manager is appointed.

These persons must be unrelated to the offences reported and qualified to conduct the necessary investigations. They may be employees or experts from outside the Group.

They must collect, store and secure the relevant evidence to confirm, or not, the alleged breach(es). In this capacity, they may conduct interviews, seize evidence, etc.

The role of the investigation manager is to conduct the investigation and coordinate the work of specialists. For each investigation, the role and responsibilities entrusted will be specified.

If the alleged breach is investigated by the national authorities, the person responsible for the investigation liaises and co-operate with them.

Internal specialists may also be called upon to handle the alert (*e.g.* the Chief Information Systems Officer).

7.1.2.3.5. Training

Training on compliance and anti-corruption in the form of e-learning courses for all employees has also been rolled out. Additional specific measures are also gradually being implemented for the relevant people. All these measures are an addition to the Group's extensive set of procedures and controls to ensure transparency and ethical behaviour.

The percentage of training in ethics is as follows:

	2022	2023
Percentage of training in ethics	63% (Group scope)	68% (Group scope)

There was a 5-point increase in anti-corruption training.

7.1.3. SUPPLIER RELATIONS

[G1-2]

7.1.3.1. Relations with suppliers and partners

A partner is any person, group, local authority, organisation or entity with which the Group associates or partners to carry out a joint action in a matter, a company, a negotiation or a project. A supplier is a partner from which the Group purchases goods and services of any kind that are necessary for its business (for its own needs or those of its customers). In the rest of this section, commercial partners and suppliers in business relationships with the Econocom Group will be jointly referred to as "partners".

Contractualisation precautions

We expect our partners to work with integrity and in accordance with the anti-corruption and anti-fraud laws and regulations in force in their countries. It is essential that our partners share and apply the Econocom Group's principles and rules with respect to corruption and fraud. In addition, the greatest vigilance is required of employees and agents during the three key phases of the relationship with partners in order to:

- during the selection phase: select suppliers and subcontractors, according to objective criteria (quality, price, meeting deadlines, absence of conflicts of interest, social, and environmental concerns), by promoting competition and respecting the "Responsible Purchasing" charter. In accordance with applicable laws, we also endeavour to verify the integrity of the third party before entering into a contractual relationship;
- during the contracting phase: formalising and concluding purchase and supply contracts and associated commercial transactions (order taking and receipt, invoice control, invoice payments, any disputes) including the Code of Business Conduct and/or the "Responsible Purchasing" charter;
- during the execution phase of the contract: pay for the products and services delivered/performed in accordance with the provisions of the signed contract.

To that end, the Econocom Group has established a "Responsible Purchasing" charter with its suppliers, based on the ten principles of the United Nations Global Compact. The charter is sent to critical and strategic suppliers, who are required to return it signed to confirm that it has been taken into account and applied.

Compliance with this "Responsible Purchasing" charter and the Econocom Group's Code of Business Conduct is also assessed, for certain subsidiaries, through *ad hoc* contractual clauses.

In addition, the Econocom Group's Purchasing Department now sends partners a CSR self-assessment questionnaire in order to assess their social and environmental performance.

Case of intermediaries

The Econocom Group pays particular attention in the event of the use of intermediaries and agents. The involvement of a third party in a transaction can sometimes conceal an undue advantage (for example, a commission hidden by over-invoicing or slush funds to pay bribes), particularly when securing international contracts. Payments made to intermediaries may conceal a purpose that amounts to indirect corruption, for influencing or rewarding preferential treatment, or the abuse of a function or activity. The Econocom Group prohibits these practices they seriously damage the Group's reputation and make it criminally liable.

When in doubt, employees must contact their line manager or the Ethics Committee.

Facilitation payments (definition and policy)

A "facilitation payment" is the informal payment of small amounts intended to facilitate or guarantee the smooth running of simple procedures or necessary actions. It differs from a bribe since it is not considered an undue advantage, merely the acceleration or facilitation of a transaction (*e.g.* the payment of a small commission to speed up an approval).

While facilitation payments may seem necessary for the conduct of a transaction or are considered part of the culture of a country, they nevertheless constitute corruption and are detrimental to the economic and social development of the country in which they are made. Any person making a facilitation payment also incurs civil and even criminal liability, as well as compromising the Group's reputation. The Group prohibits the use of facilitation payments by its employees, agents, business partners or third parties on its behalf, regardless of the reasons and amounts, and even if they are permitted by local legislation.

7.1.4. POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

[G1-5]

The dual materiality assessment did not reveal this disclosure requirement as relevant to Econocom.

7.1.5. PAYMENT PRACTICES

[G1-6]

The average payment period for Econocom suppliers varies from one business line and country to another. Moreover, the leasing, distribution and services activities each has its own industry specific requirements, making them difficult to compare.

However, the supplier payment periods observed vary between 35 and 45 days.

7.2. Cybersecurity and data protection

(Additional information related to our business sector)

7.2.1. CONTEXT: IMPACTS, RISKS AND OPPORTUNITIES

- The compromise and loss of personal or strategic data may be the result of malicious actions.
- Data breaches often result in accompanied by the unavailability of services and tools.
- The image of the Econocom Group may be damaged as a result of this type of event, causing a loss of confidence among customers, partners and employees.

7.2.2. CYBERSECURITY POLICY

The Information System Security Policy (ISSP) for Econocom's activities defines the organisation and responsibilities in terms of information and information systems security.

It aims to ensure the protection of the information managed by Econocom or its subcontractors against any deliberate or accidental event likely to compromise its confidentiality, integrity or availability. Likewise, it strives to ensure the integrity and availability of information systems.

Since the beginning of 2022, the Group has had CSO (Chief Security Officer) whose mandate is to harmonise security practices and commitments across the galaxy. Acting as a coordinator, the CSO has built a strategy and vision, along with the requisite budget to roll out the strategy. The strategy is based on three key elements: appropriate, demonstrable and collective security.

The Group's security strategy thus defines a basis called Minimum Viable Security (MVS). The MVS describes a security approach that optimises the efforts required to meet current and future security needs. It is a pragmatic approach suited to each business line. In other words, the operating model maintains the operational independence of each entity in the galaxy, thereby taking into account the specific needs and characteristics of the different business lines. This autonomy is supported by work and security services and tools common to the entire Group.

The Group's security strategy is rolled out simultaneously across the talent, process and tools components. This required working closely with HR to define and support the development of a "safety" function within the Group, designed to allow career development in line with employees' aspirations of as well as intra-Group movement. Similarly, the security processes and policies were overhauled was initiated to address current requirements in terms of risks and countermeasures. Lastly, a technological clean-up is also being carried out, in conjunction with the CIO and its department. The aim is to provide digital tooling for stakeholders without the frictions caused by security requirements.

7.2.3. ACTIONS AND RESOURCES

- Developing the Group's security team reporting to the CSO.
- Assessing the security levels of the main entities in the Galaxy and improving coordination.
- Coordination of an intra-Group practice community meeting every month.

- Employee awareness campaigns on cybersecurity risks, in several languages, and extended in 2023 across the Group. In addition, phishing awareness campaign is conducted every six months.
- Stepping up cybersecurity initiatives, including: cleaning up the IT base, rolling out an incident detection and response centre, preparing for cyber crisis management, protecting accounts.
- Response to requests and audits from customers and partners.
- Managing a crisis following a cyber-attack at the end of August 2023 on one of Econocom's suppliers: although Econocom's systems were not affected, documents concerning customers were published. The customers concerned were proactively approached, and transparent communication took place on a regular basis.

7.2.4. CYBERSECURITY INDICATORS

- Employees who received cybersecurity awareness training, across the Group as a whole: 57.4% in December 2023, compared with 41.3% in September 2023 (launch of the global campaign). This positive trend continues in 2024.
- In eight of the nine main countries where the Group operates, Econocom has at least one ISO 27001 certified company (for a total of 13 certified companies).

The indicators for monitoring the cybersecurity strategy are shown below:

	2022	2023
Employees who received cybersecurity awareness training	85% (France scope)	86% (France scope)
Employees who received cybersecurity awareness training	/	57% (Group scope)

7.3. Personal data protection

(Additional information related to our business sector)

7.3.1. DATA PROTECTION POLICY

As a digital transformation leader in Europe, personal data protection is paramount to Econocom in terms of its business, its chain of expertise, its digital business lines and its international development.

In addition to complying with national, European and international legislation, Econocom intends to make protecting the personal data of its customers, partners and employees an essential factor of digital trust, intrinsic to its strategy and its digital transformation activities.

7.3.2. ACTIONS AND RESOURCES

To sustain this digital trust, Econocom has designed and rolled out the "Data Protection Programme" across all its entities, transposing legal obligations into compliance policies, directives, procedures and tools and serves as a shared framework for all Econocom entities to carry out their compliance action plans.

A roadmap has been drawn up for the programme, outlining the priority areas with the aim of coordinating all the Group's compliance efforts to achieve the common goals of increasing personal data protection, for the benefit of its customers and employees.

- Overall roll-out of the programme

The programme is rolled out through a data protection network made up of Data Protection Supervisors representing each country and Data Protection Leads representing each subsidiary. This community of 47 Data Protection Representatives, led by the Group DPO, is in charge of the operational implementation of the programme and monitoring its progress at the monthly committees, monthly Data Protection Supervisors Committee, and the monthly GDPR France Committee meetings.

The DP Representatives have a collaborative platform, the Data Protection Village, where they can find the necessary resources to ensure compliance of their respective entities.

- Shared directives and procedures

The programme and its variations in directives and procedures were presented to the managers of the various departments, in particular to the Security, IT and Legal departments.

These directives and procedures are now complete and made available to all entities *via* their DP Representatives, in order to give them practical guidance for implementing compliance. They cover all data protection rules such as the register, individual Rights, Data Breach, Retention Periods, Evaluation of Suppliers-Subcontractors, Data Sharing and Privacy by Design.

The implementation of the programme is presented to the Group's Executive Management each year *via* the DPO's Annual Report.

- Appropriation of compliance governance tools

Compliance management needs to rely on effective tools and employee's ability to appropriate them.

The digital transformation of Econocom's data protection involved rolling-out the multilingual Data Legal Drive tool. A series of seminars and workshops were held to provide training for the DP Representatives on Register, Privacy Impact Analysis (PIA), Human Rights Management and Data Breach Management modules.

An additional third-party assessment module was recently incorporated into the GDPR compliance management system, requiring the Purchasing Department to assesses the GDPR, Security, CSR and Ethics compliance of all Econocom's suppliers and service providers.

Lastly, number of questionnaires developed by the Econocom DPO team in the Data Legal Drive tool allow operational staff to easily check compliance with GDPR requirements in their day-to-day work: for example the Privacy by Design questionnaire or the evaluation questionnaire on an AI (artificial intelligence) project.

Econocom now has a wealth of document, simple and effective tools, and above all a global network of DP Representatives to ensure its transition from basic compliance to Privacy Excellence.

The objective is 90% of employees in France complete GDPR training by 2025.

	2022	2023
Percentage of employees who completed GDPR training	80% (France scope)	85% (France scope)

8. Environment component

8.1. Climate change – E1

8.1.1. TRANSITION PLAN

[E1.1]

Econocom's transition plan began in 2023 with to the development of decarbonisation drivers for its activities as presented in its SBTi plan (described below).

8.1.2. COMPENSATION CRITERIA RELATED TO CLIMATE CHANGE

E1.GOV-3

NA.

8.1.3. CONTEXT: IMPACTS, RISKS AND OPPORTUNITIES

[E1.SBM-3] [E1.IRO1]

IMPACTS

Global warming is a major issue for humanity on which digital players have an increasingly significant impact and as such must do what they can to address it.

RISKS

Failure on Econocom's part to take measures to reduce its carbon footprint could lead to the following:

- non-compliance with the Paris agreements and environmental regulations;
- failure to meet customer expectations. More and more customers are placing increasing importance on CSR criteria in their calls for tender;
- damage to reputation where CSR is concerned, managing risks to reputation is a key issue;
- decreased attractiveness for investors, and governments place increasing importance on environmental, social and governance (ESG) factors;
- decreased attractiveness for new talents who are increasingly attentive to companies' environmental commitments.

OPPORTUNITIES

Responsible digital technology is one of customers' key expectations, and covers three areas: a low carbon footprint, social inclusion (combatting the digital divide) and trust (GDPR, cybersecurity). To meet this expectation, the Group is developing a set of solutions to assist its customers in their efforts.

8.1.4. CARBON FOOTPRINT ASSESSMENT, GROSS GHG EMISSIONS OF SCOPES 1, 2, 3

[E1-6]

The aim of this reporting requirement is to highlight the methodology and results of Econocom's carbon assessment, broken down into various scopes (1, 2 & 3).

Assumptions used to estimate of the carbon footprint in 2023

- Scope for the calculation carbon footprint
- Methodology for calculating emissions

In 2022, CO_2 emissions were consolidated for around 30 Group entities (representing approximately 90% of Econocom's revenue). In 2023, emissions were calculated for all of the Group's subsidiaries. KPIs were reported on a consolidated scope representing 95% of the Group's revenue, with a partially estimated Scope 3. [1]

(1) Some entities (mainly held for sale) were not consolidated due to a lack of available information.

The ratios applied to Scopes 1 and 2 are 1/5 and 1/3 respectively (these are estimates). The figures presented below will be restated for this adjustment.

Below, the TCO_2eq impact of upstream energy: Scopes 1 and 2 were reduced, respectively, by 1,175 TCO_2eq and 402 TCO_2eq and transferred to Scope 3. Scope 3 therefore increased by 1,577 TCO_2eq.

Estimated assumptions (Group)	Scope 1 (tCO_2eq)	Scope 2 (tCO_2eq)
Upstream energy	1,175	402
Total	**1,175**	**402**
		1,577

Scope 2 emissions were only calculated using the location-based method.

- Scope 3
  Scope 3 was estimated to a significant degree; but it will be recalculated upwards in the coming months:
  - for the countries' P&S and TMF businesses, only the purchases of products were taken into account, while services were excluded because services only account for a fraction of overall purchases;
  - not all Scope 3 categories (excluding waste) are represented here, only the most relevant in terms of emissions are considered:
  - purchases of goods and services (data collected from the Group's CFOs *via* financial databases);
  - business travel (data collected from the Group's CFOs *via* financial databases);
  - asset leases (data collected from the Group's CFOs *via* financial databases);
  - upstream energy (not included in Scope 1 & 2), (see explanations above);
  - use of products sold (estimated for the 2023 carbon assessment);
  - freight (estimated for the 2023 carbon assessment).

Estimated assumptions (Group)	Scope 3 (tCO_2eq)
Use of products sold	114,156
Freight	49,427
Total	**163,583**

- The impact of digital technology was not included in Scope 3 (see the Group's carbon assessments in 2021 and 2022, additional information section).
- For reasons of data availability and to facilitate reporting, the data were closed at 30/11 and estimated *via* a 12/11 ratio for the month of December.

The estimate of Econocom's 2023 carbon assessment (taking into account the assumptions presented above) is as follows:

Scope	Unit	2023
Scope 1	tCO_2eq	4,700
Scope 2	tCO_2eq	803
Scope 3	tCO_2eq	840,513
Total	**tCO_2eq**	**846,016**

8.1.5. CLIMATE CHANGE MITIGATION AND ADAPTATION POLICIES AND TARGETS

[E1-2] [E1-4]

Econocom has chosen to address to this environmental challenge by deploying a structured ambitious policy, in all the major countries where the Group is present.

Furthermore, we believe that we have a duty towards the communities of all the places we operate in, and therefore strive to work hand-in-hand with our global and local partners, to contribute to local development work with players in the solidarity economy, and non-profit projects (education, green IT, etc.).

In addition, Econocom has consolidated its position as a more responsible digital entrepreneur by becoming a member of Institut du Numérique Responsable and signing its Charter.

Climate change is a major issue on which digital players have an increasingly significant impact and must therefore play by an active role.

Econocom is therefore committed to:

- measuring and reducing its carbon footprint;
- extending the life of its products;
- developing renewable energies;
- offering digital services that consume less energy;
- sourcing increasingly green electricity;
- developing green customer offerings;
- sharing and promoting these initiatives to its partners.

Our targets: science-based objectives

Mitigating climate change means reducing global warming. The Econocom Group has set itself a set of science-based targets for reducing greenhouse gas emissions, in accordance with SBTi criteria and recommendations.

The Science Based Targets initiative (SBTi) is a partnership between the CDP (Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). It aims to step up the efforts of companies and financial institutions worldwide to halve their emissions by 2030 and achieve net zero emissions by 2050.

Science-based targets are targets for reducing greenhouse gas emissions that correspond to the level of decarbonisation required to achieve the objectives of the Paris Agreement – limiting warming to below 2°C, and continuing efforts to limit warming to 1.5°C.

We have therefore signed the SBTi letter of commitment, and also sent our detailed action plan in November 2023, outlining "scientific" targets we set ourselves for reducing greenhouse gas emissions, in accordance with the SBTi criteria and recommendations. In doing so, we will assess the intrinsic emissions of everything we buy, sell, or produce (hardware, software and services), in addition to those for which we are directly responsible. This will enable us to identify and prioritise opportunities to reduce emissions in our value chain, thus helping our customers, suppliers and ourselves to be more sustainable.

This approach will not only increase our credibility within our ecosystem, and in particular our customers, who wish to work with environmentally-committed companies, but will also establish us as one of the leading companies in this field.

To that end, the Econocom Group has decided to reduce its CO_2 emissions by around 6% per year for Scopes 1 & 2.

The Econocom Group has therefore undertaken to **reduce its Scopes 1 and 2 by 60% by 2028 compared with the reference year of 2018**.

Econocom expects the same commitment from its suppliers, which represent 80% of Scope 3 emissions, to ensure that they comply with the SBTi by 2028. **This commitment will reduce the carbon footprint of Scope 3 by 50%**.

To achieve our objective, we intend to appoint people in charge of reducing emission. For each major source of emissions we will work together with the relevant departments to determine which measures are feasible and effective for reducing emission in keeping with both our development and growth objectives.

We also mean to continue reducing our carbon emissions in the areas with the greatest operational impact. To this end, the Econocom Group is committed to increasing the amount of electricity supplied *via* 100% renewable energies in all its countries. This action is already under way in France and Spain, where our electricity consumption is almost 100% green.

To address the urgent need for decarbonising, we want to act beyond our own value chain and therefore contribute to mitigating climate change by developing offers and solutions with a positive impact on the planet.

CARBON FOOTPRINT REDUCTION PLAN

Econocom has worked with Greenly since 2021 and has a clear vision of its carbon footprint. The company emits several hundred kt.CO_2, of which 92% comes from the purchase of products. The carbon footprint intensity of its purchases also has an impact on the life cycle of the equipment it sells. For Econocom, the next measures is to take steps to reduce its footprint and that of its customers.

To do so, we have drawn up a SBTi-certified CO_2 reduction plan.

The carbon reduction plan designed to meet SBTi requirements was implemented jointly with SIA Partners. With its experience in the development of a low-carbon strategy, SIA Partners assisted us in drawing up a long-term GHG emissions reduction plan based on the SBTi methodology, enabling us to establish a transition plan consisting of a set of concrete actions to comply with this plan and prepare a project that is SBTi compliant.

Methodology – SBTi plans

- Building the 2030/2040 and 2050 plans, selecting and prioritising reduction measures.
  - Plans
- Reference year of 2022 for Scope 3: Econocom carbon assessment carried out by Greenly
- Reference year of 2018 for Scopes 1 and 2: Econocom carbon assessment carried out externally by Syntheo and then taken over by Greenly
- Mapping of the company's GHG emissions by scope and sub-sector, as defined by the SBTi
- Calculation of trajectories based on the Emission Reduction Factors (EFR) proposed by SBTi
- Further discussion on Scope 3 emissions

1. Net Zero Submission Forms I and II
2. Formalising the measures to be taken *via* action sheets. These sheets will describe the operational scope, the people in charge, and the proposed means of implementation, as well as the deadlines
3. Prioritisation measures according to their ease of implementation and their impact in terms of GHG reduction, and establishing measure plans over time

- Submission of the SBTi file
- Alignment of trajectories and action plans
- Collection of the various administrative documents (company presentation, letter of intent, etc.) making up the file
- Trajectory monitoring
- Definition and planning of interim reviews of Econocom's carbon assessment with the GHG calculation tool developed by Greenly
- Establishment of tools to assess the performance of actions and monitor the trajectory

Carbon emission reduction targets

Econocom is committed to reducing its CO_2 emissions by around 60% and therefore by 6% per year, for Scopes 1 & 2. Our baseline year for this target is 2018.

Econocom expects the same commitment from its suppliers, which represent 80% of Scope 3 emissions, to ensure that they comply with the SBTi by 2028. This commitment will reduce the carbon footprint of Scope 3 by 50%.

Decarbonisation measures in our Scopes 1 and 2 will, for example, involve:

- increasing the proportion of hybrid and electric cars;
- increasing the proportion of hybrid and electric utility vehicles;
- optimising the total surface area of green buildings certified in accordance with the ISO 14001 standard;
- increasing the proportion of LED lights;
- increasing the proportion of green electricity consumption.

8.1.6. ACTIONS AND RESOURCES

[E1-3]

Specific objectives were defined, and specific action plans were put in place to meet these commitments. These objectives and action plans remained valid in 2023. They were maintained and, in some cases, reinforced.

8.1.6.1. Measuring the full carbon footprint of the Econocom Group, in a comprehensive manner, on the three scopes for France and Internationally

- **Main objectives:** measure and ensure comprehensive reporting of all emissions from Econocom's activities, in accordance with the GHG Protocol reporting standards for companies, covering all Scope 1 and 2 and all sub-categories concerned in Scope 3.
- **Action plans:** to measure Econocom's direct emissions, specific key performance indicators are collected each year on a global scale from more than 26 entities around the world. To measure Econocom's indirect emissions, we work with Greenly, which specialises in carbon assessments.

  The Greenly digital platform connects to all of the company's software to retrieve data directly to quantify its activity, and based on that data, calculate the carbon footprint. That way all the company's expenses can be scanned in order to identify the main sources of CO_2 emissions. It takes into account the specific emissions of each activity.
- **Results to date:** Econocom has a complete inventory of its emissions covering all sources of emissions. Econocom was thus able to set targets corresponding to the most ambitious trajectory of 1.5°C and prepare for the implementation of the carbon neutrality objectives of the Science-Based Target (SBTi) initiative.

8.1.6.2. Reducing carbon emissions in accordance with the IPCC 1.5°C plan

- **Main objectives:** Econocom has pledged to reach the most demanding scientific target of 1.5°C (SBT) and to reduce its Scopes 1 and 2 by 60% by 2028 (2018 baseline). These commitments will apply to all its activities.
- **Action plan:** a French and international action plan is in place to reduce Econocom's carbon emissions. It covers all sites, all sources of emissions of the Group's operations, and all Scopes of GHG emissions.
- **Results to date:** Econocom Group's Scopes 1 and 2 fell sharply from 2018 to 2022. This trend is in line with the Econocom Group's long-term objectives.

8.1.6.3. Improving energy efficiency and reducing digital consumption for our internal uses: main objectives, measurement and reduction

- **Main objectives:** to measure and reduce the impact of our digital consumption.

  Since 2017, Econocom Group has assessed and analysed the environmental footprint of its digital scope. Initially at the use phase (energy), and since 2020 by adding an analysis of the manufacturing and end-of-cycle phases, so that it now has a comprehensive analysis of the life cycle of digital equipment.

- **Action plan:** to reduce costs and optimise energy efficiency, the Group has implemented several measures enabling it to reduce energy consumption significantly in digital technology. The study carried out for 2023 provides a Group-wide view with a focus on France. It comprises two main parts: measuring the historical phase of use (energy), to assess the application of the latest recommendations and their effects, and an increasingly comprehensive analysis of the manufacturing and end-of-cycle phases, enabling the first comparisons with the previous year.

- **Results to date:** Econocom reduced its digital energy consumption for the **sixth consecutive year**, dividing it by more than 3.5 since 2017. This decrease was mainly due to the combination of a number of new green IT initiatives implemented in 2023, supplementing those of previous years. The major trends emerging for 2023 confirm that Econocom has continued its digital carbon footprint optimisation policy, by implementing the recommendations of the previous financial year.

RESULTS AT GROUP LEVEL

A/ At the Use phase (electricity consumption)

Electricity consumption (kWh) was reduced **2%** compared to 2022 (on a like-for-like basis).

Three main actions identified on infrastructure in France explain this decrease:

- decrease in the consumption of data centre racks (Noisy – France);
- integration of new, less energy-intensive equipment at the data centre (Noisy - France);
- optimisation of network equipment at the Group's branches.

The CO_2 equivalent per kWh decreased by 32%, *i.e.* a difference of 124 tCO_2 compared to 2022.

Beyond the decrease in electricity consumption indicated above, it is mainly the implementation of **100% renewable energy contracts** in Spain and France (reducing of the coefficient from 30% to 50%) that explains this decrease compared to the previous year.

B/ At the Manufacturing phase

27% of the Group's equipment studied (*i.e.* 4,334 assets) exceeded its initial useful life.

This generates the equivalent of 480 of tCO_2 avoided by not purchasing new equipment.

The extension of the useful life of this equipment is the main reason for the **21%** reduction in CO_2 at the Manufacturing phase, *i.e.* a difference of 144 tCO_2 compared to 2022 (on a like-for-like basis).

Combining the reduction in electricity consumption with the CO_2 avoided resulted in **a 25% reduction in overall CO_2, *i.e.* a difference of 271 t compared to 2022 (equivalent scope)**.

RESULTS IN FRANCE

A/ At the Use phase (electricity consumption)

Electricity consumption (kWh) was reduced 2% compared to 2022 (on a like-for-like basis).

Three main actions identified on the infrastructure explain this decrease:

- reduction in the consumption of data centre racks (Noisy – France);
- integration of new, less energy-intensive equipment in the data centre (Noisy – France);
- optimisation of network equipment in branches in France.

The CO_2 equivalent per kWh decreased by **59%**, *i.e.* a difference of 132 tCO_2 compared to 2022.

Beyond the decrease in electricity consumption indicated above, it is mainly the implementation of the **100% renewable energy contract** (reduction of the coefficient by 50%) that explains this decrease compared to the previous year.

B/ At the Manufacturing phase

34% of the equipment studied in France (*i.e.* 3,233 assets) exceeded its initial useful life.

This generates the equivalent of 379 of tCO_2 avoided [1] by not purchasing new equipment.

The extension of the useful life of this equipment is the main action that explains the **19%** reduction in CO_2 at the Manufacturing phase, *i.e.* a difference of 77 tCO_2 compared to 2022 (on a like-for-like basis).

Combining the reduction in electricity consumption with the CO_2 avoided allows **a 33% reduction in overall CO_2, *i.e.* a difference of 212 t compared to 2022 (equivalent scope)**.

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

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

To establish the comparison with previous financial years, the results for 2023 were calculated on the basis of a scope equivalent to that of 2022.

(1) We consider that IT equipment used beyond its initial useful life should no longer record CO2 in relation to Manufacturing. The calculation of CO2 avoided by not purchasing new equipment is the method used to measure the gains from the prolonged use of equipment.

At the same time, the Econocom 2023 study was extended to include three new countries (Luxembourg, Morocco, Poland) and by the Group's satellites for France, Italy and the Netherlands. This provides results that include these new scopes and will become the basis of comparison with the 2024 study.

Environmental impact of digital technology (Green IT)	2022	2023
Energy footprint of digital technology	3,516,543 kWh	3,465,888 kWh

8.1.6.4. Transition to renewable energies

- **Main objectives:** the Econocom Group's medium-term goal is to consume 100% renewable and carbon-free electricity. The intermediate targets for the coming years (as a percentage of total electricity consumption) are as follows: 90% in 2028, and 100% in 2030.
- **Action plans:** the Group is continuing its gradual transition to low-carbon/ renewable energy with specific action plans in each region where it operates.
- **Results to date:** in 2023, almost 100% of the electricity consumed by Econocom in France and Spain came from renewable energy sources (0% in 2022). The scope of this information concerns all the sites where we pay electricity bills, *i.e.* over 90% of our sites.

8.1.6.5. Organising an energy sobriety plan

- **Main objectives:** to address the energy challenges we are facing, Econocom has combined its efforts to reduce energy consumption by 10% over two years in France and internationally.
- **Action plans:** as a Responsible Digital Entrepreneur, Econocom has set up an energy sobriety plan whereby it undertakes to:
  - reduce the temperature of its premises to 19°C;
  - turn off indoor lighting in buildings during unoccupied periods, from 9 p.m. to 6 a.m. and on weekends;
  - turn off illuminated outside signs on buildings from midnight to 5 a.m.;
  - put our buildings in frost-free mode and shut down all air conditioning at night and on weekends;
  - continue to install low-voltage lighting (LED) and motion-sensor systems.

8.1.6.6. Decarbonising the Econocom Group's car fleet

- **Main objectives:** the Econocom Group aims to switch its entire vehicle fleet to electric or hybrid vehicles by 2028.
- **Action plans:** in 2023, Econocom continued its green mobility programme to switch to a fleet of electric/hybrid vehicles. The Group favours low-emission transport methods and encourages its employees to use the train when possible. For travel by plane, Econocom chooses, whenever possible, companies that are trying to reduce their carbon footprint and has drastically limited its air travel.

- **Results to date:** at the end of 2023, the percentage of electric/hybrid vehicles was 25% for the Econocom Group (compared to 13% in 2022, *i.e.* an increase of 12 points in one year).

Vehicle fleet	2022	2023
Percentage of electric/hybrid vehicles	13% (Group scope)	25% (Group scope)

8.1.6.7. Developing more positive impact solutions

- **Main objectives:** we provide our customers with effective solutions to the common challenge of reducing the environmental impact of business operations. By offering them the benefit of our experience, knowledge and ambitions, we demonstrate our determination and our commitment to a circular economy.
- **Action plans:** Econocom wishes, ultimately, to natively boost the environmentally responsible component of 100% of its new offers as well as its existing offers. The idea is to create new generation offers to address new uses (in terms of autonomy, user experience, etc.) and the need for IT departments to keep costs down. Econocom thus strives to provide its clients with responsible, sustainable solutions for transforming their working environment (physical and digital) and associated infrastructure.

  Companies and local authorities share the same objectives in terms of energy transition: to reduce the energy consumption of their buildings, contribute to the reduction of greenhouse gases, find new solutions to reduce energy and contribute to the production of renewable energies. Because while achieving targets it is critical over the long term, the short-term priority is to save money.
- **Results to date:** the Econocom Group has already developed a number of offerings with a positive impact such as (non-exhaustive list, see the section on offerings):
  - EcoCarbon
  - Product Care
  - Green & Energy
  - EcoBuilding
  - E-bike
  - Finops
  - Workplace as a Service
  - EcoTwice
  - EcoSwitch

GREEN ENERGY

Investment in the Green & Energy business unit illustrates Econocom's ambition: "to be the leading partner to support our customers in their energy and digital transformation projects."

Green & Energy's offerings enable its clients to remain competitive and sustainable.

The energy transition law, the tertiary sector decree, the F-Gas regulation, RE 2020, the plan to decarbonise industry, energy saving certificates: we help our customers understand all the regulations and legislation designed to promote energy and environmental performance.

The structural increase in energy prices has an impact on the competitiveness of organisations. To control its purchasing costs over the long term, the Company must implement energy efficiency initiatives and shift towards renewable energies.

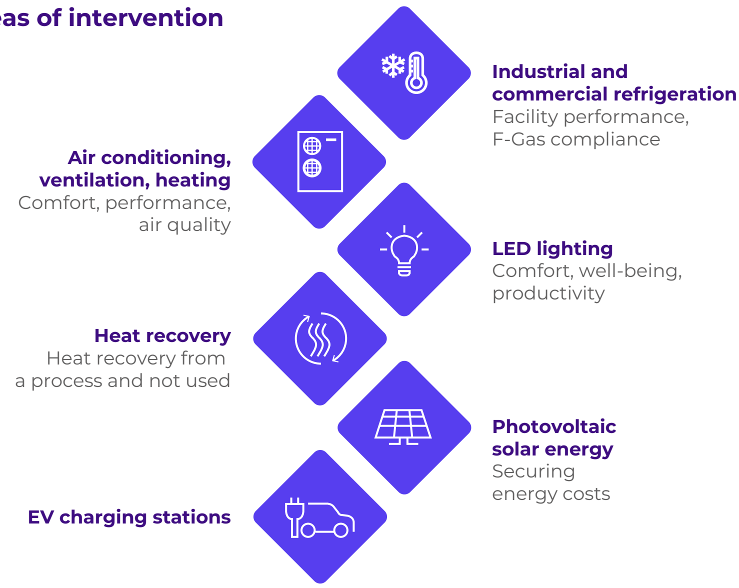
Through its Green & Energy Department, Econocom addresses these challenges by providing a comprehensive solution, ranging from identifying sources of energy savings to implementing, overseeing and financing green projects.

What we do

- **design:** we identify sources of energy savings, independently recommend high-performance, eco-designed, less energy-consuming equipment and calculate returns on investment;
- **implement:** we manage orders, organise logistics and oversee projects from installation through to customer sign-off. Our project management services support our customers throughout the life of the projects;
- **finance:** because financing is the cornerstone of any energy performance project, we provide an appropriate financial solution which includes all the aids and subsidies customers are eligible for, so they can facilitate their energy transition without a substantial financial outlay;
- **manage performance:** we collect and compile all energy and economic data using our digital platform.

Our Energy managers restore the data in a clear, efficient way to help our customers make informed decisions.

Our areas of intervention



EcoBuilding: the energy management platform for property portfolios

The **EcoBuilding** offer is an energy management service that uses data intelligence to accelerate the transition. Our dedicated platform manages energy expenditure data, by:

- collecting energy data and influencing factors;
- generating an energy mapping for property portfolios;

- identifying anomalies and potential savings;
- providing feedback on the outcome of measures and energy efficiency.

E-Bike

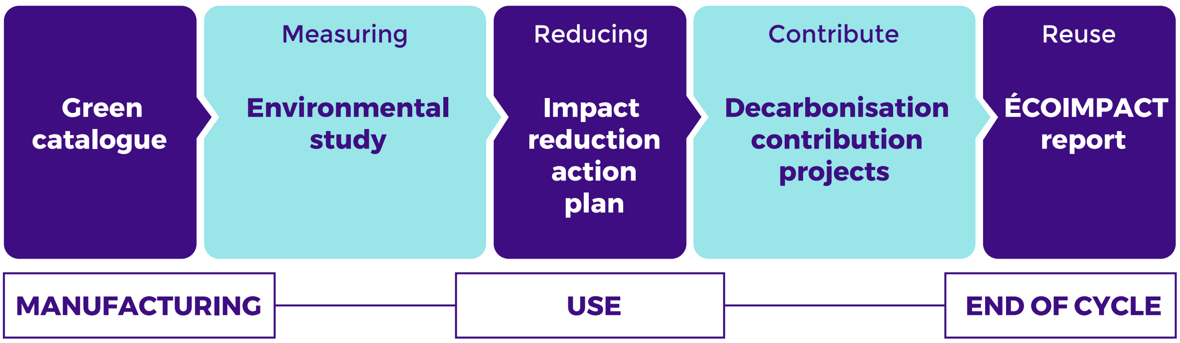
In Germany, Econocom has launched a new offer for the long-term rental of electric bikes for employees: the monthly payments are deducted directly from the employee's salary.

As with company cars, employees are taxed on benefits in kind, making this solution an attractive alternative to purchasing an electric bicycle.

Since 2022, the Federation of Hospital Institutions of the Knappschaft Health Insurance Organisation (Knappschaft Bahn See) in West Germany, has offered employees long-term rental of electric bicycles, using Econocom as its leasing partner with its new "Smart Bike" master agreement.

EcoCarbon

To meet the growing challenges of reducing the carbon footprint of digital technology, Econocom has a EcoCarbon offer. Based on several years of expertise in Green IT, this end-to-end solution consists of a number of components designed to reduce the impact of its IT equipment:



e-POS Services

Econocom's e-POS Services offer is a comprehensive, customised solution for checkout lines for both traditional and drive-thru stores.

This comprehensive equipment support contract covers workshop repairs and customer on-site service. 98% of equipment is repaired and returned to service, thus increasing its lifespan.

HubReg

Unparalleled on the market, HubReg is a certified multi-manufacturer, contactless enrolment platform that centralises, industrialises and simplifies the process of equipping employees. Once the equipment has been registered – laptops, tablets or smartphones – in HubReg, all users need to do is connect to the Wi-Fi – business or personal – to have their machine mastered, i.e., configured with the core software and profiles decided by their IT department. Technical handling is therefore reduced to a minimum, management of product flows and transport are simpler, faster, less costly and meet CSR requirements thanks to the combined service of delivering new equipment and removing old.

Finops

As part of its consulting services for modernising application and platform, Econocom Apps, Cloud and Data has launched Finops (a contraction of Financial Operations) to help customers wishing to migrate to the cloud in establish a set of best practices to understand, monitor and control cloud costs and align their costs with the value generated.

From the launch of digital transformation initiatives to their implementation, our experts assist our customers in designing and deploying optimised, digitally minimalist applications and architectures. This approach results in digital services that are not only controlled and cost-effective but responsible and sustainable.

Workplace as a Service

With a strong focus on the user experience, the Workplace offer stands out for its end-to-end management of services and its transformation approach. This virtuous model combines technological expertise with outsourcing know-how, in user environments, but particularly in technological and organisational innovation.

The key to this offer is operational excellence: it guarantees the availability of environments, adapting the response precisely to the need, thereby saving on resources, in keeping with a responsible, sensible approach to digital.

EASI, Econocom as a Service for Impact

EASI, Econocom's "Device as a Service" solution, is an approach that combines:

- operational efficiency;
- social and environmental responsibility;
- economic optimisation.

EASI is a comprehensive solution that meets technological needs while acting responsibly to improve the environmental and social impact of digital technology. One of the distinguishing features is its positive impact on both the environment and costs. This innovative solution not only reduces carbon emissions, but actively contributes to the optimisation of Total Cost of Ownership (TCO).

As the digital sector contributes significantly to global greenhouse gas (GHG) emissions, and adopting innovative solutions is becoming crucial, this offering is a responsible digital transformation solution that contributes to a more sustainable future.

EcoSwitch

IT asset management is a major issue for companies. In a constantly evolving technological environment, it is imperative to find innovative solutions to maximise operational efficiency, reduce costs and minimise environmental impact.

Solutions such as EcoSwitch combine leaseback, buyback, asset lifecycle management, and refurbishing in a single "switch". This approach is revolutionising IT asset management and delivering significant benefits across the board.

Starting from the duration of use depending on the type of assets and companies' needs, we provide a solution that combines economic, operational and eco-responsible benefits.

EcoSwitch is a solution that generates savings while minimising environmental impact. It offers significant financial and non-financial benefits, while actively supporting the circular economy and contributing to a more sustainable future.

EcoImpact

Refurbishing extends the useful life of equipment and thus reduces the waste generated by premature obsolescence.

This helps companies reduce their carbon footprint and become more environmentally responsible. Furthermore, it creates local employment in the fields of asset management, maintenance and refurbishment, thus supporting the local economy and professional reintegration.

EcoImpact is a CSR assessment of the EASI solution that formally sets out in a report our concrete environmental and social impact.

The indicators for monitoring the responsible digital policy are shown below:

Responsible digital services and customer offer:	2022	2023
Number of commercial offers relating to responsible digital technology*	12	12

* Our commercial offers relating to responsible digital technology, green IT and the circular economy: Product Care, EcoCarbon, EASI, EcoTwice, EcoSwitch, Workplace as a Service, HubReg, Finops, e-POS Services, e-Bike, Ecobox (recycling electronic waste with Ecologic and Paprec) Green & Energy.

Consolidated revenue from impact offering

Impact offering (in € millions)	2023	%
Revenue from impact offering	457.7 (1)	16.9

Of which second-hand revenue:

Second hand (in € millions)	2023	%
Second-hand revenue	224.5	8.3

(1) Estimated amount

8.1.6.8. Raising employee awareness of responsible digital technology

- **Main objectives:** again, this year, Econocom Group's CSR/Communication and CIO departments launched the Cyber Cleanup Week challenge during Sustainable Development Month. This initiative is a great opportunity to reduce the environmental impact of the Group's email, with the aim of reducing their carbon footprint by 5%, i.e. the deletion of 10 million emails (equivalent to 110 tonnes of CO_2).
- **Action plans:** to achieve this goal, we conducted a major communication and awareness campaign on digital eco-friendly behaviour for all of our employees.
- **Results to date:** this year, we are proud to announce that we have beaten the scores of our two previous challenges: an impressive 6 million emails were deleted.

8.1.7. ENERGY CONSUMPTION AND ENERGY MIX

[E1-5]

The aim of this reporting requirement is to publish the total energy consumption in terms of absolute value, its improvement in terms of energy efficiency, as well as its exposure to activities with a strong impact on the climate (the last point has been shown to be non-material for the Group).

Econocom's consumption data and energy mix are presented below:

Categories	Unit	2023
Fuel consumption from crude oil and petroleum products	MWh	21,057
Fuel consumption from natural gas	MWh	777
Fuel consumption from other non-renewable sources (provide information on non-renewable energy sources, excluding oil, natural gas and nuclear)	MWh	0
Consumption of nuclear products	MWh	0
Consumption of electricity, heat, steam and cooling purchased or acquired from non-renewable sources	MWh	1,514
Share of electricity sources in your electricity mix (*e.g.* nuclear share in your electricity consumption)	%	15
Total non-renewable energy consumption	MWh	23,405
Share of non-renewable sources in total energy consumption (%)	%	73
Fuel consumption from renewable sources (including biomass, biogas, non-fossil fuel waste, renewable hydrogen, etc.)	MWh	53
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources	MWh	8,589
Share of electricity sources in our electricity mix (*e.g.* nuclear share in your electricity consumption)	%	85
Total renewable energy consumption	MWh	8,642
Share of renewable sources in total energy consumption (%)	%	27
Total energy consumption	**MWh**	**31,990**

8.1.8. CARBON CREDITS AND GHG EMISSIONS ELIMINATION METHOD

[E1-7]

The dual materiality analysis did not reveal this disclosure requirement as relevant for Econocom.

8.1.9. INTERNALISING THE CARBON PRICE

[E1-8]

The dual materiality analysis did not reveal this disclosure requirement as relevant for Econocom.

8.1.10. POTENTIAL FINANCIAL IMPACTS OF CLIMATE CHANGE

[E1-9]

In accordance with appendix D of ESRS 1 of the CSRD, the normative elements (relating to the potential financial effects of the "Use of resources and the circular economy") will be implemented by the Group progressively following the first publication.

8.1.11. ADDITIONAL INFORMATION – 2021 AND 2022 CARBON ASSESSMENTS

In addition to the results of the 2023 carbon assessment published in the E1-6, the Econocom Group would like to share its 2021 and 2022 carbon assessments carried out by our service provider Greenly, which are a more comprehensive carbon assessment, based on not only monetary but physical data.

System

The Greenly digital platform connects to all of the company's software to retrieve data directly to quantify its activity, and based on that data, calculate the carbon footprint. That way, all the company's expenses can be scanned in order to identify the main sources of CO2 emissions. It takes into account the specific emissions of each activity.

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

The scope of our carbon assessment:

Time scope: 2021 and 2022 Group (the carbon assessment scope represents 90% of the Group's activities)

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

For 2022, we integrated major new entities such as ALTABOX, Trams, TMF EcoLease, and Econocom Factory.

Measurement scope: operational

Full Scope 1 and Scope 2 and full Scope 3: The LCA (life cycle analysis) of the products sold is taken into account in its entirety, including freight and use of products by our customers. We also integrated a new category: the use of products sold. This category has a very significant impact, which will be added in 2022.

Other categories are taken into account such as: purchases of services, waste, digital footprint, travel, etc.

Primary data

Accounting entry file (AEF)

Average data for employees

Physical data for certain key items in Scope 1, 2 and 3

Methodology

The assessment of our emissions follows the standards of the GHG Protocol.

Our approach: An objective and transparent methodology

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

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

The information analysed is treated in a completely neutral manner.

Group results for 2021 and 2022

GHG emissions *(in tonnes)*

Econocom Group 2021-2022 assessment

SCOPE	Category of emission	CO_2 2021 *(in tonnes)*	CO_2 2022 *(in tonnes)*	Change in carbon assessment between 2021-2022
SCOPE 1 (Regulatory)	**Direct fugitive emissions Refrigerant leaks**	84	100	19%
SCOPE 1 (Regulatory)	**Direct emissions from stationary combustion (natural gas)**	121	310	156%
SCOPE 1 (Regulatory)	**Direct emissions from stationary combustion (fuel consumption)**	5,770	4,540	(21%)
SCOPE 2 (Regulatory)	**Indirect emissions (electricity consumption)**	1,581	1,028	(35%)
SCOPE 3 (Voluntary)	**Business travel**	10,010	11,508	14%
SCOPE 3 (Voluntary)	**Product purchases**	535,986	650,313	21%
SCOPE 3 (Voluntary)	**Service purchases**	24,566	34,126	38%
SCOPE 3 (Voluntary)	**Consumption of products sold**	88,538	115,851	30%
SCOPE 3 (Voluntary)	**Digital**	7,501	9,057	20%
SCOPE 3 (Voluntary)	**Freight**	41,092	50,161	22%
SCOPE 3 (Voluntary)	**Other**	4,792	1,483	(69%)
Group total	**Total**	**720,368**	**877,477**	**22%**

Analysis of results

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

This new methodology therefore includes all other indirect emissions occurring upstream or downstream of the organisation's value chain. This represents most of our environmental impact.

We can see that Distribution and Leasing activities have a very substantial impact because of their product purchasing activity. In 2021 and 2022, this area accounted for more than 90% of the carbon impact. This finding is lower for service purchases, which represent approximately 50% of the carbon impact for the Services entity.

The marked increase between 2021 to 2022 was mainly due to the addition of new distribution activities such as Trams and leasing.

For example, the Trams entity alone increased emissions by 75,000 tonnes of CO2.

On the other hand, Scopes 1 and 2 remain significant because the Services France entity has a large fleet of vehicles and A number of sites all over France.

8.2. Water, marine ecosystems and biodiversity

[E3 and E4]

8.2.1. CONTEXT: IMPACTS, RISKS AND OPPORTUNITIES

Les Abeilles Group, towing specialists on the high seas

A subsidiary of the Econocom Group, Les Abeilles has been committed to protecting the coast for more than 40 years. On a daily basis, we take care to combat the threat of pollution of all kinds (hydrocarbons, chemical pollution, macro-waste such as containers). The key mission of Les Abeilles group is to help protect the French coastline alongside the State's Sea Action (so-called AEM).

Water consumption

In offices, Econocom's water consumption is that of the tertiary sector. Information and recommendations are regularly sent to employees to reduce their water consumption.

Biodiversity

Regarding the other environmental challenges mentioned above, the potential impacts of the Group's activities on biodiversity are considered to be low. Nevertheless, Econocom's action plans concerning emissions, energy consumption and travel, promoting eco-responsible practices, ISO 14001 certification and the environmental management system have had a positive impact on all ecosystems.

8.2.2. WATER AND BIODIVERSITY PROTECTION POLICIES

8.2.2.1. Technical innovation and optimisation of existing vessels

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

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

The company is "Ocean Approved" certified.

The label identifies and unites all organisations (companies, local authorities) that are committed to reducing their impact on the ocean above and beyond mere compliance with the regulations in force.

It is based on the Fondation de la Mer's Ocean Reference Framework, which is aimed at companies of all sizes and sectors, and is based on a holistic appraisal of the company's potential direct and indirect impacts:

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

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

OCEAN APPROVED

8.2.2.2. Biodiversity initiatives

As a result of its activities and its continuous site optimisation programme, Econocom minimises its use of space. Econocom does not produce any biogenic carbon emissions. However, in terms of biodiversity, a number of local initiatives have been implemented, including keeping beehives on the roofs of offices to combat the drastic decline in bee populations and hotels for wild bees and insects, in order to raise environmental awareness.

Furthermore, since 2021, the Econocom Group has provided carbon offsetting programmes, which include the protection of primary forests, and also promote the protection of biodiversity (more information provided in the description of the EcoCarbon offering).

8.2.2.3. Optimisation of water consumption in our offices

Optimising water consumption in our offices and reducing their emissions

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

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

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

8.3. Circular economy

[E5]

8.3.1. CONTEXT: IMPACTS, RISKS AND OPPORTUNITIES

Impact

Econocom's only activities affected by a gradual abandonment of the use of virgin resources (including the relative increase in the use of secondary (recycled) resources) are the Product and Solution distribution activity, and TMF. In essence, this type of activity does not allow the distributor to control the products it sells because it is generally the customers who choose the hardware manufacturers. Econocom can only advise its customers and encourage its suppliers to be more responsible. Moreover, Econocom established in its SBTi plan that 80% of its suppliers would also commit to an SBTi trajectory.

Opportunity: functional economy

The "Practical Guide to Responsible Digital Purchasing" published in April 2021 by the Interministerial Mission for the reduction of environmental impacts from digital technology highlights leasing as a responsible alternative to purchasing new equipment:

"Leasing is an alternative to buying digital equipment. This practice allows the organisation to adjust its asset base to the needs of each user and to deal with emergencies or specific needs. This approach is one of the main pillars of the circular economy: the "functional economy", *i.e.* buying the use rather than the good".

"Leasing may also be of interest from an accounting, tax and financial perspective, depending on the case and the situation of the buyer:

- no fixed assets recorded on the balance sheet;
- no VAT payable on the price of the equipment;
- lease payments are not included in the balance sheet (operating expenses);
- financial incentive to keep only the necessary equipment (more rigorous management of asset base inventories);
- management of the end-of-life of equipment borne by the lessor".

For over 45 years, Econocom has supported companies in their industrial changes, in particular by leasing digital and technological solutions and assets. Thanks to its technological expertise, Econocom provides companies and organisations with bespoke digital solutions, financed in line with new uses. By virtue of its "as a service" business model, Econocom participates and acts specifically to meet the challenges of the circular economy. At present, 32 to

47% [1] of companies have already adopted the circular approach to the purchase, design, production and recycling of products. However, only 12% [1] of them have adopted a business model which also offers products as a service. This low proportion of businesses that have succeeded in offering the "as a service" model represents huge untapped potential.

Specifically, Econocom has essential expertise in the financing of digital projects and technological assets via "as a service" financing solutions. Taking this concept further, the Group has specific technological offerings enabling companies to manage their digital projects in real time and in line with their uses. The Group is committed to actively contributing to this shift in model.

This ambition to become a committed player in the circular economy is reflected in several of the Group's countries: Econocom Belux is a signatory of the "Green Deal", a government initiative which aims to accelerate the switch to a circular economy. Alongside 229 other Belgian companies, Econocom Belux has for the past three years been making an active contribution to circular solution projects in the country.

8.3.2. POLICIES FOR THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

[E5-1]

The Group's commitments in the field of the circular economy are threefold:

- promoting responsible digital business and the circular economy: Econocom wants to offer effective and responsible solutions to generate positive impact for its customers and their users, without promoting digital for digital at any cost;
- working with players in the solidarity economy to process and recycle;
- promoting the reuse of digital equipment.

8.3.3. ACTIONS AND RESOURCES

[E5-2]

8.3.3.1. Promoting responsible digital business and the circular economy

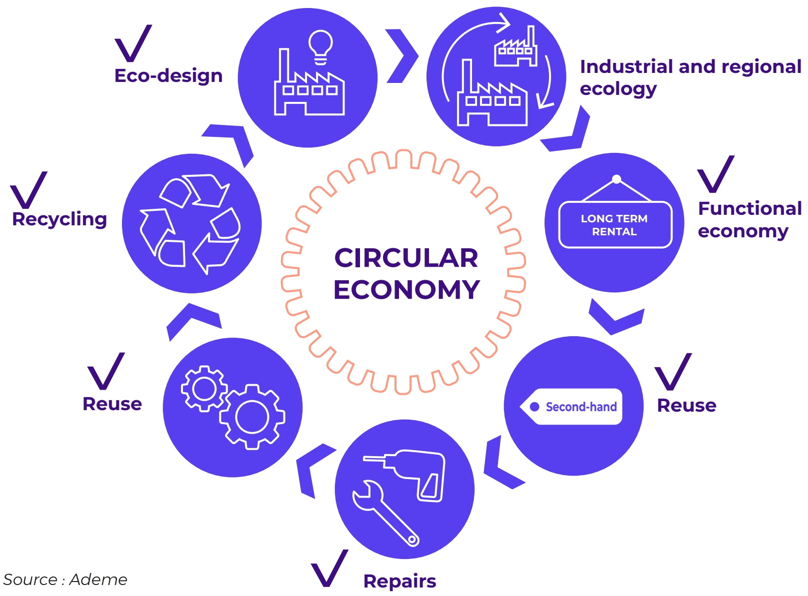
The circular economy applied to digital products and services is an ideal way to provide practical solutions.

Our mission is to support customers seeking to reduce the environmental impact of their IT and digital systems. We can achieve this thanks to dedicated offers for:

- supporting responsible consumption;

(1) World Business Council for Sustainable Development and Boston Consulting Group model, see docs.wbcsd.org/2018/01/The_new_big_circle.pdf

- extending the periods of use;
- managing end-of-life of equipment;
- on the ADEME's circular economy wheel, we work on six of the seven pillars.



Source : Ademe

Repairing to extend the useful life of mobile devices.

In September 2021, Econocom inaugurated a new site for its Product Care services centre of more than 1,200 m², entirely dedicated to the eco-responsible management of mobile devices: telephones, tablets and laptops. With nearly one million terminals under maintenance contract, Product Care maintains and repairs nearly 25,000 terminals per year using a responsible approach. In direct line with Econocom's commitment to be a Responsible Digital Entrepreneur, Product Care delays the obsolescence of devices that are better maintained, regularly updated and repaired if necessary.

With more than 40 employees, the Product Care team is a multidisciplinary team that manages the administrative, logistical and technical aspects of the terminals with:

- repair workshops;
- a customer call centre (also reachable by email, chat and web platform);
- a logistics team;
- a project team (in charge of after-sales service for customers).

To address the needs of companies, administrations and their employees, Product Care offers a number of tailored services including the extension of the hardware manufacturer warranty up to eight years, breakdown management, collecting devices (including from home) and providing a replacement device, (permanent or temporary), repairs (with or without a binding lead time) and insurance (without excess), as well as user support.

OneCare

Econocom Belux has set up the OneCare repair portal, and extended its used ICT asset buyback services to EPS customers. Econocom Belux is thus recognised as an active pragmatic player in the Belux market for extending the life cycle of assets, and for buyback of used ICT equipment.

8.3.3.2 Working with players in the solidarity economy to process and recycle

To process and recycle nearly 493,000 items of IT equipment per year (computers, monitors, servers, tablets, smartphones, etc.), Econocom works with various structures such as Ateliers sans Frontières, Re Tech Life (Italy), as well as companies such as ATF Gaia and Recyclea which specialise in employing people with disabilities. In 2022, Econocom acquired a new entity specialising in the reconditioning of mobile phones. This company became a "company with a mission" three years ago.

Partnership with ATF Gaia

ATF Gaia helps businesses be part of a more inclusive economy. On the one hand, it assists them with compliance for WEEE management, and on the other hand it enables them to support people with disabilities by providing employment for them. The Company also deletes data and preserves the anonymity of the equipment by performing certified deletions, thus reducing data security risks and guaranteeing GDPR compliance.

A 12-year partnership with Ateliers Sans Frontières (ASF)

Since 2011, Econocom has collaborated with Ateliers Sans Frontières, an entity of the Ares group specialising in WEEE (Waste Electrical and Electronic Equipment) management. It provides inventories, auditing, testing, certified data erasure, mastering and dismantling of used equipment. The aim is to give a second life to as many products as possible by reconditioning them. Today, 90% of Econocom's equipment sent to Ateliers Sans Frontières is given a second life.

Future expectations regarding regulatory changes

Regulatory changes directly impact the markets to which they apply. For our EPS business (Products and Solutions), whose business model consist chiefly of selling new products, regulations on IT equipment, as part of the circular economy, requires updating certain offers in order to keep pace with market demands. As with our leasing and service businesses, regulations could require Products & Solutions to make further changes to their offers.

We must also take into account the specific risks associated with the life cycle of IT equipment. In this respect, Econocom must take into account the risks for the Group, as well as those generated by the Group's activities (by its products and services) for the environment (mass waste, pollution, hazardousness of certain materials/equipment if they are not properly recycled).

Econocom Factory

Formerly Sofi Groupe, Econocom Factory, located in St-Mathieu-de-Tréviers, France, is an industrial company that has specialised in the second life of electronic equipment since 1986.

In 2017, the company, whose main challenge is to prolong the life of electronic devices as much as possible, diversified into reconditioning phones and created the SMAAART brand. The brand ensures the quality of the products refurbished at its 3,300 m2 industrial site and the compliance with the company's environmental and social commitments.

With its industrial know-how and by following very strict protocols, Econocom Factory has built a qualitative and transparent refurbishing process in a short-circuit and as part of the circular economy in France.

Committed to developing industry and creating employment in France, it has obtained the Service France Garanti and ISO 14001 certifications, and naturally became the first company in its sector to adopt the status of a "company with a mission".

Its mission is to contribute actively to extending the life of electrical and electronic equipment, and to develop an innovative, meaningful and value-creating industry in the circular economy, with short supply chains.

The issues of use of resources and the circular economy are essential to the Econocom Group and its subsidiary Econocom Factory.

The company is part of the Group's circular economy and sustainable development movement, and of its statutory commitments as a **Company with a Mission and a Social and Solidarity Economy company.**

ISO 14001-certified since 2015, with an Environmental Management System (EMS) since September 2020, and renewed in September 2023, Econocom Factory continues to roll out a sustained environmental policy, which includes:

- rolling out a French used equipment collection channel with the help of Econocom;
- protecting the environment by controlling the impacts of business;
- providing refurbishing and after-sales services to extend the life cycle;
- promoting the repurposing and reuse of spare parts.

Through this policy, the company is committed to reducing the consumption of resources while promoting repurposing, reuse, repair and recycling. The objectives associated with this policy are described in sub-standard E5-3.

In conclusion, the indicators for monitoring the circular economy policy for the entire Group are as follows:

	2022	2023
Number of refurbished IT equipment items	490,000 (Group scope)	493,000 (Group scope)
Recycling rate carried out with SSE and Econocom Factory (company with a mission)	92% (France scope)	90% (France scope)

8.3.3.3 Promoting the reuse of digital equipment

Under our leases, we are responsible for removing the equipment leased to our customers at the end of the contract and reselling it or re-leasing it on the second-hand market following the process described below.

We carry out an exhaustive audit of the equipment, and classify it into two main categories: goods to be refurbished for reuse, and waste (processed according to WEEE standards), which are classified as such because they have no value in the market, or because they are completely destroyed or cannibalised.

Consequently, as the reuse and WEEE are carried out in the European Union, we consider that we apply European standards and that the risks generated by the Group's activities in terms of this waste are limited. We respect the local regulations and legislation in all the European countries we operate in, by periodically sending WEEE to our local certified partners. Naturally, one of the most important rules is not to take them across borders and to process them locally. We therefore track the waste all the way to our end-of-life partners, where it is treated (destruction, separation of materials under the CER code, recycling of materials resulting from this process).

Econocom has refurbished nearly 500,000 items of equipment a year for the past two years, thereby helping to extend their life.

To promote reuse, our subsidiary Econocom Factory has adopted circular design principles, manufacturing products designed for sustainability, repairability and recyclability. This approach has increased product reuse, repair and recycling rates.

The company continues to integrate spare parts from its own activity by dismantling or "cannibalising" parts. This involves recovering spare parts from economically non-repairable products, testing them, and reusing them to replace defective parts.

Econocom Factory has increased its reuse rate of parts, thereby reducing the need for resources, and in particular, new parts.

The Company's circular sales practices include an after-sales product-service system that allows customers to source refurbished products and receive support both throughout and after the warranty period, thus extending the useful life of equipment. It also works with its partners to create closed-loop systems for repair, recovery and recycling.

The company has implemented waste prevention measures, such as reducing packaging waste and working with suppliers to minimise waste generation in the production process.

The SMAAART product packaging was completely reconfigured and eco-designed in France with the use of vegetable-based inks, and recycled (cardboard) and FSC-certified materials. (1)

The plastic component in the old model has been completely eliminated.

The company follows the principles of the waste hierarchy, prioritising waste prevention, reuse and recycling. It has set up recycling programmes and waste reduction targets across all of its operations.

Every year, the Company's employees receive awareness training on the challenges of the circular economy, resource consumption, waste sorting and eco-gestures.

(1) The share of plastic present in the old model has been completely eliminated.

ADEME commissioned a study to establish environmental assessments of refurbished digital equipment compared to their new equivalents, over their entire life cycles. It showed that purchasing refurbished equipment rather than new equipment helped avoid (excluding ionising radiation):

- smartphones: 64 to 87% of the annual impact;
- tablets: 46 to 80% of the annual impact;
- laptops: 43 to 97% of the annual impact;
- desktop computers: 43 to 97% of the annual impact.

8.3.4 OBJECTIVES FOR USING RESOURCES AND THE CIRCULAR ECONOMY

[E5-3]

Econocom's sustainability objectives are ambitious and go beyond legal requirements.

Target thresholds have been set for waste production and consumption of our resources (ISO 14001).

As for Econocom Factory, its main objectives are described below:

- its strategic objectives:
  - reduce the environmental impact of refurbished products,
  - prevent and reduce pollution from WEEE,
  - limit the consumption of resources in our businesses,
  - limit environmental pollution,
  - comply with legal, regulatory and other requirements,
  - continuously improve our EMS (environmental management system),
  - reduce greenhouse gas emissions by collecting used electrical and electronic equipment for reconditioning, by promoting the use of renewable energies produced in France,
  - contribute to save resources and raw materials used for making electrical and electronic equipment,
  - recover the waste generated by reusing or recycling parts of electrical and electronic equipment that cannot be repaired,
  - raise awareness on sustainable consumption,
  - promote the hiring of a local workforce;
- its targets:
  - reduce electricity consumption by 10%,
  - increase the repurposing rate to 80% and the reuse rate to 10%,
  - optimise waste sorting and recovery: < 25% non-hazardous waste (economic activity waste) or 8 tonnes of recovered waste,
  - the Company's electricity supplier Alterna is committed to sourcing 100% of its energy from renewable sources (mainly hydroelectric and wind).

8.3.5. INFLOWS OF RESOURCES

[E5-4]

The information disclosed in this section only concerns Econocom Factory.

The company provides detailed information on material resource flows, including materials used in its products, and notably the use of critical raw materials and water sources required for its operations.

Econocom Factory sources used products (mobile phones, computers: laptops, desktops, tablets, connected watches) with a view to reconditioning them, refurbishing them, and selling them for a second life. No water is used during the actual refurbishing process, only for the operation of the plant, for the health and hygiene of employees.

Total weight of products used during the reporting period

The company refurbished 94,889 products, broken down as follows:

- 80,391 smartphones;
- 5,238 IT computers (laptops, desktops, monitors) + accessories (keyboards, mice);
- 1,365 smartwatches;
- 7,895 tablets:
  - Equivalent to 36,149.20 kg of refurbished products (cross-reference table below; Average weight of one unit per family of Econocom Factory products – January 2024).

The company consumed 136,593 accessories (styli, headsets, charging kits, SIM card extractors, *i.e.* a total of 2,731 kg), 62,404 spare parts (display units, batteries, other components, or 624 kg) as well as 3,009 parts sourced from reuse and used in repairs (4.8% and 30 kg) and 92,284 packaging boxes made from 100% cardboard and used (84 grams/box, *i.e.* 7,751 kg of packaging).

Our packaging supplier sources exclusively from FSC-certified paper suppliers. A minimum of 80% of the packaging is made from recycled materials.

This data is provided directly by our supplier (statement and certificate).

Technical materials used in the refurbishing process

The calculation method is based on a product of the units inventoried (direct measurement) and the average weights of each item.

The total weight of the products is described in the table below:

Performance indicators (incoming flow of resources)	Unit	2023
Total weight of technical and biological products and materials used during the period under review	t	48.6

The table below shows the volume and percentage of second-hand equipment intended for the Company’s production process:

Performance indicators (incoming flow of resources)	Unit	2023
The weight, in absolute value, of reused or recycled secondary components, secondary intermediate products and secondary materials used to manufacture the company’s products and services (including packaging).	t	0.03
Percentage of reused or recycled secondary components, secondary intermediate products and secondary materials used to manufacture the company’s products and services (including packaging).	%	4.80

When preparing its report, the company used data from direct internal measurements (ERP, internal extractions) and external measurements (supplier, hardware manufacturer site characteristics).

Average weight of one unit per family of Econocom Factory products – January 2024

Families	Average weight
Telephony (feature phone, smartphones)	200 grams
Tablets	500 grams
IT (laptops, desktops, servers, accessories, etc.)	3,000 grams
Monitors	900 grams (with stand)
Smartwatches	30 grams

Average weight of accessories and spare parts available and which can be consulted on request

20 grams/accessory
43 grams/battery
10 grams/spare part

8.3.6. OUTFLOWS OF RESOURCES

[E5-5]

The company provides fully functional refurbished products, including a 24-month commercial warranty. It communicates on the importance of protecting its devices to extend their useful lives, and of adopting best practices in terms of using and charging the battery.

In addition, the company pays an eco-contribution for each product sold and the packaging placed on the market. This financial contribution is intended for ecological organisations in charge of collecting and recycling of these materials and products.

Products and materials

1) Performance indicators for the Econocom Factory subsidiary in 2023:

The company describes in detail the key products designed according to circular principles, highlighting their sustainability, repairability and recyclability, thus contributing to a circular product life cycle. Each product has a description sheet containing its specific characteristics (including the reparability index). The warranty card specifies the duration and nature of the warranties, as well as the customer service procedures for any requests or complaints.

The company is able to refurbish and repair by replacing the components of mobile phones (batteries, screen, microphones, cameras), except the motherboard. It has established a number of procedures to train its operators. It plans to extend the repair to computers (laptops).

Moreover, the 100% recyclable packaging indicates where to recycle the latter ("sorting bin") and where to take electronic components.

According to an ECOSYSTEM source, 78% of the materials of a mobile phone are recycled, while a computer is 64% recycled.

Average lifespan of products put back on the market [1]

Performance indicators (outflow of resources)	Unit	2023
Estimated lifespan of products returned to the market (compared to the industry average)	Year	3-5 (on average)

Recyclability rate of product content

Performance indicators (outflow of resources)	Unit	2023
Recyclability rate of product content (including packaging)	%	78 mobile phone 64 computer 100 packaging

2) Associated performance indicators for subsidiaries (excluding Ecofactory):

Performance indicators (outflow of resources)	Unit	2023
Estimated lifespan of products returned to the market (compared to the industry average)	Year	3-5 (on average)

(1) An industry average was used to estimate the lifespan of products put back on the market.

8.3.7. WASTE

The data are taken from internal monitoring or directly from the service provider.

1) Performance indicators for the Econocom Factory subsidiary:

For a company in the consumer electronics sector, electronic waste is a major concern. The company describes the electronic waste streams it generates and the measures taken to manage them in a sustainable manner.

The company identifies the types of materials present in its waste streams, including metals, plastics and critical raw materials, which facilitates recycling and waste management efforts.

Econocom Factory works in collaboration with eco-organisations and approved service providers in the management of its waste. It has set up a rigorous sorting system in its workshops, with appropriate displays and containers adapted and dedicated to each flow. Controls on sorting efficiency and awareness-raising actions are frequently carried out by the QHSE (Quality, Health, Safety, Environment) team.

The following figures show the volume and type of waste generated:

Performance indicators (outflow of resources)	Unit	2023
Total amount of waste generated (incl. packaging)	**t**	**38.9**
Hazardous waste	*t*	*0.05*
WEEE	*t*	*22.5*
Amount of hazardous and radioactive waste	**t**	**22.6**

- Waste recovery methods:

Performance indicators (outflow of resources)	Unit	2023
Total amount of waste recovered through reuse methods	t	0.0
Total amount of waste recovered through recycling methods	t	16.1
Total amount of waste recovered through other recovery techniques	t	0.0
Waste recovery	**t**	**16.1**

- Processing of non-recovered waste:

Performance indicators (outflow of resources)	Unit	2023
Total amount of non-recycled waste	**%**	**5.00**

2) Waste performance indicators (excluding Ecofactory):

Performance indicators (outflow of resources)	Unit	2023
Total amount of waste generated (incl. packaging)	**t**	**481.9**
Amount of WEEE generated	**t**	**478.3**

- Waste recovery methods:

Performance indicators (outflow of resources)	Unit	2023
Total amount of waste recovered through reuse methods	t	416.5
Total amount of waste recovered through recycling methods	t	45.1
Total amount of waste recovered through other recovery techniques	t	0.9
Waste recovery	**t**	**462.6**

- Processing of non-recovered waste:

Performance indicators (outflow of resources)	Unit	2023
Total amount of non-recovered waste intended for incineration	t	0.9
Total amount of non-recovered waste sent to landfill	t	0.0
Total amount of waste not recovered *via* other destruction techniques	t	4.7
Hazardous waste	*t*	*0.9*
Non-hazardous waste	*t*	*3.8*
Process of non-recovered waste	**t**	**5.7**

- Amount of non-recycled waste:

Performance indicators (outflow of resources)	Unit	2023
Total amount of non-recycled waste	**t**	**1.1**

8.3.8. ANTICIPATED FINANCIAL EFFECTS OF THE USE OF RESOURCES AND THE CIRCULAR ECONOMY

[E5-6]

In accordance with appendix D of ESRS 1 of the CSRD, it is provided that the normative elements (potential financial effects relating to the use of resources and the circular economy) may be implemented by the Group progressively following the first publication.

9. Labour: Human capital, a source of value

9.1. General publications – ESRS 2

From recruitment to career development, the Group makes employee satisfaction a top priority, as they are the Group's main ambassadors. Health and well-being in the workplace are among the HR priorities to protect and develop the Group's 8,808 employees as at 31 December 2023.

STAKEHOLDER INTERESTS AND VIEWS

[SBM 2]

The interests, opinions and rights of employees are taken into account in the Company's strategy through the obligation to consult employee representative bodies on a regular basis on the Company's strategic orientations, its economic and financial situation, its social policy and its working and employment conditions.

The Social and Economic Committee is consulted each year, and gives an opinion on the Company's strategic orientations. It may also suggest alternative orientations. To do so, financial results, major guidelines and figures are presented. Experts appointed by the Social and Economic Committee meet with directors, where necessary, to complete the analysis. This opinion is sent to the bodies responsible for the administration and supervision of the Company, which formulates a reasoned response.

Failure to consult the committee, is an offence of obstruction and may result in the suspension of the measure planned by the employer, or the payment of damages.

SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR RELATION TO THE STRATEGY AND THE BUSINESS MODEL

[SBM 3]

The Econocom Group operates in 16 countries. It is the only European group to cover all the areas of expertise of the digital sector, from equipment to services, through financing, audiovisual and refurbishing activities.

The Group has been an established name in Europe in its historical activities for a number of years:

<u>Distribution:</u> Econocom offers a one-stop shop (multi-brand, multi-supplier and multi-product) for customisation, logistics and maintenance services.

<u>Financing:</u> Econocom offers its customers tailor-made project financing solutions, and develops offers with a positive environmental impact.

<u>Services:</u> high value-added offers include the workplace (workstation, mobility, infrastructure and innovation), user outsourcing and application services.

Econocom's teams support customers end-to-end, and coordinate all aspects of their digital transformation, by emphasising constant monitoring of market needs and field experience that create value for the Group.

Change in workforce by business line	2022	2023
Holding and support functions	178	180
Technology Management & Financing	779	832
Products & Solutions	2,151	2,242
Services	5,642	5,554
Total	**8,750**	**8,808**

The workforce includes end-of-month FTEs on permanent and fixed-term contracts, work-study contracts, sales agents and independent Belgian employees.

The Group's growth strategy is based on:

Developing a value-added, innovative offering. The introduction of two new areas of expertise since 2023, audiovisual and refurbishing, has further expanded the Group's scope of business.

Audiovisual: in 2023, Econocom launched its new "Gather" brand, confirming its ambition to redefine the audiovisual landscape. This innovative offering draws on the expertise and skills already present in the Group through Exaprobe (an expert in smart office technologies), BIS| Econocom (an expert in audiovisual, unified communications and digital signage solutions and services) and the Products & Solutions companies present in France, Spain and Italy.

Refurbishing: with 30 years of expertise thanks to the acquisition of Econocom Factory, Econocom offers a comprehensive range of refurbishing products (buyback, maintenance and repair, refurbishing and sale of refurbished products). This initiative is aligned with environmental principles: the plant based in France is a company with a mission that is ISO 14001 certified.

This diversification, ranging from equipment to services, through financing, audiovisual and refurbishing activities, gives Econocom a comprehensive view of the market and constitutes a solid basis for its growth strategy.

Conquering the market also involves international expansion and the development of cross-functional offerings across a number of activities. This approach is reflected in changes in the workforce in each region, highlighting the importance of the Group's presence in different regions of the world.

Change in the workforce by region	2022	2023
France	5,142	5,043
Benelux	741	735
Southern Europe	2,611	2,757
Northern & Eastern Europe/Americas	256	273
Total	**8,750**	**8,808**

The success of the growth strategy is affected by a number of risk factors, notably a lack of resources, competitiveness and a lack of skills.

To meet these challenges, Econocom focuses on human resource management. Talent retention and recruitment play a key role in mitigating the risk related to the lack of skills and resources.

Employees receive continuous training and regular certifications, thus ensuring the quality of their profiles and the constant development of skills. This approach allows employees to move towards more innovative and ecological technologies, a crucial internal area of expertise in a sector where innovation, anticipation and adaptation are essential.

Favourable working conditions and maintaining a good work-life balance ensure the long-term loyalty of employees with permanent contracts. Social protection, which covers key family events for 98% of employees, fosters the long-term commitment of employees as they receive support during key moments in their lives.

The implementation of a new recruitment tool, “Between”, is a testament to the Group’s desire to optimise the recruitment process. This tool allows better recruitment management and improves the candidate experience.

The Group often uses temporary employees to make up for the labour shortage in the digital job market. This is becoming a long-term trend, which is a concern for the Group as it increases job insecurity and wage costs. The Group’s ambitious recruitment targets confirm this aim to reduce the temporary employment rate.

The development strategy is reinforced by a robust acquisition policy, resulting in the disposal of discontinued activities which are replaced by new activities aligned with the overall strategy. Jobs are not created or lost, but transferred; it should be noted that this is a widespread practice across the industry sector.

The Econocom Group is convinced that while the diversity of profiles and talents is a source of performance, it is essential to harmonise HR practices and establish a common corporate culture.

Every month, during Executive Committee meetings, the human resources representatives (general HR, recruitment, resource manager) present changes in the workforce, absenteeism rates and training assessments and, where necessary, draw up action plans.

Certain sensitive populations are identified, and benefit from special monitoring. The identification criteria are the business line, the customer’s activity and the characteristics of the employees. The working conditions identified as difficult are:

- factory work for refurbishing;
- call centres at service centres.

These activities are carried out on Econocom’s premises, and a dedicated HR team closely monitors these sensitive categories of employees (amount of time spent standing, noise levels, etc.). In 2023, a support and assistance system for managers and help desk technicians in Grenoble was rolled out to help them deal with difficult calls and situations, as well as providing comprehensive and early screening for hearing loss, with priority on employees working on the telephone.

Our customers' business may also expose our employees working on their sites to difficult working conditions, such as successive shifts or exposure to ionising radiation. Specific close monitoring has been put in place for these employees in conjunction with occupational health and HR.

In France, medical check-ups are semi-automated in order to make the process more reliable. This new tool, introduced in 2023, ensures monitoring and the provision of reminders of medical check-ups, particularly for these vulnerable categories of employees. A review with our international contacts is required to understand local practices.

Lastly, attention is paid to employees who may be subject to inequity, in order to guarantee rights and equal treatment. Committed to promoting diversity, Econocom has established procedures to help employees from overseas with the legal procedures required to obtain and maintain residence permits, and there are a number of initiatives designed to boost the recruitment of women, people with disabilities and people excluded from the job market, as detailed in S1-9 and S1-12.

The Human Resources Department supports the Group as it grows and transforms. It is also developing internationally, in line with the corporate strategy, where procedures and best practices are shared to harmonise and streamline. HR committees are organised beyond activities in order to improve the consistency of practices. Notable examples in France are: the implementation of the profit-sharing agreement, harmonisation committees on mandatory annual negotiations, the remote working agreement, the sustainable mobility package, and the alignment of certain benefits such as relocation leave.

9.1.1. HUMAN RESOURCES POLICY

[S1 - 1]

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

As the Econocom Group believes in diversity of backgrounds and talent as a means of boosting business performance and making a public commitment it is a signatory of the Diversity Charter. The Diversity Charter encourages signatory organisations to promote and respect diversity among their workforce and in all management, sales management and career management actions by implementing diversity initiatives.

Econocom is committed to:

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

As a European group, Econocom is subject to strict human rights regulations, ensuring respect for human rights and labour law.

Transparency of agreements

Each company respects the laws and regulations in force in the country. The 52 companies that make up the Group are for the most part covered by collective labour agreements that supplement national laws. They define the status (compensation, working conditions) of the employees of a company, group of companies or professional sector. Terms and conditions are defined after negotiations between the employer and the organisations representing employees. Some companies do not have a sufficient number of employees to have Collective Agreements, but their employment conditions are systematically defined by contract and are aligned with the standards of the countries.

In France, the most common collective agreement at Group companies is Syntec. Econocom Factory is covered by the metallurgy collective agreement, while Les Abeilles is covered by three collective agreements: seagoing officers of maritime transport and services companies, maritime transport operating personnel, and sedentary personnel of shipping companies.

The main company agreements signed cover working time (including overtime, on-call, days donated), remote working, health and life insurance, profit-sharing and disability.

Informing stakeholders about existing agreements is essential to ensure the transparency of practices and enable whistleblowing rights to be exercised. Thus, during the hiring process, employees have access to documents, such as the onboarding booklet and the internal rules, which summarise employees ' rights and obligations.

Employees can access these agreements via the intranet, under “my HR space > My useful documents”. Since 1 September 2017, in accordance with regulations, the agreements have been published on Légifrance, *via* the digital agreements platform. The onboarding booklet is also accessible to everyone *via* the intranet.

Clear and communicated compensation policy

The compensation policy, which defines the items of the compensation package and the allocation methodology, is available on the Econocom Group's corporate website.

The payroll tools are configured in line with the legal and regulatory framework, and part of the payroll team is in charge of carrying out monthly checks of the system's performance and any of calculations not managed by tools.

In France, in addition to the compensation policy, an FAQ is available for employees on the home page of the platform for communicating with the payroll department. This summarises all the HR rules with respect to annual leave, wages and working hours in order to ensure that employees are duly informed of internal practices. If they have any questions, they can send a query to the payroll department directly *via* this tool.

Lastly, at the start of the year, employees receive an individual employment report setting out the items received over the past year and the benefits provided by their legal entity. The reports are sent to the Digiposte digital safe, where payslips are deposited each month.

Centralised career management

Career management handled by the TalentSoft tool for France, Belgium and Morocco. This tool is a benchmark in the market and provides employees with a unified digitised experience.

The tool centrally manages job interviews, annual appraisals, talent reviews (retention and succession plan), and compensation campaigns (salary increases and payment of variable amounts). Conducting interviews is one of the performance indicators for managers subject to variable compensation criteria and, once a year, the employment and classification of employees are approved by management and overseen by Human Resources during salary reviews. User guides are sent to managers each year to ensure equal treatment. Requests regarding internal mobility, development and training are centralised and monitored by Human Resources.

A set of business line guidelines is available to all employees and managers. It streamlines jobs and aligns the assessment criteria. The assignments and the level of expected skills are identified on each sheet.

In order to promote transparency regarding opportunities and to foster employee retention *via* internal mobility, all job openings are published on the Econocom recruitment website and on the internal mobility portal. There is also a Mobility Charter, available to all employees on the intranet, which describes the internal mobility approach and process.

Roll out of the HR policy

The HR expertise departments are responsible for ensuring, on a daily basis, compliance with commitments and equal treatment of employees. They have access to a number of reports during campaigns and throughout the year in order to support managers. Reviews are also carried out to report to management and employee representatives.

Transnational Human Resources directors cover regions speaking the same language and are responsible for implementing the HR policy. Two cross-functional HR excellence departments – “Compensation and Tools” and “Talent Management” – cover the entire Group and ensure consistent deployment of the Group’s strategic plan.

57% of the Group's salaried workforce is in France. Thus, in addition to the Director of Human Resources France, the Company’s Human Resources Directors, who are members of the Executive Committee, oversee the roll-out of HR policies in their area.

As part of their legal monitoring responsibility, HR are assisted by a lawyer specialising in employment law. Various resources are also available to employees and their representatives to raise any questions they might have. The employee representative bodies of companies are regularly consulted and may issue alerts during these meetings. Employees can ask questions directly to HR or payroll *via* the tool to communicate with payroll, by submitting a ticket.

Fight against discrimination

- The Code of Business Conduct specifies, in chapter 8 “Fight against discrimination”, the benchmarks for non-discrimination, notably in terms of race, gender, age, health, religion, sexual orientation, or political, religious or trade union affiliations. Chapter 10 “Fight against harassment (moral and sexual)” prohibits any behaviour, word, act, gesture or text that could harm the physical or psychological integrity of a person who may or may not be a Group employee. It also sets out the sanctions for employees, agents or business partners breach of these regulations.
- To facilitate reporting and provide an option other than reporting to the line manager, the Group’s Ethics Committee has set up a secure external whistleblowing platform.

Health and safety policy

Health and safety is also a key concern for the Econocom Group. The health and safety policy defines the rules, protective equipment and guidelines in the event of an accident. A safety and prevention team is in charge of employee training, identifying risks (a single document on each site) and monitoring vulnerable populations. In the event of workplace or commuting accidents, they are called upon to establish the causes and define the appropriate corrective actions to prevent future accidents.

The actions carried out by the Group are detailed in chapter S1-14 "Health and safety at work".

9.1.2. COMMITMENT TO LABOUR RELATIONS

[S1 - 2]

Employee representatives are elected to the Social and Economic Committee (SEC) by employees. These committees are designed for exchanges and discussion. Elected representatives receive information prior to the meetings on the state of the Company and forecasts. They also receive the consolidated financial statements and balance sheets, as well as the Statutory Auditors reports for the companies in the scope.

In France, the number of meetings is set at once a month for companies with more than 300 employees, and once every two months for companies under that size. At least four annual meetings must address its responsibilities in terms of health, safety and working conditions. The SEC also meets after any serious accident or justified request. They are centralised at the level of an economic and social unit in the event of an agreement (*e.g.* agreement relating to the recognition of the Services ESU and the arrangements to set up and operate the Social and Economic Committee of 31 January 2019) or at the level of legal companies. A grant is paid each year, linked to a percentage of the payroll, and a budget is allocated for social and cultural activities. It should be noted that appraisals, paid by the employer, may be requested except in the case of free appraisals which are to be financed *via* the grant.

A Group committee of French companies meets once a year for an ordinary session, and an extraordinary session may be held in the event of exceptional circumstances that could lead to significant changes in a number of Group companies. The number of seats is shared among the elected representatives of the various bodies (managers, non-managers) of the member companies.

Lastly, internationally, there is a European committee composed of one employee member per country; seats are then allocated for countries where the workforce is greater than 10% of the Group's workforce. The total number may not exceed five representatives per country. It holds one ordinary meeting per year, and extraordinary meetings may be held when transnational circumstances affect workers' interests.

The Group and European committee cannot replace the companies' representative bodies, which remain the definitive organisations for information and consultation on national or local issues.

The points raised are referenced in the minutes, which are then posted in the areas reserved for the SECs. The Director of Human Resources, as the head of labour relations, ensures that commitments are met and that feedback from the representative bodies is relayed to the Company's management.

The effectiveness of exchanges with the representatives is measured by the improvement of labour relations: monitoring of labour disputes such as calls to strike, and signing the transcript of negotiations by the employee representative bodies. The due implementation of commitments is monitored during regular meetings where the results are presented to elected representatives.

The elected representatives are local contacts for employees and may report incidents regarding compliance with human rights or any information on negative incidents of which the employer must be aware in order to implement corrective measures.

9.1.3. COMMUNICATION CHANNELS AND NEGOTIATION PROCESS

[S1 - 3]

There are three major forms of negative impact that may affect employees:

- individual disputes between the employee and the employer;
- harm to the employee by a third party;
- workplace accidents resulting in sick leave or disability.

The dispute may be brought before the industrial tribunal within one year in the event of a breach of contract, within two years in the event of a dispute over the performance of the employment contract, within three years to obtain a payment due, or five years for serious acts such as harassment or discrimination.

The purpose of the industrial tribunal procedure is to attempt to reach an agreement a that is faster than an action before the adjudication office, which will rule in the absence of agreement among the parties at the orientation conciliation office. In the event of a proven breach, Econocom will present its case to the competent courts, which will be responsible for setting the compensation due.

- In the event that an employee is attacked by a third party, the procedure defined in the internal rules and in its Code of Conduct for internal affairs is to contact the line manager immediately, or their human resources manager directly. To facilitate reporting and provide an alternative to reporting to the line manager, the Group's Ethics Committee has set up a secure external whistleblowing platform. Anonymity is guaranteed so that any breaches of the Code of Conduct or of regulations witnessed by employees may be reported. Each time a report is made to HR or the Ethics Committee, an investigation is carried out and any breaches are measured and sanctioned, where necessary. The procedure for investigating and dealing with breaches is available on the intranet.
- In the event of a workplace accident, the employer is held liable. The employee is covered by insurance, with their compensation guaranteed beyond 90 days. Insurance also covers the risks of death and disability. The health and safety department also ensures the safety of premises: article 3 of the internal rules specifies the legal framework for workplace safety, and invites employees to report any deficiencies or anomalies observed.

It should be noted that employees may be assisted by elected employee representatives. They will be provided with an office on company premises so they can have face-to-face exchanges and specific hours of their working time are allocated to this purpose.

9.1.4. HR RISK MANAGEMENT AND CORRECTIVE MEASURES

[S1 - 4]

Prevention and responsiveness are essential in incident management in order to be able to find prompt, appropriate solutions.

System

Since 2018, Econocom has used the resources available to the Group to develop an internal tool overseen by the IT and Human Resources departments, called Everyone. Currently used in France, Germany, Morocco and Spain, the tool will eventually rolled out worldwide. It identifies all the Group's employees, and to manage recruitment, mobility and staff departures.

The hiring file is created by the recruitment team. Candidates can submit all the necessary documents via a secure extranet. These are then automatically sent to the secure vault of the employee file (Primobox). Employees can download all the necessary onboarding documents (internal rules, onboarding booklet, IT charter, health and life insurance, package, etc.). The tool is also used for processing equipment requests and employee access rights. Thus, each time an employee leaves the company, access is automatically shut down and the employees' personal data is deleted within a reasonable period of time: data security is guaranteed at all times. The IT Security Department and the Data Protection Officer must be involved in each initiative for processing personal data. Moreover, Econocom keeps processing registers to control data transfers, their security, and retention periods in accordance with the recommendations of the General Data Protection Regulation. These tools make it possible to increase the segmentation of data access and security.

Job directory and skills development

An ambitious HR policy has been rolled out in France since 2019. Interviews were held with the Group's managers to identify Econocom's various jobs and categorise employees accordingly. Roles and responsibilities, requisite skills and pathways were identified for each job. The automation of job interviews means training needs can be monitored centrally, while the investment in Placedelaformation optimises the administrative aspect of training and thereby facilitates access to it.

The French job directory also allows the Group to monitor employees around the world, although a global job directory has yet to be implemented. In addition, the directory is scalable, new job descriptions can be added on a regular basis to keep pace with changing expertise.

In order to optimise skills identification, Econocom uses the Whoz tool for certain Services. This tool is used to map skills and dynamically manage the resource allocation process, in line with employees' skills.

Training courses are also provided for non-technical subjects, such as verbal violence prevention in the Services business in France.

Since 2020, Econocom has measured the retention of its key profiles by identifying talent. Career and succession plans are also defined to reduce risks.

Responsible practices

There are procedures to ensure responsible, harmonised practices in recruitment, HR management and training. Recruitment is thus very sensitive to non-discrimination practices and to promoting the employment of workers with disabilities *via* the disability agreement.

The Code of Business Conduct underlines the Group's zero tolerance approach to practices which are contrary to human rights and rights in terms of discrimination or harassment. Sanctions are mentioned for employees, agents or business partners. Econocom undertakes to discontinue all services if necessary, and to promote respect for human rights.

A "harassment" correspondent is appointed at each SEC to address these priority issues.

9.1.5. TARGET FOR MANAGING NEGATIVE AND POSITIVE IMPACTS

[S1 - 5]

Our strategy relies on the skills and agility of our employees. Employee diversity, loyalty and retention are key. Thus, the main measures introduced to control negative and positive impacts are the monitoring of the following key indicators.

- change in turnover rate: to measure employee satisfaction;
- change in the temporary employment rate: to measure the proportion of precarious jobs;
- monitoring of employees' objectives: to measure employee performance;
- changes in the number of women: to measure the initiatives to promote diversity;
- number of training hours: to ensure that our employees' skills are maintained;
- changes in the rating of the professional equality index: to guarantee equal treatment of men and women;
- change in the employment rate of disabled workers: to measure progress in the recruitment and retention of these workers.

These seven indicators are important for the Group in view of its position and as such are overseen by Senior Management. The new strategic plan launched in 2023 includes ambitious targets in terms of gender equality, employing workers with disabilities, and employee satisfaction.

In France, employee turnover rates and the number of job interviews conducted are used to measure managerial performance for the purpose of target-based variable compensation.

The indicators on short-term absences and the use of fixed-term contracts are at acceptable levels, and do not represent an immediate risk for the Company.

An HR dashboard is produced each month and sent to each scope. HR can monitor the indicators from the general level of the Company to the employee's branch. Elected officials have quarterly and annual data on changes in the workforce *via* the economic, social and environmental database.

9.1.6. EMPLOYEE CHARACTERISTICS

[S1 - 6]

The Group's workforce is recognised on a full-time equivalent basis as at 31 December. This methodology identifies the resources available at the end of the financial year by taking into account the contractually expected working time.

As a European company, most of our employees are physically present in European countries.

The calculation of the Group's workforce takes into account the local regulations of different countries; thus, permanent contracts, fixed-term contracts, work-study contracts, sales agents and independent Belgian employees are recognised.

Service providers, temporary workers and interns are not included.

Breakdown of employees by region	Men	Women
France	3,907	1,136
Benelux	586	149
Southern Europe	2,012	745
Northern & Eastern Europe/Americas	173	100
Total	**6,678**	**2,131**

In order to focus on the most representative countries, when the workforce exceeds 50 employees, a breakdown by country is shown.

It should be noted that the companies in the Group do not necessarily have a significant workforce, because they often have very specific expertise and the size of these companies enables them to remain agile.

Breakdown of employees in representative countries*	Men	Women
France	3,907	1,136
Belgium	362	102
The Netherlands	189	41
Germany	95	28
England	46	18
Spain	1,218	408
Italy	623	182
Morocco	1 60	144
Romania	23	39
Total	**6,623**	**2,098**

* Over 50 employees or 10% of the total workforce.

Breakdown of employees by working time and region

Full time	Men	Women
France	3,878	1,059
Benelux	546	106
Southern Europe	1,954	676
Northern & Eastern Europe/Americas	168	91
Total	**6,546**	**1,932**

Part-time	Men	Women
France	29	77
Benelux	39	43
Southern Europe	58	69
Northern & Eastern Europe/Americas	5	9
Total	**131**	**199**

The majority of contracts are permanent. The use of fixed-term contracts is limited to what is permitted by law, i.e. in the event of temporary increases in activity and the replacement of absent employees. Contracts are renewed for a maximum of two times, except for exceptional circumstances.

Work-study contracts are designed to help young people enter the job market. During training, students can develop professional experience in their chosen field whilst studying for a degree course or State-recognised qualification. Work-study contracts are the equivalent to student contracts in Belgium.

Breakdown of workforce by type of employment contract

Employees	Men	Women
Permanent contracts	6,195	1,992
Fixed-term contracts	145	46
Work-study contracts	170	49
Sales agents	107	38
Independent Belgian employees	60	6
Total	**6,678**	**2,131**

The departure rate represents 24% of the workforce, which is high; however, this rate is within the average range for the digital sector. Despite this departure rate, employees remain in the Company for an average of three to four years.

This departure rate should be qualified, as the design, development and testing business lines recorded higher rates (26%). This trend is due to the hiring dynamic in these specific areas.

Econocom is particularly concerned as 17% of its workforce operates in these business lines.

Departures include resignations and departures at the end of trial periods at the employee's initiative. The total number of departures covers all employees.

The departure rate includes the calculation of the share of total departures among salaried employees, including fixed-term contracts.

Employee departures over the period	
Voluntary departures	1,250
Involuntary departures	864
Departure rate	24.38%

Retention actions carried out in 2023 (career plan and implementation of a follow-up of exit interviews) made it possible to reduce the departure rate by 2 points.

9.1.7. CHARACTERISTICS OF NON-EMPLOYEES

[S1 - 7]

Number of external contracts	
Intern	138
Temporary	782
Service provider	548
Total	**1,468**

Econocom uses external employees to fill a labour shortage. External employees are not managed by Human Resources. They are monitored in Everyone for allocating IT equipment, by Finance for billing, and by the resource managers (attached to the business) for the monitoring of projects.

Gender is not reported in the monitoring of temporary workers.

Due to the short nature of these assignments, the workforce is monitored on a full-time equivalent basis over the reference year.

The most commonly used contract is temporary employment, whereby the employee works for a temping agency that provides a service for the duration of the contract. The employee benefits from the same rights as Econocom employees (use of the canteen, payment of collective bonuses, working hours, etc.) but they are also covered by the temping agency's benefits (health insurance, life insurance, profit-sharing, etc.).

Econocom mainly works with four temping agencies (Manpower, Expectra, Ergalis and Adecco).

Temporary staff are mainly employed for user outsourcing (service desk, user support).

Econocom does not use zero-hours contracts at Group level.

9.1.8. COLLECTIVE BARGAINING AND INDUSTRIAL RELATIONS

[S1 - 8]

A strong social commitment ensures a high rate of coverage and harmonised practices across the Group.

In most of the Group's countries, employees enjoy more benefits than the minimum required by law. The rare exceptions are structures with a small workforce.

Coverage rate	Collective agreement
France	100.0%
Benelux	100.0%
Southern Europe	100.0%
Northern & Eastern Europe/Americas	75%
Total	**99%**

Details on representative countries are provided below. It should be noted that an employee counts as one, even if they are covered by a number of agreements.

Coverage rate - focus on European countries*	Collective agreement	Employee representative
France	100.0%	100.0%
Belgium	100.0%	100.0%
The Netherlands	100.0%	85%
Spain	100.0%	92%
Italy	100.0%	97%
Germany	100.0%	45%
Total	**100%**	**97%**

* Over 50 employees or 10% of the total workforce

9.1.9. DIVERSITY

[S1 - 9]

Econocom closely monitors gender equality within its workforce. Encouraging the presence of women in a male-dominated sector, notably through recruitment or by speaking out in favour of gender equality, is an important issue for the Group.

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

Breakdown of Top Management by gender	Men	Women
Number	116	31
%	78%	22%

Managers managing a P&L are included in Top Management.

In France, the gender equality index calculated in 2023 for 2022 was 86/100 for the Group.

This index is based on five indicators:

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

Econocom has found that women are poorly represented in the digital sector. Indeed, the average rate of women for the Group, excluding the Services activity, was 31%. The percentage of women in the digital market in France is 29% [Employment and Compensation Survey – Quadrat Numeum 2023]; Econocom must improve this representation.

Econocom's concrete initiatives to promote female recruitment are as follows:

- attract and recruit through retraining with the Manifesto: #ReconversionFemmes Numérique

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

Econocom wanted to attract and recruit more women outside the so-called "traditional" channels. Building on its experience in Reconversion, Econocom is a signatory of the #ReconversionFemmes Numérique Manifesto.

Exaprobe: roll-out of awareness-raising MOOCs for the recruitment of women in digital professions.

Diversity also involves employees whose careers are correlated with their skills, and not their age.

Breakdown of employees by age group	Men	Women
< 30	1,394	424
30/50	3,893	1,273
> 50	1,391	433
Total	**6,678**	**2,131**

Econocom's concrete initiatives are as follows:

Helping young people enter the job market

The Econocom Group is particularly committed to hiring graduates or final-year students on an alternate work-study basis. Econocom plays an important role in training by supporting young workers every year in internships and work-study programmes. These undergraduate and Master's-level training programmes are supervised by tutors in technical and functional roles. As Econocom's Services business has the greatest recruitment needs, it has set up special partnerships with more than 40 schools.

Supporting employees aged over 45

Employees in France aged 45 and over can request a career development meeting to discuss their situation and career plans. They are also entitled to a skills assessment performed by an authorised independent organisation.

Employees aged over 55 also benefit from additional measures they are granted one paid day of absence every two years to have a medical check-up, can opt for flexible working hours and take part in a tutoring programme to mentor younger Econocom employees.

As part of the pension reform, the senior index measures changes in the recruitment and employment of seniors in the Company.

Professional integration through POEI (operational preparation for individual employment)

Operational Preparation for Individual Employment (POEI) is aimed at promoting a job offer submitted by an employer to France Travail by training a jobseeker who has skills similar to those required for the position to be filled. This scheme should help close the gap between the candidate's skills and those required for the job.

This scheme enables job seekers to return to the job market.

In 2023, Econocom significantly developed this source of recruitment, hiring 125 employees *via* POEIs:

- women: 25 POEI hires, *i.e.* 20%;
- engineers: 5 POEI hires, *i.e.* 4%;
- people with disabilities: 1 POEI hire;
- average age of 30;
- permanent contracts: 123 POEI hires.

Introduction of social clauses in all public contracts

In its public tenders, Econocom undertakes to include a social clause. This involves guaranteeing a number of hours of work by a person who is unable to enter the job market (long-term job seekers, people under the age of 26, etc.). These hires on fixed-term or temporary contracts facilitate the return to employment of priority groups.

Economon Italia |Asystel Bizmatica, partners of the ReadyForIT project launched by the Accenture foundation.

Econocom supports the initiative to retrain unemployed people, often young people from outside Europe, in digital professions. In one year, 800 people aged 19 to 35 were trained in data analysis, web and mobile development, and cybersecurity. Econocom provides expert skills, human resources and technological platforms. Since May 2023, nine people have joined the Company in the Services, Cybersecurity, Networks and Software Engineering skills centres.

Econocom Products & Solutions France, Académie Product Care offers qualifying training in six months for unemployed people, with a permanent contract position at the end of the training.

9.1.10. EQUAL PAY

[S1 - 10]

The wage policy is published on the Econocom website to ensure transparency in matters of compensation.

A review is necessary to establish adequate wages in accordance with the standard of Directive 2022/2041 of the European Parliament and of the Council on adequate minimum wages in the EU. This standard stipulates that wages paid must not be below 60% of the national median salary or 50% of the national average salary.

Adequate wages are guaranteed in France.

An international review is necessary to validate this indicator.

Adequate wages	**%**
% of employees who do not receive an adequate wage	0%

According to the Numeum 2023 study, a salary gap of 4.3% was observed to the detriment of women in digital companies. It is largely due to the under-representation of women in senior positions, but there remains an unexplained residual gap of 1.4%.

According to the International Labour Organization, the pay gap is the result of the following findings:

- women are hired at lower wages;
- poor representation of women in influence networks;
- maternity and family obligations;
- women's reluctance to negotiate wages.

All human resources departments are apprised of these issues *via* procedures summarising the findings, the legal framework and the tools in place to guarantee equal pay for men and women.

9.1.11. SOCIAL PROTECTION

[S1 - 11]

The social protection of salaried employees is guaranteed in the case of all the following items:

- Illness;
- unemployment;
- workplace accident or disability;
- parental leave;
- retirement.

Temporary employees are covered by the company that employs them. Service providers can take out social protection in addition to mandatory operating and professional civil liability insurance. This additional expense is included in the negotiated daily rates.

9.1.12. DISABILITY

[S1 - 12]

As part of its commitment to promoting diversity, the Group's disability policy is a key issue.

Econocom has committed to a proactive approach to supporting people with disabilities.

An exchange on best practices is being rolled out throughout the Group.

For Planet France companies, a partnership agreement was signed in 2014 with the AGEFIPH (*Association pour la Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées* – Association for the Management of the Fund for the Professional Integration of People with Disabilities) and a disability agreement was signed in 2018, and renewed in 2021 for three years.

- With these agreements, the signatory companies have committed to increasing the rate of employment of people with disabilities. Thus, our employment rate of people with disabilities, calculated for the DOETH, increased from 2.61% in 2018 to 5% in 2022. The 2023 rate will be published in May 2024. The increase in the employment rate was made possible by the implementation of various actions, in line with the objectives defined in the agreements: hiring, training and onboarding people with disabilities.
- Maintaining people with disabilities in employment through individualised monitoring by Mission Handicap and the HR contact. The adjustments of workstation in line with recommendations by the occupational health service in order to facilitate use by employees with disabilities.
- Raising awareness of disability among all internal stakeholders through training provided by an external firm, and also among Econocom employees during events such as the European Week for the Employment of People with Disabilities.
- Increase subcontracting with companies that specialise in employing people with disabilities, thereby indirectly contribute to the employment of workers with disabilities.

Exaprobe organised a webinar on the recognition of workers with disabilities and on invisible disability, and raised awareness among employees on the need to adjust workstations.

Econocom is also a signatory of the “Inclusion Manifesto”, an association with more than 130 signatory companies committed to employing of people with disabilities and thus help transform society and make diversity a strength.

- Objective:
  - by 2028, 6% of employees have disabilities.

% of workers with disabilities	Men	Women
Group	3.05%	3.49%

The average result is 3.16% for the Group.

9.1.13. TRAINING AND SKILLS DEVELOPMENT

[S1 - 13]

The Human Resources Department implements a strong talent and career management policy. The Group wants every employee to be able to work in an exciting and rewarding environment, by performing diverse and meaningful assignments. This involves assigning the right skills to the right jobs, and managing recruitment and internal mobility.

New hires benefit from a personalised onboarding programme designed to introduce co-workers to each other, gain a better understanding of the Company's organisational structure and learn more about the activity of their department.

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

Employees working at customer sites, on the other hand, attend "Welcome Dates" which enable them to learn more about the organisation and operations of their agency. Onboarding afternoons are organised at the service centres every two weeks.

Attracting talent	2022	2023
Number of new hires - Group	2,342	2,235

Econocom has defined three priority areas of action to meet the expectations of both current and future employees:

- increase social media presence. These platforms give applicants and employees the opportunity to interact, and are aimed primarily at younger generations;
- make good use of Group employees' networks to hire people with more targeted profiles who embrace Econocom's corporate culture;
- a referral bonus of up to €1,000 is offered to employees;
- developing internal employee mobility. Econocom invites employees to report their mobility and career development aspirations during their appraisals, which are then reviewed and processed by the HR teams. To help them in their deliberations, the business line guidelines present all the Group's business lines in France, as well as possible career paths.

All jobs openings are published on the internal mobility portal. Internal applications are monitored by the Careers division, which acts as an interface between the various internal players (recruiters, resource managers, HR, managers, etc.) to ensure efficient processing and systematic feedback for all internal applications. To best support employees, Econocom provides them with a Mobility Charter, available on the intranet, which describes the internal mobility approach and process. An internal webinar on "career development at the Group" was also provided to all employees.

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

Econocom's concrete initiatives to enhance training are as follows:

- France: training requests made during annual appraisals are studied by managers, together with the HR teams, when the skills development plan is drawn up. In addition, the skills assessed during the annual appraisal are reviewed by the career division so that training needs for certain job categories can be identified in relation to the skills required for the position. Particular attention is paid to the training needs of employees identified as talent or leaders during the talent review, in order to support them in their career plans. Since 2023, e-learning licences have been granted to employees of the Services activity *via* the UDEMY platform. A mentoring programme was also rolled out in 2023 to promote our talents' skills development and boost their career development;
- Belgium: skills centres to develop employees ' expertise with an onboarding and follow-up programme;
- Morocco: an in-house training school, and the ongoing development of a NEXTHINK skills centre;
- Spain: development of a training management tool and UDEMY technical training.

Skills development	Men	Women
Average number of hours of training - Group	11	13

Excluding Benelux, which does not have centralised monitoring of training hours. This matter is under review.

Career management at Econocom gives rise to a structured process, making it possible to target specific retention and skills development actions for the various employee profiles.

Annual and appraisals are conducted once a year using forms predefined by employees and their managers.

They aim is to look back on the past year in terms of achievement of objectives and skills development. The appraisal is also an opportunity to discuss promotion and training aspirations.

% of employee participation	Men	Women
Participation in performance reviews and career interviews	91%	92%

Data is extracted and analysed by HR to guide compensation and talent reviews. Interviews are one of the performance indicators for managers with a variable compensation. Once a year, employees ' jobs and classifications are reviewed by managers in conjunction with Human Resources during the salary review. In addition, throughout the year, the talent review monitors an employee's retention plan (in terms of training, compensation, internal mobility, etc).

9.1.14. OCCUPATIONAL HEALTH AND SAFETY

[S1 - 14]

Health and safety	Number
Employees covered by a health system	8,597
Deaths due to occupational causes	0
Workplace accidents (including fatalities)	88 or 5.3%
Occupational illnesses	0
Number of days lost due to workplace accidents	5,158

Everyone is potentially at risk of accidents, so health and safety in the workplace training is provided every two years to provide training for employees in first aid by an external service provider, and fire safety training is provided every year to teach staff how to evacuate the premises. Training is given by the safety and prevention department.

Econocom is particularly attentive to health prevention, and rolled out the following actions and services in 2023:

- for the second consecutive year, Econocom showed its commitment to breast cancer prevention through the "Pink October" programme. More than one hundred women were given check-ups and personalised care in 2023;
- hearing tests were provided as a priority to employees working in the call centre at our Grenoble site;
- employees were provided with advice and information on ergonomically optimising monitors, health and safety best practices, and eye exercises to reduce the potential damage caused by prolonged screen time;
- a flu vaccination campaign was rolled out at the Group's offices;
- in France, a sporting challenge was offered during QVCT week;
- the opportunity to take part in charity races with Exaprobe;
- Helis employees were provided with on-site sports facilities and a contract with Gymlib to co-finance employees' sports memberships;

- mandatory employee health and safety awareness training;
- training in electrical, nuclear and ionising risks is regularly organised for employees exposed to these environments. Reinforced monitoring during medical visits is planned for these employees.

9.1.15. WORK-LIFE BALANCE

[S1 - 15]

From recruitment to career development, the Group makes employee satisfaction a top priority for employees are the Group's number-one ambassadors.

Happy@work label; Exaprobe obtained a score of 4.14/5 in 2023.

In France, 2022 saw widespread remote working. Four major projects were initiated:

- an ambitious remote working agreement to improve the working conditions of eligible employees;
- conversion of workspaces into collaborative spaces across all Econocom sites;
- ensuring optimal use of our IT tools: roll-out of MFA to secure remote connection;
- remote working monitoring tool with Teamplanner;
- assistance for managers to support teams in a hybrid organisation.

In Italy, the flex office scheme offers staff a variety of alternatives to working from home, such as coworking spaces.

Remote working programme	2022	2023
Percentage of employees working from home - Group	63%	87%

Striving for a better work-life balance

Employees can take special leave for family events (maternity, paternity and parental leave, caregiver leave). It should be noted that, in France, days off are also granted to care for sick children.

Special leave	Men	Women
% of eligible employees	91%	97%
% of beneficiaries	NC	NC

In France, employees are invited to review their workload during their annual appraisal interview with their line manager. Workloads and time management are assessed with a particular focus on remote working since 2023. Employees must also assess their work-life balance, providing feedback and, where necessary, an action plan. The manager must also complete an action plan on this item.

In Italy, a coaching and training centre helps employees improve their professional and personal development.

In Germany, a platform of certified psychologists for well-being and mental health, with a physical fitness programme, was set up.

Luncheon vouchers

In France, luncheon vouchers are awarded for each day worked, except for days when employees use the company canteen (as the canteen is already subsidised) or when expenses are reimbursed. For some of the Group's companies, Swile replaced Sodexo as the luncheon voucher provider. Swile offers a 100% electronic and more comprehensive service with, for example, the option of exceeding the legal daily spend (linked to the bank account), having more than one voucher card and donating vouchers. The employer contributes €5.40 for each voucher. They can be used in both restaurants and in food stores. In times of inflation, they help maintain household purchasing power.

A friendly working environment

Econocom has also set up a "connected canteen" at the Puteaux office that delivers fresh, healthy, seasonal produce from short supply chains.

A number of after-work events were organised to bring staff together and enable them to bond. During the Rugby World Cup, matches were watched simultaneously at a number of sites. Other social events organised for staff this year include the Summer party, office Christmas parties, and many others.

Premises offer a range of services and facilities, such as gyms and eating and relaxation areas. Offices are also designed to promote collaborative work, and areas are provided to allow employees requiring peace and quiet to work away from the shared offices.

9.1.16. HUMAN RIGHTS INCIDENTS

[S1 - 16]

A number of channels have been developed to enable human rights incidents and complaints to be reported:

- focal point in the Social and Economic Committee;
- information process through the hierarchy, Human Resources;
- the Ethics Committee's secure platform.

9.2. Value chain workers

9.2.1. CONTEXT: IMPACTS, RISKS AND OPPORTUNITIES RELATED TO HUMAN RIGHTS

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

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

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

9.2.2. POLICIES CONCERNING VALUE CHAIN WORKERS – S2-1

9.2.2.1. RESPONSIBLE PURCHASING POLICY AND SUPPLY CHAIN RESILIENCE

The Purchasing Department plays a key role in Econocom's CSR policy, since suppliers are an essential stakeholder in the Econocom Group.

Econocom Group has built its responsible purchasing policy to establish trust-based relationships with its suppliers by encouraging them to implement a CSR programme. Lasting cooperation between the Econocom Group and its suppliers contributes to driving performance for all parties.

Characteristics of suppliers

Econocom mainly obtains its supplies from suppliers based in the European continent.

Our equipment is purchased from wholesalers/resellers or hardware manufacturers/software vendors recognised on the market and who respecting all environmental and compliance standards. The Group markets all the major international brands (Dell, HP, Lenovo, Microsoft, etc.).

Our services (subcontracting, for example) are purchased from local service providers.

Moreover, hardware manufacturers are setting up factories/warehouses, notably in Europe (Intel, Lenovo, etc.), to ensure the best possible supply of goods.

As regards our hardware and software supply chain:

- purchases: 50 to 60% from wholesalers/resellers, and 40 to 50% directly from hardware manufacturers and software vendors (ordering and invoicing). It should be noted that most of the orders placed for our leasing customers are from suppliers who are pre-selected and approved by these customers;
- deliveries: either to wholesale or independent warehouses (logistics service providers or service centres). Or direct customers.

Major risks

The major risks identified for our supplies are limited to supply lead times for sourcing components, factory assembly production (which are occasionally disrupted due to Covid) and transport: disruptions/diversions of air and rail traffic – since the war in Ukraine, but also maritime traffic (the most common, due to container prices and limited labour during the Covid period in the ports, or the blocking of the Suez Canal which affected global supply chains which took months to recover).

The Econocom Group's Purchasing Department prioritises responsible purchasing

In 2015, Econocom Group began to structure its responsible purchasing policy to establish trust-based relationships with its suppliers by encouraging them to implement a CSR approach.

Econocom is convinced that CSR must first and foremost involve dialogue with its suppliers and the contribution of every player in the value chain.

The Group has thus established a Purchasing Charter with its suppliers, which is based on the ten principles of the United Nations Global Compact. The charter is sent to critical and strategic suppliers, who are required to return it signed, confirming that they have taken it into account and applied it.

Compliance with this Purchasing Charter and the Group's Code of Conduct is also assessed, for certain subsidiaries, through *ad hoc* contractual clauses. In this respect, harmonisation work is under way and should be effective in 2023.

In addition, the Econocom Group's Purchasing Department now sends partners a CSR self-assessment questionnaire in order to assess their social and environmental performance.

Below are the indicators for monitoring the responsible purchasing policy:

Responsible purchasing	2022	2023
Percentage of Services suppliers who signed the Responsible Purchasing Charter/Code of Conduct among the top 20 suppliers	100% (EIS scope)	100% (EIS scope)

The 20 largest suppliers represent between 70% and 80% of our suppliers.

Some ESRS-S2 data required by the regulations could not be collected this year because they were unavailable or non-existent. Nevertheless, the CSRD directive allows companies subject to the regulation an average of three years (from the first closing) to set up the material indicators.

Econocom makes it a point of honour to implement action plans quickly in order to respond effectively to legal requirements.

Compliance with regulations and/or our customers' demands

System

We are committed to ensuring that all our suppliers respect human rights and the ethical, social and environmental requirements that we consider fundamental and essential for good collaboration. The Group's Responsible Purchasing Charter sets out the commitments we require from all our suppliers, as well as the commitments we make to them.

In terms of logistics, a product and/or spare parts traceability system has been set up. Purchases of these parts are made on the basis of specific criteria from service providers who are initially qualified (ISO 14001 WEEE and ROHS certification, compliance, sustainability, reliability, product quality). These parts are original and not compatible products. Purchasing a traced hardware manufacturer reference makes it possible to only work with our hardware manufacturer partners. This is followed by a supplier assessment process. These procedures are an integral part of our business and can be provided on request.

Lastly, as regards the products we distribute, we work from the outset with hardware manufacturers to only purchase from our wholesale partners' products from their local subsidiary (thus meeting the mandatory standards on their distribution on the market and on non-counterfeit goods) and we ensure very strict traceability *via* serial numbers and/or IMEI.

Where subcontracted staff (technical assistance services) is concerned, all master agreement include an obligation to comply with all regulations and labour laws.

9.3. Consumers and end-users

The qualitative and quantitative information from the ESRS-S4 required by regulations could not be collected this year because it was unavailable or non-existent. Nevertheless, the CSRD directive allows companies subject to the regulation an average of three years (from the first closing) to set up the material indicators.

Econocom makes it a point of honour to implement action plans quickly in order to respond effectively to legal requirements.

10. Societal issues – Value chain workers

10.1 Rolling out our philanthropic actions (education and responsible digital technology)

10.1.1. SUPPORTING NEW USES OF USEFUL DIGITAL TECHNOLOGIES IN EDUCATION AND GREEN IT

Econocom is committed to promoting digital technology in school curricula in order to combat the digital divide and improve digital accessibility.

The French government encourages the use of digital technology in schools to make up for France's lag in this area. Econocom wishes to contribute actively to this movement by providing schools with solutions to address the needs of students, teachers, parents and public authorities.

Econocom's goal in the field of education is to play a role in the transformation of learning and to instil a love of learning in students. The aim is also to encourage new teaching practices and to promote parental involvement in children's education.

Econocom's investments in education are reflected in a number of actions:

- **the development of offers more specific to education** that include personalised and green components that are particularly suited to the many educational projects in France and abroad. In 2023, more than 173,000 items of equipment were sold to the education sector (primary/secondary schools) in France.
- **Educapital:** Econocom was the first company to invest in Educapital, the first European venture capital fund dedicated to education and vocational training, with the aim of supporting young innovative companies that want to reinvent education. Since its inception, Educapital has invested in over 30 or so innovative European Edtechs.
- **Econocom is a member of Impact IA.** Impact AI is a collective that focuses on working with players in the field of artificial intelligence with the aim of supporting innovative positive projects for the future, particularly in education.

In 2023, employees took part in setting up a training and awareness session on gender bias.

The aim was to support educational institutions (engineering schools, business schools, etc.) in raising awareness of gender bias in AI models.

10.1.2. SPONSORSHIP PROGRAMMES IN EDUCATION

Patronage of the Démos project of the Paris Philharmonic Orchestra

For the past two years, Econocom has been a sponsor of the Démos project (a social music and orchestral education programme) led by the Cité de la Musique – Paris Philharmonic Orchestra, in particular to support the digital component of this programme.

Démos is a cultural democratisation project that focuses on orchestral music, founded in 2010 by the Cité de la Musique – Paris Philharmonic Orchestra. It offers classical music lessons for children who do not have easy access to classical music for geographical, economic and social reasons.

The project is aimed at children aged 7 to 12 living in socially and economically disadvantaged urban and rural areas, with little or no access to such services. The system has continued to grow since its launch with more than 50 orchestras currently operating throughout the country, including in the French Overseas Departments and communities. Since 2010, nearly 10,000 children have discovered classical music thanks to this programme.

This initiative is directly in line with the actions carried out by the Group as a responsible digital entrepreneur to foster inclusion and education.

Econocom, partner of Double Horizon

For over 9 years, Econocom has been a partner of Double Horizon a non-profit organisation which supports the education of under-privileged people in France and overseas. Econocom has decided to support the organisation's French activities. Double Horizon works in schools in the priority education network. A survey carried out a few years ago showed that the majority of children from these schools had never been to Paris and visited its monuments and museums, even by the end of secondary school. Econocom provides material and financial support to combat the school-family digital divide.

Econocom, a partner of the Espérance Banlieues association

Espérance Banlieues is an association that focuses on combating inequalities in education and culture in disadvantaged areas, by creating schools in and around these areas. Its mission is to combat the injustice of disparities in education, by striving to prevent school drop-outs from an early age. It provides quality education and support to children in these communities, with a view to discovering their talents. Furthermore, the association seeks to promote the integration of young people and their families into society. By partnering with local organisations and demonstrating tangible improvements in academic achievement, it encourages collective action to combat these inequalities.

For three years, Econocom has been in partnership with Espérance Banlieues. It is with these shared ambitions and values that we are committed to working alongside them, by raising awareness among schoolchildren and taking on interns, donating computers and supporting the development of digital education workshops (including coding training for teachers).

Econocom also supports the Colori project, which was founded as a result of observations made by Espérance Banlieues during its ten year's experience in disadvantaged neighbourhoods:

- a larger digital divide in the city's priority neighbourhoods, already suffering from social, cultural and economic inequalities;
- inequalities in uses and skills as a whole (even before Internet access);
- a paradox: we need to prepare children so they can benefit from technology, but we must also avoid exposing young children to the harmful effects of screens.

Aware of the importance of digital technology for future generations, Association Réseau Espérance Banlieues has partnered with Colori to train its students - from pre-school to the start of primary school - in digital uses without screens.

Thanks to this initiative, the Econocom Group helped to train seven teachers to roll out Colori in six additional classes in schools in Reims, Poissy, Saint-Etienne and Roubaix.

From 2022 to 2023, a total of 84 students received training, with 14 hours of training attended by teachers.

Econocom, partner of the "100 000 Entrepreneurs" association

To build bridges between schools and businesses, and to pass on the entrepreneurial drive to young people, Econocom supports the action of the organisation "100 000 Entrepreneurs".

This non-profit organisation arranges for entrepreneur volunteers to speak at establishments, from secondary schools to university-level institutions.

Over the past school year, over 110,000 young people thus met these men and women who are entrepreneurs in a variety of ways and, in total, over 850,000 young people have been introduced to entrepreneurship since 2007.

Econocom, partner of the Maison de l'Amitié association

Maison de l'Amitié (MDA) is an organisation that reaches out to people in very precarious and isolated situation, who live or are passing through the La Défense district. It welcomes people, develops relationships between beneficiaries and volunteers (employees of local businesses and residents), and offers overall support. In addition to meeting people on the street and to supplementing the primary services offered (food, clothing and hygiene), MDA develops, either directly or via partnerships, social, health and cultural actions.

Econocom works with its customers and partners Emmaüs Connect and Ateliers Sans Frontières to fight the digital divide and help refugees reconnect.

Econocom, a partner of the ZUPdeCO association

ZUPdeCO is an association that aims to reduce academic failure among young people from disadvantaged backgrounds. It was created in 2005 and has since helped more than 100,000 students. ZUPdeCO's mission is to provide individualised support to middle and high school students, with a focus on academic and personal success. With over 80 partner secondary schools and more than 35,000 beneficiary children, ZUPdeCO has implemented various programmes, including online tutoring *via* Homeclasse.org, influential initiatives such as the "Homework at school, not at home" national manifesto, and partnerships with national education players. They are assisted by a community of over 20,000 volunteers and strive to create more equal and inclusive educational environments.

Econocom is committed to digital education in schools, and more specifically to educational support in order to combat the digital divide and promote digital accessibility.

This year, we decided to support them by making a substantial donation of 40 computers to the ZUPdeCO association.

Econocom, a partner of the Konexio association

Konexio is a non-profit that aims to reduce the digital divide by offering IT training programmes to people from disadvantaged communities. Initially founded as community workshops in high-density neighbourhoods in Paris, Konexio has diversified and now offers a range of digital training, such as introduction to IT and advanced software development. Its goal is to enable marginalised groups to acquire the skills required to find employment and achieve social and professional integration. Through digital education, Konexio aims to help people access employment opportunities.

Econocom donated around 20 computers to Konexio, and we are helping to finance the DigiStart programme.

DigiStart is a 20-hour introductory training programme over five weeks, during which students learn the basics of web development, coding, find out what being a developer really involves, and decide whether or not coding is for them. They are introduced to the basic concepts of programming and the vocabulary of front-end development (HTML, CSS, Javascript). By the end of the session, learners will be able to code their own personal and/or professional website.

At the end of our training courses, Konexio issues its trainees with a certificate that will serve as proof of attendance among potential employers.

This commitment is perfectly in line with our policy of combating the digital divide and supporting vulnerable people who are excluded from employment.

Some international actions

Econocom Belux

Econocom Belux also wants to increase its social impact by showing greater solidarity. To this end, two years ago, we forged a partnership with the international non-profit organisation Pink Ribbon, which raises funds to support the fight against breast cancer. We aim to raise awareness among employees on the importance of regular exercise to combat the disease. Connected challenges and other one-off initiatives related to the association are provided throughout the year.

Econocom Belux is also the logistics partner of Télévie, a charity operation organised in French-speaking Belgium and the Grand Duchy of Luxembourg by RTL-TVI since 1989 for the benefit of F.R.S-FNRS. It raises funds to contribute to scientific research against cancer and leukaemia in children and adults. Each year, around ten employee volunteers install hundreds of laptops used to encode donations during the closing evening, which is broadcast live on television.

Econocom Italy

The Econocom Italy group (Econocom Italy and Asystel-BDF) chose to support some worthy charities for Christmas 2023, to support the education of children in disadvantaged countries.

The actions include the creation of a classroom at Casa San Giuseppe (Rwanda), which works on education and literacy for children as well as addressing their emotional and physical needs. The creation of this dedicated learning space will allow each young person to grow and learn.

Econocom UK

In the UK, we champion both our charitable goals as well as our environmental and sustainability efforts. This year, Econocom UK signed the #workingwithcancer commitment; an initiative launched by Publicis Groupe to reduce stigma in the workplace and create a favourable environment for employees diagnosed with cancer. This is a global initiative. To support this initiative, Econocom UK employees also took part in a sponsored 25 km walk along the Thames, and raised more than £1.5K for cancer research. In turn, it was an excellent team building exercise, while promoting well-being among colleagues.

The indicators for monitoring the regional support policy are shown below:

Insufficient or inadequate awareness raising and education on digital technology	2022	2023
Number of refurbished laptop donations	646	270

11. Summary of key CSR performance indicators

The following tables present Econocom's main key performance indicators on corporate responsibility in 2023.

Scope of the Econocom Group:

Germany, Belgium, Spain, France, Ireland, Italy, Lux, Morocco, Poland, Czech Republic, Romania, USA, Brazil, Mexico, England and the Netherlands.

Econocom Group

CSR challenges	Indicators	Units	2021	2022	2023	GRI standards
Human capital creating value	Workforce	Qty	8,197	8,750	8,808	
	Annual hires	Qty	1,481	2,342	2,235	New employee hires and employee turnover GRI 401-1
	Work-study or apprenticeship employees	%	1.50%	3%	2.48%	Percentage of employees receiving regular performance and career development reviews GRI 404-3
	People with disabilities - Group scope	%	N/A	3%	3.16%	Incidents of discrimination and collective actions taken GRI 406-1
	People with disabilities - France scope (DOETH)	%	4.6%	5%	Data available from March 2024	
	Departure rate	%	12.7%	15%	24.38%	
	Breakdown of Top Management by gender	%	/	/	21%	New employee hires and employee turnover GRI 401-1
	Employees benefiting from remote working	%	30%	63%	87%	
	Number of hours of training	Qty	N/A	6	11	Average hours of training per year per employee GRI 404-1

Econocom Group

CSR challenges	Indicators	Units	2021	2022	2023	GRI standards
Committed and local conduct of our activities	Carbon footprint	tCO_2	720,368	877,477 (1)	Ongoing	GHG emissions intensity GRI 305-4
	Surface area of occupied/leased buildings	m^2	75,858	69,335	65,532	
	Annual electricity consumption	kWh	7,795,530	8,024,025	8,370,088	Energy consumption within the organisation GRI 302-0
	Annual electricity consumption	kWh/m^2	103	116	127	Energy consumption within the organisation GRI 302-1
	Electric and hybrid vehicles in the fleet	%	2.00%	13%	25%	Energy direct (Scope 1) GHG emissions + Energy indirect (Scope 2) GHG emissions GRI 305-1/GRI 305-2
	Energy footprint of digital technology	kWh/ year	3,664,685	3,516,543	3,465,888	Energy direct (Scope 1) GHG emissions + Energy indirect (Scope 2) GHG emissions GRI 305-1/GRI 305-3

(1) The scope and methodology of the carbon assessment changed from 2021 to 2022 (which explains the significant variation).

Econocom Group

CSR challenges	Indicators	Units	2021	2022	2023	GRI standards
CSR impact offers for more sober and sustainable uses	Offers in connection with the circular economy, Green IT, Responsible digital technology	Qty	9	12	12	GRI 301-2/GRI 301-3
	Refurbished IT equipment	Qty	410,000	490,000	493,000	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-4
	% of refurbished IT equipment	%	92%	90%	90%	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-3
	Amount of WEEE (Waste Electronic and Electrical Equipment) generated	t	/	/	4,783	Waste generated GRI 306-3
	% of refurbished IT equipment with social and solidarity companies, as well as companies with a mission	%	88% (France scope)	92% (France scope)	90% (France scope)	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-3
Responsible governance	Ethics alerts	Qty	13	0	6	
	Employees who completed ethics training	%	52.70%	63% (Group scope)	68% (Group scope)	Communication and training about anti-corruption policies and procedures GRI 205-2
	Employees who completed GDPR training	%	75% (France scope)	80.31% (France scope)	85% (France scope)	Average hours of training per year per employee GRI 404-1
	Employees who completed cybersecurity training	%	76% (France scope)	85% (France scope)	57% (Group scope)	Average hours of training per year per employee GRI 404-1
	Suppliers who signed the Responsible Purchasing Charter among the top 20 suppliers	%	100% (EIS scope)	100% (EIS scope)	100% (EIS scope)	Negative environmental impacts in the supply chain and actions taken GRI 308-2
Partnerships in the education sector and Green IT university	Supported associations	Qty	15	18	19	Membership associations GRI 2-28
	Refurbished or new laptops donated to charities	**Qty**	**520**	**646**	**270**	Recycled input materials used + Reclaimed products and their packaging materials GRI 301-2/GRI 301-3

Definition of indicators

Econocom Group

Indicators	KPI definition
Workforce	Number of employees (permanent contracts, fixed-term contracts including professional training contracts, work-study contracts) present at 31/12, taking into account their working hours (full-time or part-time) including suspended contracts and excluding interns, expatriates, corporate officers without an employment contract. Employees present on the last day of the month are included in the headcount.
Annual hires	Number of hires (permanent, fixed-term, work-study contracts) made during the year. Contract changes and transfers do not count as hires.
Number/Percentage of people with disabilities	Number of employees with disabilities among the employees present at 31/12 (permanent, fixed-term, work-study contracts).
Departure rate	Number of voluntary departures (*i.e.* resignations, end of probationary period at the employee's initiative) over 12 months/average workforce over 12 months (permanent, fixed-term contracts including professional training contracts, work-study contracts excluding interns).
Number/Percentage of employees benefiting from remote working	Number of employees able to benefit from remote working among the employees present at 31/12 (permanent, fixed-term contracts including professional training contracts, work-study contracts excluding interns).
Carbon footprint	The carbon footprint of the country assessed by the external service provider Greenly, based on the AEF (accounting entry file) and/or the carbon footprint calculated internally (Scope 1 and 2, Scope 3 in part).
Surface area of occupied/ leased buildings	**Lease area in m^2 carried by the entities.** France + International.
Electricity consumption per year	**Consumption in kWh according to the statement (invoiced by the operator) per site and per year.** If included in rental expenses, annual amount in euros re-invoiced by the Lessor when it concerns the private area.
Percentage of electric and hybrid vehicles in the fleet	Percentage of electric and hybrid vehicles in the fleet.

Econocom Group

Indicators	KPI definition
Digital carbon footprint (France + International)	The carbon footprint of digital technology calculated using the Watt's Green tool, by country (hardware only, based on information on the portfolio provided by IT).
Number of ethics alerts	Number of ethics alerts recorded on the ethics alert platform.
% of employees who completed ethics training	Number of people trained *via* anti-corruption e-learning or specific training on ethics (specific training on the fight against corruption, on the Code, on ethics procedures, etc.). Population: all Group employees + agents.
% of employees having completed GDPR training	Number of people trained *via* GDPR e-learning. Everyone: permanent, fixed-term contracts, work-study contracts, temporary staff, interns.
% of employees having completed cybersecurity training	Number of people trained *via* cybersecurity e-learning or specific training (specific population identified). Everyone: permanent, fixed-term contracts, work-study contracts, temporary staff, interns.
Percentage of suppliers who signed the Responsible Purchasing Charter/Code of Conduct among the top 20 suppliers	Identify & prioritise suppliers who have signed the CSR Charter and the Code of Conduct. Application of the same process for Purchasing.
How many commercial offers have you identified on the circular economy, Green IT, Responsible Digital Technology?	The number of commercial offers including one or more CSR issues per country (on the circular economy, green IT, responsible digital technology).
Number of refurbished IT equipment items	Number of refurbished IT equipment items from leases by country.
Amount of WEEE	Amount of WEEE by country: failed and/or unusable equipment from leases.
Percentage of refurbished IT equipment	Percentage of refurbished IT equipment from leases by country (compared to total equipment from leases).
Percentage of IT equipment refurbished with social or solidarity-based companies (France)	Percentage of IT equipment refurbished with social or solidarity-based companies (France) compared to total refurbished equipment.

Econocom Group

Indicators	KPI definition
Number of associations supported	The number of associations supported in your country (associations supported materially, financially or *via* skills sponsorship).
Number of refurbished or new laptops donated	The number of donations of refurbished or new laptops in your country.

Glossary:

NFPS: Non-Financial Performance Statement

CSRD: Corporate Sustainability Reporting Directive

ESRS: European Sustainability Reporting Directive

WII (formerly EIS): Workplace Infra Innovation (formerly Econocom Infogérance Système)

POEI: Operational preparation for individual employment

WEEE: Waste Electronic and Electrical Equipment

SBTi: Science-Based Targets initiative

12. Data on to the European Green Taxonomy

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

1. Context

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

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

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

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

This framework describes specific eligibility and alignment criteria and thresholds:

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

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

2. Calculation scope and methodology

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

- the scope covers all the Group's activities corresponding to the scope of consolidated companies. Companies in which the Group exercises joint-control or influence are excluded;
- the financial data are taken from the financial statements at 31 December 2023. Turnover and capital expenditure can therefore be reconciled with the financial statements. The underlying financial information was checked jointly by the finance and operational teams to ensure consistency and reconciliation with the consolidated financial statements;
- capital expenditure corresponds to the costs capitalised for tangible and intangible assets;
- operating expenses are defined as direct costs that cannot be capitalised and include research and development costs, building renovation costs, maintenance and repair costs, leases recognised in the income statement and any other expense related to the day-to-day maintenance of assets.

3. Eligibility of activities

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

For the 2023 financial year, Econocom identified seven eligible activities:

Objectives	Classification of economic activities	Econocom description	NACE codes
Climate change mitigation	9.3 Specialised services for the energy performance of buildings	Activities related to the "Green & Energy" Business Unit	M71
	8.1 Data processing, hosting and related activities	Hosting activities	J61; J62; J63
Circular economy	4.1. Provision of data-driven IT/ operational solutions	IT asset management software and enterprise mobility solutions (*e.g.* MLC, HOUSTON, TWIST, TRAMS CLOUD MANAGE)	J61; J62; J63
	5.1. Repairs, overhauls and remanufacturing	Product care	C27
	5.3. Preparation for reuse of end-of-life products and product components	Econocom Factory	C27
	5.5. Product-as-a-Service and other circular service models focused on usage and outcomes	Technology Management & Financing	C26; C32
	5.6. Marketplace for the sale of second-hand goods intended for reuse	Marketplace (EcoTwice)	C26; C27

Econocom also took into account individually eligible investments in respect of activities 6.5 – Vehicle purchase, financing, leasing, finance leases and operation – designated as belonging to categories M1 and N1 and 7.7 – Acquisition and ownership of buildings.

For the first year of application for the 2023 financial year of the other four environmental objectives, only the analysis of eligibility and the corresponding declaration of the three Key Performance Indicators (KPIs) are required. The purchase and resale of electrical and electronic equipment was not considered eligible. According to a strict interpretation of the regulation, only the turnover corresponding to the assets held in full priority by Econocom was considered as eligible in respect of activity 5.5.

4. Alignment of activities

As from the 2022 financial year, the regulation makes it mandatory to publish the share of three indicators (turnover, CapEx, OpEx) that are associated with aligned and non-aligned economic activities in respect of the two "climate" objectives only. These indicators relate to data for the 2023 financial year with comparative information for the 2022 financial year.

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

(i) meets the technical criterion(s) of a substantial contribution to one of the six environmental objectives;

(ii) does not harm any other environmental objective (Do No Significant Harm – DNSH);

(iii) complies with the minimum safeguards referred to in Article 3.c, *i.e.* the procedures that a company carrying out an economic activity implements to comply with:

a) the OECD Guidelines for Multinational Enterprises,

b) the United Nations Guiding Principles on Business and Human Rights,

c) the principles and rights set out in the eight fundamental conventions mentioned in the declaration; the International Labour Organization's convention on fundamental principles and rights at work,

d) the International Bill of Human Rights.

a. Substantial contribution to climate change mitigation criteria

 # Technical criteria

- 7.7 Acquisition and ownership of buildings

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

Under these conditions, Econocom does not therefore meet the criteria for a substantial contribution for this activity.

- 8.1 Data processing, hosting and related activities

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

- 9.3 Specialised services related to the energy performance of buildings

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

b. Do No Significant Harm

 # Climate change adaptation

- 7.7 Acquisition and ownership of buildings

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

As the substantial contribution criteria for activity 7.7 were not met, the corresponding DNSH was not subject to a specific analysis.

- 9.3 Specialised services related to the energy performance of buildings

It was considered that the DNSH relating to adaptation to climate change and the sustainable use and protection of hydrological and marine resources were not applicable with regard to the service activities concerned.

 # Transition to a circular economy

- 8.1 Data processing, hosting and related activities

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

It was considered that the DNSH relating to adaptation to climate change and the sustainable use and protection of hydrological and marine resources were not applicable with regard to the hosting activity concerned.

c. Minimum social safeguards

Econocom meets these various minimum safeguard criteria:

- **human rights:** Econocom rolled out a global vigilance approach covering its human rights risks throughout the value chain. In addition, the Group has not been convicted of human rights violations (see §.9.1.1, chapter 4 on the Non-Financial Performance Statement);
- **fight against corruption:** Econocom is subject to the SAPIN II law and has rolled out the expected measures as part of the fight against corruption. Neither the Group nor one of its executives has been convicted in this field (see §.10.1.2.2, chapter 4 on the Non-Financial Performance Statement);
- **taxation:** Econocom strives to comply with the regulations applicable in all the countries where it operates and implements a transparency policy in accordance with the OECD's BEPS recommendations. The Group has not been convicted of serious misconduct in this respect (see note 7, chapter 7 to the consolidated financial statements);
- **competition law:** Econocom complies, within its scope of activity, with the legislation in force governing competition law. Neither the Group nor any of its executives have been convicted of this offence.

5. Results

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

a. Turnover

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

in € millions				Substantial contribution criteria					
Economic activities	**Code(s)**	**Absolute turnover**	**Proportion of eligible turnover**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY									
A.1 Sustainable activities									
Data processing, hosting and related activities	8.1	9.52	0.35%	100%					
Specialised services related to the energy performance of buildings	9.3	16.00	0.59%	100%					
Provision of data-driven IT/ operational solutions	4.1	0.8	0.03%				100%		
Repairs, overhauls and remanufacturing	5.1	0.1	0.00%				100%		
Preparation for reuse of end-of-life products and product components	5.3	24.0	0.89%				100%		
Product-as-a-Service and other circular service models focused on usage and outcomes	5.5	340.0	12.63%				100%		
Marketplace for the sale of second-hand goods intended for reuse	5.6	0.6	0.02%				100%		
Turnover from sustainable activities (A.1)		**391.0**	**14.6%**	**100%**					
A.2 Activities eligible for the taxonomy but not sustainable									
Turnover from eligible but non-sustainable activities (A.2)		**-**	**0.0%**						
Total (A.1 + A.2)		**391.0**	**14.6%**						
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY									
Turnover from activities not eligible for the taxonomy (B)		**2,290.2**	**85.4%**						
Total (A + B)		**2,681.2**	**100.0%**						

DNSH									
Climate change mitigation	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy -aligned proportion of turnover, 2022**	**Category (enabling activity)**	**Category (transitional activity)**
	YES	YES	YES			YES	0.35%		T
	YES					YES	0.59%	E	
							0.9%		

See Note 1, chapter 7 to the consolidated financial statements, 2023 turnover = €2,691.7 million

	Turnover	
	Proportion of aligned activities	Proportion of eligible activities
Climate change mitigation	0.9%	0.9%
Climate change adaptation	0%	0%
Protection and sustainable use of water and marine resources	Not applicable	0%
Transition to a circular economy, waste prevention and recycling	Not applicable	13.6%
Pollution prevention and control	Not applicable	0%
Preservation of sound ecosystems	Not applicable	0%

b. Capital expenditure (CapEx)

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

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

in € millions				Substantial contribution criteria					
Economic activities	**Code(s)**	**Absolute CapEx**	**Proportion of eligible CapEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY									
A.1 Sustainable activities									
Vehicle purchase, financing, leasing, finance leases and operation	6.5	1,789.2	3.1%	100%					
Provision of data-driven IT/ operational solutions	4.1	0.0					100%		
Repairs, overhauls and remanufacturing	5.1						100%		
Preparation for reuse of end-of-life products and product components	5.3	0.2					100%		
Product-as-a-Service and other circular service models focused on usage and outcomes	5.5	0.7					100%		
Marketplace for the sale of second-hand goods intended for reuse	5.6						100%		
CapEx of sustainable activities (A.1)		**1,790.1**	**3.1%**	**100%**			**100%**		
A.2 Activities eligible for the taxonomy but not sustainable			**0.0%**						
Vehicle purchase, financing, leasing, finance leases and operation	6.5	16,102.8	28.1%						
Acquisition and ownership of buildings	7.7	16,443.0	28.7%						
CapEx of eligible but non-sustainable activities (A.2)		**32,545.8**	**56.7%**						
Total (A.1 + A.2)		**34,335.9**	**59.9%**						
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY									
CapEx for activities not eligible for the taxonomy (B)		**13,069.0**	**22.8%**						
Total (A + B)		**57,350.0**	**100.0%**						

DNSH									
Climate change mitigation	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy-aligned proportion of CapEx, 2022**	**Category (enabling activity)**	**Category (transitional activity)**
YES		YES	YES	YES		YES	3.1%		
							3.1%		

See Note 10, chapter 7 to the consolidated financial statements, 2023 CapEx = €57,350.0 million

	CapEx	
	Proportion of aligned activities	**Proportion of eligible activities**
Climate change mitigation	28.7%	28.7%
Climate change adaptation	0%	0%
Sustainable use and protection of water and marine resources	Not applicable	0%
Transition to a circular economy, waste prevention and recycling	Not applicable	31.2%
Pollution prevention and control	Not applicable	0%
Preservation of sound ecosystems	Not applicable	0%

c. Operating expenditure (OpEx)

Based on 2023 reporting, maintenance and leasing expenses (for non-capitalised contracts) account for an insignificant portion of the Group's total operating expenses.

According to the definition in section 1.1.3.1 of Appendix 1, the total denominator of OpEx for the 2023 financial year was €2,535.4 million, with the majority of it relating to the purchase costs of goods sold or leased.

in € millions

				Substantial contribution criteria					
Economic activities	**Code(s)**	**Absolute OpEx**	**Proportion of eligible OpEx**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**
A. ACTIVITIES ELIGIBLE FOR THE TAXONOMY									
A.1 Sustainable activities									
		-	0%						
OpEx for sustainable activities (A.1)		**-**	**0%**						
A.2 Activities eligible for the taxonomy but not sustainable									
		-	0%						
OpEx of eligible but non-sustainable activities (A.2)		**-**	**0%**						
Total (A.1 + A.2)		**-**	**0%**						
B. ACTIVITIES NOT ELIGIBLE FOR THE TAXONOMY									
OpEx for activities not eligible for the taxonomy (B)		**-**	**0%**						
Total (A + B)		**-**	**0%**						

DNSH									
Climate change mitigation	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Taxonomy - aligned proportion of OpEx, 2022**	**Category (enabling activity)**	**Category (transitional activity)**
							0%		
							0%		

6. Activities related to nuclear energy and fossil gas

The table below shows the standard model for the publication of information related to nuclear and gas activities according to Delegated Regulation (EU) No. 2022/1214 of the European Commission of 9 March 2022.

Line	Activities related to nuclear energy	
1.	The company carries out, finances or is exposed to activities involving research, development, demonstration and deployment of innovative installations for producing electricity from nuclear processes with a minimum of waste from the fuel cycle.	NO
2.	The company carries out, finances or is exposed to activities relating to the construction and safe operation of new nuclear installations for the production of electricity or industrial heat, notably for district heating purposes or for industrial processes such as the production of hydrogen, including their safety upgrades, using the best available technologies.	NO
3.	The company carries out, finances or is exposed to activities relating to the safe operation of existing nuclear installations for the production of electricity or industrial heat, notably for district heating purposes or for industrial processes such as the production of hydrogen, using nuclear energy, including their safety upgrades.	NO
	Activities related to fossil gas	
4.	The company carries out, finances or is exposed to activities relating to the construction or operation of facilities for the production of electricity from gaseous fossil fuels.	NO
5.	The company carries out, finances or is exposed to activities relating to the construction, refurbishment and operation of combined heating/cooling facilities and electricity from gaseous fossil fuels.	NO
6.	The company carries out, finances or is exposed to activities relating to the construction, refurbishment or operation of heat production facilities that produce heat/cold from gaseous fossil fuels.	NO

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risk factors and control environment

1. Non financial risk factors

1.1. Operational risks

1.1.1. RISKS ASSOCIATED WITH SERVICES CONTRACTS

The Group offers three types of services contracts:

- fixed-price contracts with a guaranteed result, whereby the Group undertakes to provide certain deliverables for a fixed price, irrespective of the timeframe. This type of contract may include financial penalties in the event of below-expectation performance, calculated according to the value of the contract and usually capped at a certain percentage of the annual amount of the contract. Econocom manages this risk by carrying out technical and financial monitoring of projects (measuring the achievement of contractual objectives, tracking the number of man-days used, estimating the remaining consultant time required, and measuring service quality and lead-time indicators, etc.). This monitoring enables the Group to measure and oversee the fulfilment of contractual obligations and, where applicable, anticipate any provisions for losses upon contract completion to be recognised in the financial statements. Contracts with a guaranteed result account for almost one-half of the Services business in terms of value;
- fixed-price contracts with service level agreements, whereby the Group undertakes to provide a given service, within a given timeframe, for a fixed price per time unit (usually per month). Econocom manages this risk by carrying out regular technical and financial monitoring of the projects, particularly by tracking the number of man-days spent;
- time-and-materials contracts, whereby the Group undertakes to provide technical skills and charges the client for the number of labour hours spent. Econocom manages these contracts by paying particular attention to the fee schedule and its consultants' fees.

Furthermore, services contracts carry risks associated with termination notice periods. The Group ensures that this period allows sufficient lead time to adjust the workforce, particularly on large contracts. The Group plans in advance for contract terminations so that it may redeploy its staff and uses a measured level of sub-contracting to ensure flexibility.

1.1.2. RISKS ASSOCIATED WITH SUB-CONTRACTOR DEFAULT

For certain contracts, Econocom has performance obligations and sometimes calls upon the services of sub-contractors. Econocom's policy is to recover any penalties charged from its sub-contractors. However, it is possible that Econocom may incur a risk related to default by one of its sub-contractors. No single sub-contractor is sufficiently important to account for a significant portion of Econocom's business.

Econocom assesses the financial and operational capacities of its sub-contractors as and when required, and in particular when it uses sub-contractors that are new market entrants.

1.1.3. RISKS ASSOCIATED WITH PRICE FLUCTUATIONS AND HARDWARE OBSOLESCENCE

The Group is exposed to the risk of fluctuations in the future value of leased equipment within the scope of its Technology Management & Financing business. It deals with this risk by calculating the future value of equipment using the diminishing balance method. This calculation method is described in note 4.1 to the consolidated financial statements on accounting principles. The method is regularly compared with actual transactions and annual statistics are compiled to validate the suitable and prudent nature of the selected method.

For non-standard equipment, the Group ensures that the future value of leased equipment is estimated appropriately, namely by calling on independent experts.

For its Products & Solutions business, Econocom does not keep substantial surplus stock and as such limits its exposure to the risk of obsolescence.

For its data centre maintenance and outsourcing activity, the Group keeps dedicated stock. The components and levels of stock are constantly monitored to ensure that they are in line with the volume and type of outsourced equipment, which addresses the risk of obsolescence.

1.1.4. RISKS ASSOCIATED WITH COMPETITION

The IT services market is competitive. In each country where it has operations and in each of its businesses, the Group faces competition from international, national or local players. However, Econocom stands out from the competition due to the diversity of its activities and, especially, its expertise in finance leasing and the international scope of its activities.

1.1.5. SOCIAL RISKS

As far as Econocom Group Management is aware, the Group is not exposed to any social risks other than those arising in the normal course of business for companies of a comparable size based in Europe. The majority of the workforce is employed in the Group’s French, Belgian, Spanish, Italian and Moroccan subsidiaries.

1.1.6. ENVIRONMENTAL RISKS

Econocom Group does not destroy the machines purchased from refinancing institutions at the term of the related leases. In accordance with the WEEE (Waste Electrical and Electronic Equipment) European Directive, the Group collects all the equipment it owns from clients and arranges for all electrical and electronic waste to be processed and recycled. Since 2013, Econocom has been a client of Ecologic, an environmental organisation which collects and processes WEEE from businesses all over France, in compliance with environmental legislation.

With the acquisition of 90% of the shares of *Sofi Group* (renamed *Econocom Factory*) in May 2022, the Group also affirmed its aim to develop in the renewed digital market in Europe.

1.1.7. RISKS RELATED TO EXTERNAL GROWTH

As part of its strategy, the Group continues to develop its business by seeking targeted acquisition opportunities.

Acquiring and integrating companies gives rise to certain risks, including higher-than-anticipated financial and operating expenses, failure of the operational integration, which can lead to loss of major clients or the departure of important members of the acquiree's staff and a decline in financial performance.

Integration of the acquired companies may also disrupt the Group's existing businesses and lead to insufficient resources, particularly in terms of management. The synergies expected from an acquisition may fall short of forecasts or take longer to achieve than initially announced, and the costs of implementing these synergies may exceed expectations. The above-mentioned factors may also have a negative impact on the goodwill recognised in the consolidated financial statements (see also note 9 "Goodwill and impairment testing" to the consolidated financial statements).

1.2. Regulatory risk

1.2.1. LEGAL RISKS

The Group provides its services in several Western European countries. It is therefore subject to numerous legal, customs, tax and social regulations. In order to limit its exposure to legal risks, the Group has set up subsidiaries in each country run by managers who are familiar with the applicable local laws and regulations, who work alongside the Group's Legal Counsels and external consultants.

Econocom Group monitors on an ongoing basis any litigation and one-off situations that could result in a financial risk. Any pending litigation is covered by provisions for appropriate amounts calculated by Group Management.

Disclosures concerning litigation or arbitration likely to have a substantial impact on Econocom Group's financial position, assets, business or the results of its operations at 31 December 2023, are presented in note 17 to the consolidated financial statements.

1.2.2. RISKS ASSOCIATED WITH TAX AUDITS

The Group undergoes regular tax inspections in the various countries in which it operates. Although the outcome of these inspections is uncertain, the Group has estimated as accurately as possible the associated risks and has recognised the appropriate provisions for those risks in its financial statements. The outcome of these inspections could have a negative impact on the Group's consolidated financial statements. However, this impact is limited on account of the provisions recognised.

1.2.3. RISKS ASSOCIATED WITH REGULATIONS APPLICABLE TO FINANCIAL LEASE

Certain countries have decided to implement stricter legislation for financial leasing companies by aligning it with the legislation governing financial institutions. The associated risk, which is common to all companies in the industry, concerns the increase in administrative costs.

1.3. Dependency risks

1.3.1. REFINANCING INSTITUTIONS DEPENDENCY RISK

In the course of its business, Econocom assigns most of its financial lease contracts to refinancing institutions.

These institutions generally focus on clearly defined regions or types of equipment. In addition, the Group strives to maintain a balanced portfolio of institutions in order to avoid being overdependent on one or more institutions.

In 2023, the proportion of the Group's five biggest funders was accounted for 68% of the total value of refinanced rents (compared to 70% in 2022). The share of the Group's largest refinancer in the total value of refinanced rents remained stable at 27%.

1.3.2. CUSTOMER DEPENDENCY RISK

The Group continually strives to expand its client portfolio. This is a strategic development focus area aimed at gaining market shares. At 31 December 2023, no single client represented over 5% of the Group's consolidated revenue.

1.3.3. SUPPLIER DEPENDENCY RISK

Given the broad choice of potential suppliers and the fact that they are largely interchangeable, Econocom's dependence on suppliers is very limited.

For Technology Management & Financing, Products & Solutions and Services activities, the default of one supplier would result in the transfer of business to another supplier.

At 31 December 2023, no supplier accounted for more than 15% of the Group's total purchases.

1.3.4. TECHNOLOGY DEPENDENCY RISK

For its Technology Management & Financing, Services and Products & Solutions activities, the Group develops partnerships with hardware manufacturers, telecoms operators, software vendors and solutions providers. However, it strives to remain independent from these companies in order to offer the best possible solution in terms of architecture, hardware and software.

2. Financial risk management

2.1. Capital management policy

The Group seeks a level of gearing that maximises value for shareholders while maintaining the financial flexibility that is required to implement its strategic projects.

Treasury shares are detailed in note 16.3.3.

The only potentially dilutive instruments are free shares granted under performance share plans, stock options (see note 16) and convertible bonds (see note 15).

2.2. Risk management policy

The Group's activities are subject to certain financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), liquidity risk and credit risk.

The Group's overall financial risk management policy focuses on reducing exposure to credit risk and interest rate risk by transferring financial lease receivables to refinancing institutions and by using factoring solutions on a non-recourse basis in the Products & Solutions and Services businesses. Financial market risks (interest rate and foreign exchange risk) and liquidity risks are handled by Group Management.

2.2.1. MARKET RISK

At the end of the year, Group Management sets all the exchange and interest "budgeting rates" for the following year.

Where necessary the Group manages its exposure to interest rate and foreign exchange risks by using hedging instruments such as swaps and foreign exchange forward contracts. These derivative financial instruments are used purely for hedging and never for speculative purposes.

Foreign exchange risk

The Group operates chiefly in the eurozone; however, following the expansion of operations in non-eurozone countries in Europe, as well as North and South America, the Group may be exposed to foreign exchange risk on other currencies. The table below summarises the sensitivity of certain consolidated income statement lines to an increase or decrease of 10% in exchange rates against the euro, resulting from the translation of the subsidiaries' foreign currency accounts.

Sensitivity of income statement

in € millions	Contribution to the consolidated financial statements						Sensitivity to a change of	
	EUR	**GBP**	**USD**	**PLN**	**Other currencies**	**Total**	**+10%**	**(10%)**
Revenue from continuing operations	2,579.4	73.5	8.3	11.6	8.4	2,681.2	(9.3)	+11.3
Operating margin	105.2	0.7	3.6	0.8	5.9	116.2	(1.0)	+1.2
Profit (loss)	**54.4**	**0.7**	**2.5**	**0.6**	**4.4**	**62.6**	**(0.8)**	**+0.9**

Since the subsidiaries' purchases and sales are mainly denominated in the same currency, this exposure is limited. The Group does not deem this risk to be material.

The Group may also be required to manage financial leases agreements denominated in US dollars in its Technology Management & Financing business. Foreign exchange risk is hedged naturally due to the specific way in which these agreements work. Regardless of movements in the dollar, the impact on profit or loss is not material.

Interest rate risk

Econocom's operating income and cash flows are substantially independent of changes in interest rates. Sales of leases to refinancing institutions are systematically based on fixed rates. Income arising on these contracts is therefore set at the outset and only varies if the contract is amended.

In terms of gross financial debt, the table below shows the breakdown between fixed-rate debt (or subject to interest rate hedging) and variable-rate debt:

in € millions	At 31 Dec. 2023		At 31 Dec. 2022	
	Outstanding	**% total debt**	**Outstanding**	**% total debt**
Fixed rate(1)	307.6	76%	424.7	78%
Floating rate(2)	99.1	24%	121.2	22%
Net financial debt(1) (see note 15.2 of chapter 7)	**406.7**	**100%**	**545.9**	**100%**

(1) Issue in 2022 of a "Schuldschein" bond with a variable rate; however, an interest rate hedge was put in place so that this variable-rate exposure be considered at a fixed-rate.

(2) Excluding bank overdrafts.

At 31 December 2023, some of the Group's financial debt is at floating rates and comprises short-term borrowings (credit lines, commercial paper or NEUCP), and short-term factoring agreements.

The interest rate sensitivity analysis shows that a 1.0% (100 basis point) rise in short-term interest rates would result in a €1.0 million impact on profit (loss) before tax.

Price risk and residual interest in leased assets

The Group is exposed to the risk of fluctuations in the residual interest of leased assets within the scope of its Technology Management & Financing business. It deals with this risk by calculating the future value of equipment using the diminishing balance method, thereby guarding against the risk of obsolescence. This method is described in note 11.1.

The method is regularly compared with actual transactions, and annual statistics are compiled to validate the suitable and prudent nature of the selected method.

2.2.2. EQUITY RISK

The Group does not hold any unlisted or listed shares apart from treasury shares.

As the treasury shares held by Econocom Group at 31 December 2023 are deducted from shareholders' equity in the consolidated financial statements as of their acquisition, it is not necessary to compare their book value to their actual market value.

2.2.3. LIQUIDITY RISK

The Financing Department is responsible for ensuring that the Group has a constant flow of sufficient funding:

- by analysing and updating cash flow forecasts on a monthly basis;
- by negotiating and maintaining sufficient outstanding lines of financing;
- by optimising the Group's cash pooling system in order to offset cash surpluses and internal cash requirements.

The credit lines negotiated in place at 31 December 2023 are shown below:

in € millions	Total amount available	Total amount drawn down
Unconfirmed credit lines	86	-
Confirmed credit lines	271	-
Total credit lines	**357**	**-**

The credit lines ensure that the Group has the liquidity needed to fund its assets, short-term cash requirements and development at the lowest possible cost.

In October 2015, Econocom set up a commercial paper programme (NEUCP) on the French market. At 31 December 2023, the amount outstanding under this programme (capped at €200 million) was €20.0 million compared to €32.5 million at 31 December 2022.

The characteristics of bonds are set out in note 15.2.

Based on its current financial forecasts, Econocom Management believes it has sufficient resources to ensure the continuity and development of its activities.

Maturity analysis for financial liabilities (excluding derivative instruments) and other liabilities (including liabilities related to put and call options)

The following maturity analysis for financial liabilities (principal and interest) shows remaining contractual maturities on an undiscounted basis:

2023 *in € millions*	**Total commitment**	**Less than 1 year**	**1 to 5 years**	**Beyond 5 years**
Lease liabilities	55.7	19.1	30.2	6.3
Gross liability for repurchases of leased assets	116.0	31.4	84.6	-
Liabilities relating to contracts refinanced with recourse	154.4	27.9	126.5	0.0
Bank debt, commercial paper and other	50.7	49.0	1.7	-
Non-convertible bonds (*Schuldschein*)	229.3	9.6	209.4	10.3
Acquisition-related liabilities	46.7	23.8	22.9	-
Other non-current liabilities	6.4	0.2	6.2	-
Trade payables	648.2	648.2	-	-
Other payables (excluding derivative instruments)	178.4	178.4	-	-
Other current liabilities	36.4	36.4	-	-
Total	**1,522.0**	**1,023.9**	**481.5**	**16.6**

2022 *in € millions*	Total commitment	Less than 1 year	1 to 5 years	Beyond 5 years
Lease liabilities	59.9	18.6	41.2	-
Gross liability for repurchases of leased assets	109.9	25.8	84.1	-
Liabilities relating to contracts refinanced with recourse	124.3	34.7	75.8	13.8
Bank debt, commercial paper and other	61.5	56.4	5.0	0.1
Convertible loans bonds (OCEANE)	152.9	152.9	-	-
Non-convertible bonds (Euro PP/ *Schuldschein*)	234.0	14.4	209.0	10.6
Acquisition-related liabilities	61.2	24.9	36.3	-
Other non-current liabilities	13.1	3.7	6.6	2.8
Trade payables	741.2	741.2	-	-
Other payables (excluding derivative instruments)	190.8	190.8	-	-
Other current liabilities	15.4	15.4	-	-
Total	**1,764.2**	**1,278.7**	**458.0**	**27.3**

2.2.4. CREDIT AND COUNTERPARTY RISK

The Group has no significant exposure to credit risk. It has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. The Group's exposure is also limited as it does not have any concentration of credit risk and uses factoring solutions for the Distribution and Services businesses, as well as non-recourse refinancing with bank subsidiaries and credit insurance in the Technology Management & Financing business. Nevertheless, in some cases, the Group does not refinance leases; the leases for which Econocom carries the counterparty risk represent approximately 10% of the TMF activity. The Group concentrates its strategic transactions bearing credit risk within its subsidiary Econocom Digital Finance Limited to ensure a consistent risk management approach.

The Group has policies in place to ensure that goods and services are sold to clients whose credit standing has been analysed in depth. The Group's credit risk exposure is also limited as it does not have any concentration of credit risk and uses factoring solutions for the Products & Solutions and Services businesses, as well as non-recourse refinancing with bank subsidiaries and credit insurance in the Technology Management & Financing business.

For its Technology Management & Financing business, the Group nevertheless has the option of retaining the credit risk on certain strategic transactions. These relate primarily to Econocom Digital Finance Limited (EDFL), the Group's internal refinancing unit with expertise in transaction security and non-standard contract financing.

At 31 December 2023, contracts on which Econocom bears the credit risk represented €209.1 million, compared with €284 million in December 2022, or around 10% of total outstanding rentals for the Technology Management & Financing business.

The Group only invests with investment-grade counterparties, thus limiting its credit risk exposure.

Maximum credit risk exposure

As the Group has no credit derivatives or continuing significant involvement in the transferred assets, its maximum exposure in this respect is equal to the book value of its financial assets (see note 14.1).

Aged balance of past due receivables

			Breakdown by maturity			
2023 *in € millions*	**Book value**	**Receivables not past due**	**Total past due**	**Less than 60 days**	**Between 60 and 90 days**	**Over 90 days**
Trade receivables – refinancing institutions, gross	44.0	32.7	11.3	10.8	0.1	0.4
Other trade receivables, gross	726.6	593.0	133.7	60.7	5.6	67.3
Impairment of doubtful receivables	(44.2)	(20.8)	(23.4)	(0.1)	-	(23.4)
Trade and other receivables, net	**726.4**	**605.0**	**121.5**	**71.5**	**5.7**	**44.4**

2022 *in € millions*	**Book value**	**Receivables not past due**	**Breakdown by maturity** **Total past due**	**Less than 60 days**	**Between 60 and 90 days**	**Over 90 days**
Trade receivables – refinancing institutions, gross	28.7	14.8	13.9	12.0	0.9	1.0
Other trade receivables, gross	827.7	685.0	142.7	62.2	8.5	72.0
Impairment of doubtful receivables	(47.2)	(23.3)	(23.9)	(0.0)	(0.1)	(23.8)
Trade and other receivables, net	**809.2**	**676.4**	**132.8**	**74.2**	**9.3**	**49.3**

3. Description of internal control and risk management procedures in the context of the preparation of the financial information

The financial information communicated by the Group refers to its consolidated financial statements and to the management of these financial statements published in compliance with IFRS as adopted by the European Union, and approved by the Board of Directors.

This financial information is, at every reporting date, presented to the Group's Audit Committee, and explained to all the Directors.

3.1. Financial organisation

The Group's financial organisation is both local and global. The Group is organised by business and country. Financial processes are implemented by finance teams, Finance Directors and Financial Controllers, all of whom functionally report to the Group Chief Financial Officer. Business and country Financial Controllers ensure that the reporting rules and practices are applied consistently across the activities, irrespective of the country.

3.2. Reporting and management

The accounts are consolidated by a dedicated team on a monthly basis. The consolidated companies send their detailed financial statements *via* the consolidation tool for inclusion in the consolidated financial statements.

Each entity (*i.e.* company or business unit) draws up a budget. Profit forecasts are adjusted several times during the year and are monitored on a monthly basis based on the activity reports provided to Group Management. These reports are drawn up jointly by the Head of Operations and the Financial Controller of the entity.

The Group Finance Department draws up schedules and specific instructions for the various budgets, reports and the items needed for the purpose of consolidation.

3.3. Accounting standards and monitoring

The Group's accounting principles are set out in an accounting principles manual which is used as the basis for preparing financial information. This manual describes the method for recording transactions and presenting financial information.

The team in charge of consolidation is also responsible for keeping abreast of changes to IFRSs.

3.4. IT systems

The Information Systems Department oversees the various information systems used by the Group. It ensures the gradual harmonisation of the solutions implemented and the continuity of operations. In the preparation of financial information, information flows from IT tools specific to the various activities are centralised in single accounting management and reporting solutions.

3.5. Risk factors, surveillance and monitoring

The monthly reports enable the various operational and financial managers and Group Management to verify that the Group's results are accurate and consistent with the targets set. At the end of each month, they contain a comparison between the management data and the Group's consolidated financial statements in order to ensure that the financial information is reliable.

The Group's Internal Audit Department (outsourced) completes the risk organisation, and is in charge *inter alia* of drawing up a risk map. It also reviews the subsidiaries' financial statements in order to ensure that they comply with Group rules, and verifies that the reports are accurate and that risks are adequately covered. The Group's Internal Audit Department reports directly to the Chairman and the Audit Committee.

When identifying risks that may impact the achievement of financial reporting objectives, Group Management takes into account the possibility of misrepresentations and fraud, and undertakes the required actions to strengthen internal control, if necessary.

The Internal Audit conducts specific audits, on the basis of the assessment of potential fraud risks, in order to avoid and prevent fraud. Any findings are systematically reported to the Audit Committee.

3.5.1. RISKS ASSOCIATED WITH ACCOUNTING SYSTEMS

Risks associated with accounting systems are assessed on a regular basis with a view to implementing improvement plans.

The accounting systems used within the Group have now been harmonised, and are shared by all business lines and subsidiaries except certain companies in which the Group has recently acquired stakes, some of which still use software other than that used elsewhere in the Group, better suited to their size.

The various business line IT systems are interfaced with the accounting systems in order to ensure that information on transactions is traceable, comprehensive and reliable.

The consolidation system is a standard tool.

3.5.2. RISKS ASSOCIATED WITH ACCOUNTING STANDARDS

The Consolidation Department, in conjunction with the Group Financial Controlling Department and the activity and country Financial Controllers, monitors changes in IFRSs and adapts the Group's accounting principles accordingly. It also organises training for finance staff whenever necessary.

3.5.3. MAIN TRANSACTION CONTROL PROCEDURES

In order to ensure the reliability of the financial information on transactions, the Group's Finance Department team verifies each month that the revenue and costs reported are in line with the flows expected at the time the transactions were approved.

The Group Financial Controlling Department draws up regular statistical analyses to ensure that the assumptions made when the lease contracts were recorded are prudent and appropriate.

The subsidiaries' Financial Controlling teams also carry out monthly verifications for each activity.

3.6. Persons responsible for the preparation of financial information

The financial information is prepared under the supervision and responsibility of the Board of Directors, which, since 2004, has had an Audit Committee, the role of which is set out in section 2.1 above.

4. Legal and arbitration proceedings

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

The total consolidated amount of provisions for all of the Group's disputes (see note 17 to the consolidated financial statements) includes all outflows of resources (excluding any possible reimbursements) deemed likely for all types of claims and litigation to which the Group may be party as a result of conducting its business.

5. Insurance against risk

The Group is covered against liability claims and property damage *via* insurance policies taken out with first-rate insurers. It has elected not to take out business interruption insurance and insurance against risk of fraud.

The Group reviews and evaluates its risks on an ongoing basis in conjunction with its insurers and experts so as to ensure optimal coverage in both the insurance and reinsurance markets.

06

comments on the financial year

1. Group financial position and highlights

In 2023, the Econocom Group generated consolidated revenue of €2,681 million. On a like-for-like standards basis, revenue increased by 3.5%, including 1.2% organic. This growth was driven by the TMF and Services activities, while the Products & Solutions activity was facing a sharp decline in the market for the distribution of digital workplace-related assets.

The operating margin amounted to €116.2 million compared to €114.2 million in 2022; it represented profitability of 4.3% in 2023, stable compared to 2022.

Taking into account the sharp decline in other net operating expenses, the Group's operating profit amounted to €105.5 million, up substantially compared to €85.2 million in 2022.

Despite the measures taken to optimise cash generation and management, net financial expenses amounted to €19.8 million, up €6.3 million compared to the previous financial year due to interest rate increases during the year.

After taking into account an income tax expense of €26.1 million, the annual profit (loss) from continuing operations amounted to €59.5 million compared to €49.3 million in 2022. Including the €3.1 million profit from discontinued operations, consolidated net profit amounted to €62.6 million.

Econocom's performance for 2023, in particular revenue, operating margin and profit (loss), was broadly in line with the indicators presented as the starting points of the One Econocom strategic plan at the Capital Market Day on 16 November 2023.

The development and presentation of this strategic plan was a highlight of the 2023 financial year for Econocom. The One Econocom plan marks the end of the Group's refocusing and stabilisation period, with the following key milestones for the next five years:

- a workplace, audiovisual, infrastructure and network market that is expected to experience sustained growth;
- an acceleration of the roll-out of offerings covering end-to-end customer needs in terms of digital assets;
- a clear roadmap with ambitious objectives enabling all internal teams to be on board;
- a self-financed plan to achieve revenue of €4 billion in 2028, to double net income to €130 million and to reduce net financial debt.

The 2023 financial year was not marked by any significant acquisition or disposal.

1.1 Changes in scope of consolidation for the year

1.1.1. DISPOSALS

During the 2023 financial year, the Group sold its Aciernet France and USA subsidiaries, already considered as held-for-sale in the 2022 consolidated financial statements.

1.1.2. CHANGES IN OWNERSHIP INTEREST

Econocom Group SE increased its stake in the Trams through the acquisition of the shares from non-controlling interests, thus increasing its stake to 90%.

1.1.3. ACQUISITION AND CREATION OF COMPANIES

At the end of March 2023, Econocom acquired, *via* its leasing subsidiary in the Netherlands, all of the shares of Reliance Financial Services, a Dutch digital asset leasing company. This entity was incorporated into the Technology Management & Financing business.

1.2. Financing operations

CHANGE IN FINANCING RESOURCES

During the financial year, the Econocom Group repaid the balance of its OCEANE debt for an amount of €151.8 million (in March 2023) and the last tranche of its Schuldschein loan for €8.0 million (in November 2023).

These repayments were refinanced by the establishment of bank lines allowing an extension of the maturity of the debt and offering greater flexibility to respond to changes in our financing needs throughout the year. As a result, Gross Financial Debt at 31 December 2023 decreased by more than €140 million, while Net Financial Debt increased by nearly €40 million.

CHANGE IN TREASURY SHARES

Econocom also continued to buy back treasury shares in 2023, acquiring 7,051,234 on the market. After taking into account the delivery of shares to managers benefiting from share-based incentive plans and the cancellation of shares decided at the Extraordinary General Meeting of 22 June 2023, Econocom Group SE held, at 31 December 2023, 6,444,846 shares or 3.60% of the Company's share capital.

2. Group consolidated financial statements at 31 December 2023

2.1. Key figures

in € millions	2023	2022 restated(1)	2021 restated(2)
Revenue from continuing operations	2,681	2,591	2,367
Operating margin	116.2	114.2	127.7
Operating profit	105.5	85.2	109.2
Shareholders' equity (parent company shareholders' share and non-controlling interests' share)	474.7	456.8	438.8
Net cash surplus/(Net financial debt)	(181.2)	(143.5)	(66.8)

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

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

2.2. Consolidated income statement

in € millions	2023	2022 restated[1]	Change
Revenue	**2,681.2**	**2,590.5**	**3.5%**
Operating margin[2]	**116.2**	**114.2**	**1.8%**
Amortisation of intangible assets from acquisitions	(2.3)	(2.2)	
Other operating income	2.1	0.1	
Other operating expenses	(10.5)	(27.0)	
Operating profit	**105.5**	**85.2**	**23.9%**
Other financial income	1.1	0.4	
Other financial expenses	(20.9)	(13.9)	
Profit before tax	**85.7**	**71.7**	**19.5%**
Income tax	(26.1)	(22.3)	
Net income (loss) from equity accounted companies	-	-	
Profit (loss) from continuing operations	**59.5**	**49.3**	**20.7%**
Profit (loss) from discontinued operations	3.1	16.0	
Consolidated profit (loss)	**62.6**	**65.3**	**(4.2%)**
Profit for the period attributable to owners of the parent	63.5	63.8	(0.6%)
Net profit (loss) attributable to non-controlling interests	(0.9)	1.5	(158.3%)
Adjusted profit (loss)[2]	**67.6**	**71.7**	**(5.7%)**

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

(2) In order to facilitate the monitoring and comparability of its operating and financial performance, Econocom Group presents two key indicators, "Operating margin" and "Adjusted profit (loss)", the definition of which is provided in the appendix.

RECONCILIATION OF REPORTED PROFIT WITH ADJUSTED PROFIT (LOSS)

in € millions	2023	Amortisation of intangible assets from acquisitions	Other non-recurring items	Profit (loss) from discontinued operations	2023 adjusted	2022 adjusted(1)
Revenue	**2,681.2**	**-**	**-**	**-**	**2,681.2**	**2,590.5**
Operating margin	**116.2**	**-**	**-**	**-**	**116.2**	**114.2**
Amortisation of intangible assets from acquisitions	(2.3)	2.3	-	-	-	-
Other operating income and expenses	(8.4)	-	8.4	-	-	-
Operating profit	**105.5**	**2.3**	**8.4**	**-**	**116.2**	**114.2**
Other financial income and expenses	(19.8)	-	-	-	(19.8)	(12.6)
Profit before tax	**85.7**	**2.3**	**8.4**	**-**	**96.4**	**101.6**
Income tax	(26.1)	(0.6)	(2.1)	-	(28.8)	(30.0)
Net income (loss) from equity accounted companies	-	-	-	-	-	-
Profit (loss) from discontinued operations	3.1	-	-	(3.1)	-	-
Consolidated profit (loss)	**62.6**	**1.8**	**6.3**	**3.1**	**67.6**	**71.7**
Net profit (loss) attributable to non-controlling interests	**(0.9)**	**-**	**0.0**	**2.3**	**1.4**	**2.8**
Profit for the period attributable to owners of the parent	**63.5**	**1.8**	**6.3**	**(5.3)**	**66.2**	**68.9**

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

EARNINGS PER SHARE

in €	2023	2022 restated(1)	Change
Earnings per share	**0.354**	**0.363**	**(2.5%)**
Basic earnings per share from continuing operations	0.336	0.274	22.7%
Basic earnings per share from discontinued operations	0.017	0.089	(80.5%)
Net recurring profit (loss) (adjusted profit (loss)) per share	0.382	0.398	(4.1%)
Diluted earnings per share	**0.351**	**0.338**	**4.0%**
Diluted earnings per share from continuing operations	0.334	0.259	29.2%
Diluted earnings per share from discontinued operations	0.017	0.079	(78.3%)

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

NUMBER OF SHARES OUTSTANDING

	2023	2022
Total number of shares at end of period	179,045,899	222,929,980
Average number of shares outstanding[1]	176,990,225	180,041,957
Number of shares outstanding at end of period[1]	172,601,053	178,752,287
Econocom share price at 31 December *(in €)*	2.57	2.85
Market capitalisation at 31 December *(in € millions)*	444	509

(1) Excluding treasury shares.

2.3. Revenue

in € millions	2023	2022 restated[1]	2021 restated[2]
Products & Solutions	1,207	1,238	970
Services	476	455	516
Technology Management & Financing	998	898	881
Total revenue	**2,681**	**2,591**	**2,367**

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to “Profit (loss) from discontinued operations” in the 2022 income statement.

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

Revenue by business

In the 2023 financial year, the Econocom Group generated annual consolidated revenue of €2,681 million from its continuing operations, representing organic growth of 1.2% compared to the previous year. Revenue breaks down as follows:

in € millions	2023	2022 restated(1)	Change based on like-for-like standards	Change based on like-for-like perimeter
Products & Solutions	1,207	1,238	(2.5%)	(6.1%)
Services	476	455	4.6%	4.5%
Technology Management & Financing	998	898	11.2%	10.0%
Total revenue	**2,681**	**2,591**	**3.5%**	**1.2%**

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

PRODUCTS & SOLUTIONS

In 2023, Products & Solutions posted revenue of €1,207 million compared with €1,238 million in 2022, or a decrease of 2.5%, thereof 6.1% organic. After a 2022 financial year posting strong organic growth (more than 15.0%), the business in 2023 suffered from the unfavourable evolution of the European market for the distribution of digital workstation-related assets, particularly in France, Germany and the UK.

SERVICES

The Services activity continued to grow, posting €476 million in 2023 revenue, representing organic growth of 4.5%. This growth was driven by all the Group's Services entities, starting with those in Belgium, Luxembourg and Spain.

TECHNOLOGY MANAGEMENT & FINANCING

In 2023, Technology Management & Financing posted €998 million in revenue, compared with €898 million a year earlier, representing growth of 11.2%, thereof 10.0% organic growth, mainly in Germany, Italy and Spain. TMF solutions, providing personalised and independent advice as well as a flexible contractual model, are particularly appreciated by customers in a context of tightening loan granting and pricing conditions.

Revenue by region

Revenue breaks down as follows:

in € millions	**2023**	**2022 restated[(1)]**	**Change based on like-for-like standards**	**Change based on like-for-like perimeter**
Benelux	387	349	10.7%	4.8%
France	1,245	1,331	(6.4%)	(7.0%)
Southern Europe	679	572	18.6%	12.4%
Northern & Eastern Europe	353	316	11.8%	12.3%
Americas	17	22	(23.1%)	(22.5%)
Total revenue	**2,681**	**2,591**	**3.5%**	**1.2%**

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to “Profit (loss) from discontinued operations” in the 2022 income statement.

Benelux posted organic growth across all its business lines and in particular in the Services business.

France posted a contrasting situation with a decline in TMF and Products & Solutions partially offset by the growth in Services.

Southern Europe experienced significant organic growth driven by all of the Group’s activities, notably in Italy and Spain.

Northern and Eastern Europe posted strong organic growth as a result of the contrasting performances between the TMF business in Germany, which posted strong growth and Products and Solutions, which declined organically in Germany and the United Kingdom due to market conditions.

2.4. Operating margin

in € millions	2023	2022 restated(1)	2021 restated(2)	*as a % of 2023 revenue*	*as a % of 2022 revenue*
Products & Solutions	43.3	49.0	45.0	3.6%	4.0%
Services	25.3	35.9	42.4	5.3%	7.9%
Technology Management & Financing	47.6	29.3	40.2	4.8%	3.3%
Operating margin	**116.2**	**114.2**	**127.7**	**4.3%**	**4.4%**

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

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

The Group's operating margin amounted to €116.2 million, or 4.3% of revenue. The profitability rate was stable compared to 2022 at 4.4%.

For Products & Solutions, despite the fall in business, profitability remained close to 4.0%.

For Services, in a context marked by a significant increase in personnel and energy costs, the Group was able, in the second half of the year, to better pass on these inflation effects to its customers. The profitability rate thus went from 4.3% in the first half to 5.3% over the year.

For TMF, taking advantage of this revenue growth, the operating margin increased sharply to €47.6 million, i.e. 4.8% of revenue compared to 3.3% last year.

2.5. Balance sheet and financial structure

in € millions	31 December 2023	31 December 2022
Goodwill	525.1	554.2
Other long term assets	157.8	163.3
Residual interest in leased assets	164.3	164.6
Other non-current assets	44.3	49.1
Trade and other receivables[1]	775.9	878.9
Other current assets	160.6	180.7
Cash and cash equivalents	226.6	404.8
Assets held for sale	225.0	106.4
Total assets	**2,279.6**	**2,501.9**

(1) Including outstandings on own-book deals: €209.2 million at 31 December 2023 versus €283.7 million at 31 December 2022.

in € millions	31 December 2023	31 December 2022
Shareholders' equity – parent company shareholders' share	413.9	390.3
Shareholders' equity – non-controlling interests' share	60.8	66.6
Total shareholders' equity	**474.7**	**456.8**
Bond[1]	201.6	360.1
Financial debt[1]	206.1	188.2
Provisions	52.9	59.2
Gross liability for repurchases of leased assets	107.1	102.8
Other financial liabilities[2]	46.7	61.2
Trade and other payables	826.6	932.1
Other liabilities	284.6	285.1
Liabilities held for sale	79.1	56.5
Total equity and liabilities	**2,279.6**	**2,501.9**

(1) Taking into account the cash and cash equivalents of €226.6 million at 31 December 2023 (€404.8 million at 31 December 2022) and bonds and financial liabilities, the balance sheet shows net financial debt of €181.2 million at 31 December 2023 (compared to €143.5 million at 31 December 2022); this net financial debt must be weighed against the expected future payments of outstanding own-book leases of €209.2 million at 31 December 2023 (€283.7 million at 31 December 2022).

(2) From contingent acquisition-related liabilities

The balance sheet below expresses this in a more economical way:

- by posting the positive cash and cash equivalents from bonds and other financial liabilities in liabilities to show the net financial debt directly on this side of the balance sheet;
- by identifying separately from the trade receivables on the asset side and the net financial debt in liabilities part related to TMF self-funded contracts.

in € millions	31 December 2023	31 December 2022
Asset		
Goodwill	525.1	554.2
Other non-current assets	202.1	212.4
Residual interest in leased assets	164.3	164.6
Trade and other receivables	777.3	878.9
including outstandings on own-book leases	*209.2*	*283.7*
Other current assets	160.6	180.7
Assets held for sale	225.0	106.4
Total assets	**2,054.4**	**2,097.1**

in € millions	31 December 2023	31 December 2022
Liabilities		
Equity	474.7	456.8
Net financial debt	181.2	143.5
including net financial debt from own-book deals	*209.2*	*283.7*
including net financial debt – other	*(28.0)*	*(140.2)*
Gross commitments on residual financial assets	107.1	102.8
Other financial liabilities(1)	46.7	61.2
Other non-current liabilities	104.0	109.0
Trade payables	826.6	932.1
Other current liabilities	235.0	235.3
Liabilities held for sale	79.1	56.5
Total equity and liabilities	**2,054.4**	**2,097.1**

(1) From contingent acquisition-related liabilities

GOODWILL

At 31 December 2023, goodwill amounted to €525.1 million, down by €29.1 million compared with the previous year. This decrease was mainly due to the reclassification on the "Assets held for sale" line of goodwill relating to activities held for sale.

EQUITY

Total consolidated equity stood at €474.7 million, up by €17.9 million compared with the end of 2022. This increase was mainly due to a profit (loss) for the period of €62.6 million, less the €28.5 million repayment of share premiums, and to the net buyback of treasury shares during the year for €18.5 million.

At 31 December 2023, the Econocom Group held 6,444,846 treasury shares valued at €16.6 million which were not recorded in its balance sheet at the share price on 31 December 2023, of €2.57.

The breakdown of equity between Group interests and the share attributable to non-controlling interests varies due to the increase in the Group's interest in certain companies following the exercise of options held on minority shareholders: the share of non-controlling interests amounted to €60.8 million compared to €66.6 million at 31 December 2022.

NET FINANCIAL DEBT

The Group's net financial debt, at 31 December 2023, amounted to €181.2 million compared to €143.5 million at the end of 2022. This surplus breaks down as follows:

in € millions	31 December 2023	31 December 2022
Cash and cash equivalents	225.5	402.4
Bank debt and commercial paper	(49.0)	(54.2)
Net cash at bank	**176.6**	**348.2**
Convertible bond debt (OCEANE)	-	(151.2)
Non-convertible bond debt (*Schuldschein*)	(201.6)	(208.9)
Other	(156.1)	(131.6)
Net financial debt	**(181.2)**	**(143.5)**

This net financial debt is to be considered in the light of future cash-ins expected from the TMF own-book deals in the amount of €209.2 million (versus €283.7 million in 2022).

The Group is subject to one single covenant in relation to these loans. The latter, calculated on 31 December each year, corresponds to the ratio of Net Financial Debt to proforma EBITDA. It may not exceed three over two consecutive years. A breach would not result in early redemption, but it would force the Group to pay a higher interest rate until the ratio is brought back within the relevant bounds. At 31 December 2023, this covenant was respected.

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

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

Appendix – Definition of key performance indicators

Performance indicators not defined by accounting standards but used by Econocom Group to assist the reader in assessing the Group's economic and financial performance are as follows:

OPERATING MARGIN

The operating margin includes all income and expenses directly related to the Group's activities. It measures the level of operational performance after neutralising the amortisation of intangible assets from acquisitions generated as a result of business combinations. At 31 December 2023, the main acquisitions of intangible assets made by the Group and whose amortisation was not taken into account for the determination of this aggregate were primarily the ECS customer portfolio and the Smaaart brand from the acquisition of the Sofi Group (renamed Econocom Factory).

Econocom uses operating margin as the main indicator to monitor the operational performance of its activities.

OTHER OPERATING INCOME AND EXPENSES

"Other operating income and expenses" includes items that, by their frequency, amount or nature, are liable to undermine the pertinence of the Group's operating performance as a performance indicator. They notably include impairment losses on goodwill and other intangible assets, the results of significant disposals of non-current assets, restructuring expenses, costs relating to workforce adjustment measures, costs of relocating premises, changes in the value of acquisition-related liabilities (contingent consideration), as well as costs related to the various external growth transactions.

EBITDA (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION)

The Group also uses an intermediate management balance known as "EBITDA". This financial indicator corresponds to operating margin adjusted for depreciation and amortisation, additions to and reversals of provisions for asset impairment and provisions for contingencies and expenses, and net impairment losses on current and non-current assets.

in € millions	**2023**	**2022 restated[1]**
Operating margin	116.2	114.2
Depreciation and amortisation (excluding intangible assets from acquisitions) and provisions	31.9	22.7
Net impairment losses on current and non-current assets	1.3	4.8
EBITDA	**149.4**	**141.7**

(1) In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

This indicator is mainly used for the Group's financial communication, as well as in the Group's discussions with its banking partners.

ADJUSTED PROFIT (LOSS)

Adjusted profit (loss), the calculation of which is presented above, is a performance indicator used by Econocom to better assess its economic and financial performance. Adjusted profit (loss) corresponds to profit (loss) before taking into account the following items:

- amortisation of intangible assets from acquisitions, net of tax effects;
- other operating income and other operating expenses, net of tax effects;
- non-recurring financial income and expenses (mainly financial gains or losses), net of tax effects;
- profit (loss) from discontinued operations, net of tax effects.

NET AND GROSS FINANCIAL DEBT

The definition of net financial debt used by the Group (see note 15.3 to the consolidated financial statements) is gross financial debt (see note 15.2) less gross cash and cash equivalents. Net financial debt includes all interest-bearing debt and debt incurred by receiving financial instruments. It does not include lease liabilities, gross liability for repurchases of leased assets, the residual interest in leased assets or any asset or liability held for sale.

Net financial debt is used both for operational cash management purposes and for financial communication purposes. In this context, the Group also uses ratios contrasting net financial debt against equity (gearing) or EBITDA (net financial debt/EBITDA).

ORGANIC GROWTH

Organic growth represents the Group's revenue growth on a like-for-like basis in terms of standards, consolidation scope and exchange rate. It is calculated by adjusting the revenue of the previous financial year by the exchange rates of the current financial year and the contribution, for a comparable period, of the acquisitions of this financial year.

This organic growth is used to measure the change in revenue on a comparable basis from one financial year to another.

3. Statutory financial statements of Econocom Group SE at 31 December 2023

3.1. Income statement

The revenue from services rendered to the Group's subsidiaries during the year totalled €20.4 million, compared to €21.7 million in the previous year.

Operating profit (loss) for the financial year amounted to -€4.2 million compared to -€1.0 million in 2022, mainly due to a one-off increase in the Company's own costs.

Recurring financial income for the period amounted to a negative €3.4 million (compared to a profit of €51.0 million in 2022). It consisted mainly of dividends received from subsidiaries in the amount of €10.7 million in 2023 (compared to €55.9 million in 2022), net interest income and guarantee commissions invoiced to the subsidiaries in the amount of €2.9 million (compared to €3.6 million in 2022), and the costs of external and internal debt in the amount of €16.8 million (compared to €9.0 million in 2022).

Non-recurring financial income for the period amounted to a positive €8.7 million (compared to an expense of €8.3 million in 2022). Last year, it included impairment charges on treasury shares, which were reversed this year in view of the share price at the time of cancellation of the treasury shares.

Corporate income tax was nil (compared to income of €1.3 million last year). Profit totalled €1.1 million, compared to €43.1 million in the previous year.

3.2. Balance sheet

Econocom Group SE's equity stood at €390.9 million, compared to €554.3 million at the end of 2022. This change is mainly explained by the impact of the cancellation of treasury shares decided by the Extraordinary General Meeting of 22 June 2023 for an amount of €136.2 million and by the repayment of the issue premium for an amount of €28.5 million.

Receivables and investments in related companies increased by €5.1 million to €935.8 million, mainly due to the acquisition of non-controlling interests in the English subsidiary Trams carried out during the year and the capital increases carried out for the benefit of Dutch and Luxembourg subsidiaries over-compensating for the impact of changes in the value of equity investments.

External financial liabilities, at €222.1 million, were down by €171.2 million over the year. This reduction was due to the repayments, amounting to €151.8 million, of the OCEANE bond issued in March 2018 and the last tranche of the 2016 *Schuldschein* bond. In addition, commercial paper with maturities between one and three months increased by €12.5 million. At 31 December 2023, external financial liabilities consisted of the *Schuldschein* 2022 loan issued last May and commercial paper for €20 million.

In addition, Econocom Group SE borrowed €337.1 million from Econocom Finance.

3.3. Share capital

At 31 December 2023, Econocom Group's share capital totalled €23,731,026.74, divided into 179,045,899 shares with no nominal value.

At 31 December 2023, there were no longer any dilutive elements that could have an influence on the share capital of Econocom Group.

The shareholding structure is described in Chapter 3 "Information on the Company and share capital".

TREASURY SHARES

On 30 November 2021, the Extraordinary General Meeting amended article 12 of the Bylaws relating to the acquisition and disposal of treasury shares, so as to remove the references to the 20% limit of share capital provided for in article 7:215 of the Belgian Companies Code.

On 30 November 2021, pursuant to this amendment, the Extraordinary General Meeting authorised the Board of Directors, for a five-year period, to acquire a maximum of 88,000,000 treasury shares of the Company. The minimum purchase price was set at €1 per share and the maximum price at €10 per share.

In 2023, the following treasury share movements took place:

- Econocom Group SE acquired 13,833,937 Econocom shares, for an acquisition price of €39.1 million;
- Econocom Group SE cancelled 43,884,081 shares in accordance with the decision of the Extraordinary General Meeting of 22 June 2023;
- Econocom Group SE transferred 900,000 treasury shares to the beneficiaries of Free Share Plans and share-based payment agreements.

At 31 December 2023, Econocom Group SE held 6,444,846 treasury shares acquired under its share buyback programme. These treasury shares represented 3.60% of the total number of shares issued.

The voting rights associated with the shares held by the Company have been suspended. The shares held by the Company do not confer a right to dividends or refunds of issue premiums.

Econocom Group SE's distributable reserves (unconsolidated data) stood at €8.0 million, in addition to retained earnings in the amount of €223.9 million.

Econocom Group SE's non-distributable reserves stood at €18.9 million in addition to restricted issue premiums in the amount of €113.8 million.

4. Subsequent events

At the time of completing this report, there were no significant events subsequent to year-end closing.

5. 2024 outlook

In a context expected to be more favourable, notably for the IT equipment distribution markets, in 2024 the Group will continue to implement its One Econocom plan, which looks to accelerate the organic growth of its business lines, to reinforce synergies among the various segments of activity, and to develop its growth drivers in the audiovisual sector (launched under the Gather with Econocom brand). To do so, Econocom plans to significantly increase its sales force in the target regions, and to recruit new talent to strengthen the appeal and distribution of its offers.

With net debt under control and cash flow strengthened in view of the disposals planned during the year, Econocom will also continue its search for external growth targets in 2024, with the aim of acquiring specific expertise.

In 2024, the Group forecasts revenue growth of between 3.0% and 5.0%.

Beyond 2024 and over the period of its strategic plan targeting €4.0 billion in revenue and €130 million in profit in 2028, Econocom wishes to capitalise on:

- expected strong growth in the workstation, audiovisual, infrastructure and network markets;
- an acceleration of the roll-out Econocom's offerings covering end-to-end customer needs in terms of digital assets;
- a clear roadmap with ambitious objectives enabling all internal teams to be on board;
- a self-financed plan with an advanced disposal programme enabling the Group to execute its strategic plan, including the external growth component, without raising additional funds.

Econocom also built its 2024–2028 Strategic Plan around very ambitious goals in terms of non-financial performance, with a particular focus on the repairability and lifespan extension of its customers' digital assets, the reduction of its carbon footprint, and the reinforcement of equal opportunities for all employees. Econocom thus confirmed that it is looking to achieve the Platinum level of the Ecovadis® Sustainability Rating by 2028.

07

financial statements

1. Consolidated financial statements at 31 December 2023

1.1. Consolidated income statement and earnings per share

31 December 2023 and 31 December 2022

in € millions	Notes	2023	2022 restated*
Revenue from continuing operations	4.1	**2,681.2**	**2,590.5**
Cost of goods sold or leased	4.2	(1,947.2)	(1,890.5)
Employee benefits expense	4.3	(449.5)	(432.9)
Expenses related to purchased services	4.5	(128.9)	(122.5)
Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions) and provisions	4.6	(31.9)	(22.7)
Net impairment losses on current and non-current assets	4.7	(1.3)	(4.8)
Taxes (other than income taxes)		(8.2)	(6.0)
Operating financial income	4.8.1	19.0	25.0
Operating financial expenses	4.8.2	(17.0)	(21.9)
Operating margin		**116.2**	**114.2**
Amortisation of intangible assets from acquisitions	4.6	**(2.3)**	**(2.2)**
Other operating income	5	2.1	0.1
Other operating expenses	5	(10.5)	(27.0)
Operating profit		**105.5**	**85.2**
Other financial income	6.1	1.1	0.4
Other financial expenses	6.2	(20.9)	(13.9)
Profit before tax		**85.7**	**71.7**
Income tax	7	(26.1)	(22.3)
Net income (loss) from equity accounted companies		-	-
Profit (loss) from continuing operations		**59.5**	**49.3**
Profit (loss) from discontinued operations	2.2.5	3.1	16.0
Consolidated profit (loss)		**62.6**	**65.3**
Net profit (loss) attributable to non-controlling interests		(0.9)	1.5
Profit for the period attributable to owners of the parent		63.5	63.8

Earnings per share *(in €)*	**Notes**	**2023**	**2022 restated***
Basic earnings per share	8	0.35	0.36
Basic earnings per share from continuing operations		0.34	0.27
Basic earnings per share from discontinued operations	2.2.5	0.02	0.09
Diluted earnings per share	8	0.35	0.34
Diluted earnings per share from continuing operations		0.33	0.26
Diluted earnings per share from discontinued operations	2.2.5	0.02	0.08
Adjusted earnings per share(1)	8	0.38	0.40

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to “Profit (loss) from discontinued operations” in the 2022 income statement.

(1) Adjusted profit (loss) is the key performance indicator used by Econocom to assess its economic and financial performance. It does not include:
- amortisation of intangible assets from acquisitions, net of tax effects;
- other operating income and expenses, net of tax effects;
- other non-recurring financial income and expense, net of tax effects;
- profit (loss) from discontinued operations.

A reconciliation table between consolidated and adjusted profit (loss) is provided in paragraph 2.2 of chapter 6 “Comments on the financial year”.

Consolidated statement of comprehensive income

in € millions	**2023**	**2022 restated***
Consolidated profit (loss)	62.6	65.3
Items that will not be reclassified to profit or loss	**(0.4)**	**8.0**
Revaluation of the liabilities (assets) under defined benefit plans	(0.4)	10.7
Deferred taxes on the revaluation of liabilities (assets) under defined benefit plans	0.1	(2.7)
Items that may be reclassified to profit or loss	**(4.1)**	**10.8**
Change in value of future cash flow hedges	(6.2)	14.2
Deferred taxes from the change in value of future cash flow hedges	1.5	(3.5)
Exchange differences resulting from the conversion of establishment abroad	0.6	0.1
Other items of the comprehensive income statement	**(4.4)**	**18.8**
Total comprehensive income for the period	**58.2**	**84.1**
Attributable to non-controlling interests	(0.7)	1.3
Attributable to owners of the parent	58.8	82.8

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to “Profit (loss) from discontinued operations” in the 2022 income statement.

1.2. Consolidated statement of financial position

Asset

in € millions	Notes	31 Dec. 2023	31 Dec. 2022
Non-current assets			
Intangible assets	10.1	46.1	43.3
Goodwill	9	525.1	554.2
Property, plant and equipment	10.2	32.0	38.0
Rights-of-use assets	10.3	54.0	57.6
Non-current financial assets	10.4	25.6	24.4
Residual interest in leased assets	11.1	118.8	114.7
Other long-term receivables	10.5	19.6	21.4
Deferred tax assets	7.2	24.7	27.7
Total non-current assets		**846.0**	**881.3**
Current assets			
Inventories	12.1	80.1	103.6
Trade and other receivables*	12.2	775.9	878.9
Residual interest in leased assets	11.1	45.5	49.8
Current tax assets		8.3	9.5
Contract assets	12.2	34.5	31.3
Other current assets	12.2	37.8	36.3
Cash and cash equivalents	15.1	226.6	404.8
Assets held for sale	2.2.5	225.0	106.4
Total current assets		**1,433.6**	**1,620.6**
Total assets		**2,279.6**	**2,501.9**

* Of which outstandings on own-book deals: €209.2 million at 31 December 2023 versus €283.7 million at 31 December 2022.

Liabilities

in € millions	Notes	31 Dec. 2023	31 Dec. 2022
Share capital		23.7	23.7
Additional paid-in capital and reserves		326.7	302.6
Profit for the period attributable to owners of the parent		63.4	63.8
Total equity attributable to owners of the parent	16	**413.9**	**390.2**
Non-controlling interests	16.4	60.8	66.6
Total equity		**474.7**	**456.8**
Non-current liabilities			
Bond	15.2	199.5	199.3
Financial liabilities*	15.2	122.7	91.9
Gross liability for repurchases of leased assets	11.2	78.1	78.7
Long-term lease liabilities	10.3	36.6	41.2
Other financial liabilities**	13	22.9	36.3
Provisions	17	14.4	11.2
Provisions for pensions and similar commitments	18	27.3	30.5
Other non-current liabilities		6.4	13.1
Deferred tax liabilities	7.2	19.3	12.8
Total non-current liabilities		**527.1**	**515.0**
Current liabilities			
Bond	15.2	2.1	160.8
Financial liabilities*	15.2	83.5	96.3
Gross liability for repurchases of leased assets	11.2	29.0	24.1
Short-term lease liabilities	10.3	19.1	18.6
Other financial liabilities**	13	23.8	24.9
Provisions	17	11.3	17.4
Current tax liabilities		12.7	10.7
Trade and other payables	12.3	826.6	932.1
Contract liabilities	12.4	57.5	63.7
Other current liabilities	12.4	133.1	124.8
Liabilities held for sale	2.2.5	79.1	56.5
Total current liabilities		**1,277.8**	**1,530.1**
Total equity and liabilities		**2,279.6**	**2,501.9**

* Taking into account the cash and cash equivalents of €226.6 million at 31 December 2023 (and €404.8 million at 31 December 2022) and bonds and financial liabilities, the balance sheet shows a net financial debt of €181.2 million at 31 December 2023 (compared to €143.5 million at 31 December 2022); these financial liabilities should notably be compared with the €209.2 million at 31 December 2023 (and €283.7 million at 31 December 2022) in future cash receipts expected from the own-book deals of the TMF activity.

** Relating to contingent acquisition-related liabilities.

1.3. Consolidated statement of changes in shareholders' equity

in € millions	Number of shares	Share capital	Additional paid-in capital	Treasury shares
Balance at 31 December 2021	**222,281,980**	**23.7**	**194.8**	**(106.0)**
Impact of changes in accounting standards or policies*				
Balance at 1 January 2022	**222,281,980**	**23.7**	**194.8**	**(106.0)**
Profit (loss) for the year				
Other comprehensive income (expense) items for the year,				
Total comprehensive income for 2022		-	-	-
Share-based payments				
Refund of issue premiums/Compensation of shareholders			(25.3)	
Capital increase	648,000	0.1	1.7	
Treasury share transactions, net				(25.4)
Put and call options on non-controlling interests – Change in fair value				
Put and call options on non-controlling interests – Initial recognition				
Other transactions and transactions with an impact on non-controlling interests (see note 16)				
Balance at 31 December 2022	**222,929,980**	**23.7**	**171.2**	**(131.4)**

in € millions	Number of shares	Share capital	Additional paid-in capital	Treasury shares
Balance at 31 December 2022	**222,929,980**	**23.7**	**171.2**	**(131.4)**
Impact of changes in accounting standards or policies and other impacts*				
Balance at 1 January 2023	**222,929,980**	**23.7**	**171.2**	**(131.4)**
Profit (loss) for the year				
Other comprehensive income (expense), items net of tax				
Total comprehensive income for 2023				
Share-based payments				
Refund of issue premiums/Compensation of shareholders			(28.5)	
Capital increase				
Treasury share transactions, net	(43,884,081)			114.8
Put and call options on non-controlling interests – Change in fair value				
Put and call options on non-controlling interests – Initial recognition				
Other transactions and transactions with an impact on non-controlling interests (see note 16)				
Balance at 31 December 2023	**179,045,899**	**23.7**	**142.7**	**(16.6)**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the recognition of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1 and 1.3.2).

Other reserves	Other comprehensive income (expense)	Shareholders' equity - parent company shareholders' share	Shareholders' equity - non-controlling interests' share	Total equity
273.9	**(5.9)**	**380.5**	**58.3**	**438.8**
(10.4)		(10.4)		(10.4)
263.5	**(5.9)**	**370.1**	**58.3**	**428.4**
63.8		63.8	1.5	65.3
	19.0	19.0	(0.1)	18.8
63.8	19.0	82.8	1.3	84.1
1.2		1.2		1.2
		(25.3)	(6.3)	(31.6)
		1.8		1.8
		(25.4)		(25.4)
17.9		17.9	(19.3)	(1.4)
(32.8)		(32.8)	32.8	-
(0.1)		(0.1)	(0.2)	(0.3)
313.6	**13.1**	**390.2**	**66.6**	**456.8**

Other reserves	Other comprehensive income (expense)	Shareholders' equity - parent company shareholders' share	Shareholders' equity - non-controlling interests' share	Total equity
313.6	**13.1**	**390.2**	**66.6**	**456.8**
-		-		-
313.6	**13.1**	**390.2**	**66.6**	**456.8**
63.5		63.5	(0.9)	62.6
	(4.6)	(4.6)	0.2	(4.4)
63.5	(4.6)	58.8	(0.7)	58.2
1.6		1.6		1.6
		(28.5)	-	(28.5)
		-	-	-
(133.3)		(18.5)	-	(18.5)
13.5		13.5	(6.9)	6.6
		-	-	-
(3.1)		(3.1)	1.7	(1.4)
255.6	**8.4**	**413.9**	**60.8**	**474.7**

1.4. Consolidated statement of cash flows

in € millions	Notes	2023	2022 restated*
Profit (loss) from continuing operations		59.5	49.3
Elimination of the result of equity accounted companies		-	-
Provisions, depreciation, amortisation and impairment	19.1.1	35.1	32.3
Elimination of the change of residual interests in leased assets	19.1.1	(4.2)	7.2
Other non-cash expenses (income)	19.1.1	(0.8)	7.9
Cash flows from operating activities after cost of net financial debt and income tax		**89.7**	**96.7**
Income tax expense	7	26.1	22.3
Cost of net financial debt	19.1.2	19.0	8.1
Cash flows from operating activities before cost of net financial debt and income tax (a)		**134.8**	**127.1**
Change in working capital requirement (b), of which:	19.1.3	(69.6)	25.1
Net investments in own-book TMF deals		(13.4)	(5.5)
Other changes in working capital requirement		(56.2)	30.6
Tax paid before imputation of tax credits (c)		(13.8)	(25.6)
Net cash flows from (used in) operating activities (a + b + c = d)	19.1	**51.3**	**126.7**
Acquisition of tangible and intangible assets		(23.0)	(18.1)
Disposal of tangible and intangible assets		0.2	0.3
Acquisition of non-current financial assets		(1.2)	(12.3)
Disposal of non-current financial assets		0.7	4.2
Acquisition/disposal of companies and businesses, net of cash acquired/disposed		(8.0)	(59.0)
Net cash from (used in) investing activities (e)	19.2	**(31.3)**	**(85.0)**

* In accordance with IFRS 5, the restatement of the 2022 figures reflects the reclassification of operations considered discontinued in 2023 to “Net change in cash and cash equivalents from discontinued operations”.

in € millions	Notes	2023	2022 restated*
Redemption and buybacks of OCEANE convertible bonds		(151.1)	(33.8)
Schuldschein 2016 repayment		(8.0)	-
Capital increase of parent company		-	1.8
Purchases of treasury shares (net of sales)		(18.5)	(29.6)
Shareholder remuneration		(28.3)	(24.9)
Subsidiary non-controlling shareholder remuneration		-	(6.3)
Change in lease refinancing liabilities		(17.5)	(21.7)
Increase in financial liabilities		314.9	249.4
Decrease in financial liabilities		(217.9)	(158.0)
Change in factoring and reverse factoring liabilities		1.0	(2.8)
Net change in commercial paper		(12.5)	11.0
Main components of payments coming from leases		(21.6)	(22.6)
Interest paid		(21.5)	(10.1)
Net cash from (used in) financing activities (f)	19.3	**(180.9)**	**(47.6)**
Impact of exchange rates on cash and cash equivalents (g)		1.0	2.2
Net change in cash and cash equivalents from discontinued operations (h)	2.2.5	(17.0)	0.2
Change in net cash and cash equivalents (d + e + f + g + h)		**(176.9)**	**(3.4)**
Net cash and cash equivalents at beginning of period[(1)]	15.1 / 19	**402.4**	**405.9**
Change in net cash and cash equivalents		**(176.9)**	**(3.4)**
Net cash and cash equivalents at end of period[(1)]	15.1 / 19	**225.5**	**402.4**

* In accordance with IFRS 5, the restatement of the 2022 figures reflects the reclassification of operations considered discontinued in 2023 to “Net change in cash and cash equivalents from discontinued operations”.

(1) Net of bank overdrafts: €1.0 million at 31 December 2023 and €2.4 million at 31 December 2022.

Key movements in the consolidated statement of cash flows are explained in note 19.

1.5. Notes to the consolidated financial statements

1. Principles of preparation of the financial statements

1.1. Information on the financial statements

The consolidated financial statements of Econocom Group ("the Group") for the year ended 31 December 2023 include:

- the financial statements of Econocom Group SE;
- the financial statements of its subsidiaries;
- the share of the net assets and profit (loss) of associates and joint ventures.

Econocom is an independent group that designs, finances and oversees companies digital transformation.

Econocom Group SE, the Group's parent company, is a European Company whose registered office is located at ,Place du Champ de Mars, 5, 1050 Brussels, Belgium.

The Company is registered at the Brussels companies registry under number 0422 646 816 and is listed on Euronext in Brussels.

All amounts in the Consolidated financial statements are presented in € millions. The fact that figures have been rounded off to the nearest decimal point may, in certain cases, result in minor discrepancies in the totals and sub-totals in the tables and/or in the calculation of percentage changes..

The Board of Directors meeting of 14 February 2024 adopted and authorised the publication of the consolidated financial statements for the year ended 31 December 2023. These financial statements will be submitted for approval at the General Meeting of 2 April 2024..

1.2. Accounting standards

As required by European Commission Regulation no. 1606/2002 dated 19 July 2002, Econocom's consolidated financial statements for the 2023 financial year have been prepared and presented in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The accounting principles applied at 31 December 2023 are the same as those used for the year ended 31 December 2022, except for new standards and interpretations applicable as of 1 January 2023 (see 1.2.1) and corrections for comparability purposes (see 1.3.2).

These financial statements do not take into account any draft standards or interpretations which, at the end of the reporting date, were being developed as exposure drafts by the IASB or the IFRIC (International Financial Reporting Interpretations Committee).

All the standards adopted by the European Union are available on the European Commission website at the following address:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr#overview

1.2.1. STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION AND APPLICABLE AT 1 JANUARY 2023

The standards, amendments to standards and interpretations, published by the IASB and presented below are mandatory since 1 January 2023:

The following standards did not have a material impact on the Group's financial statements:

- amendment to IAS 1, clarification of the information to be provided on so-called "significant" accounting policies;
- amendment to IAS 1, presentation of financial statements: classification of a current or non-current liability;
- amendment to IAS 8, distinction between a change in accounting policy and a change in accounting estimate by defining the notion of accounting estimate;
- amendments to IAS 12 in relation to "Income taxes related to assets and liabilities arising from a single transaction";
- amendment to IAS 12 in relation to "International Tax Reform - Model of Pillar 2 rules": the amendment considers the additional "Pillar 2" tax as an income tax, it introduces a mandatory temporary exception to the deferred taxes that would result from these provisions. It requires information in the notes on the entity's exposure to the new tax consequences. It is applicable retrospectively. Pending the entry into force of the Pillar 2 rules, an analysis of their impacts is under way. At this stage, the Econocom Group has not identified any significant exposure in terms of additional tax.
- IFRS 17 in relation to "Insurance Contracts", mandatory from 1 January 2023, aims to harmonise the measurement of insurance contracts between countries and to make their accounting presentation more transparent. This standard has no impact on Econocom Group's consolidated financial statements.

1.2.2. STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION

Pending their definitive adoption by the European Union, the Group has not anticipated the application of the following standards and interpretations:

- amendment to IAS 1, presentation of financial statements: "classification of liabilities as current or non-current" along with early application clauses, mandatory from 1 January 2024; This amendment would have no impact on the presentation of the Group's consolidated financial statements;
- amendment to IAS 7 and IFRS 7, "supplier financing arrangements" (*e.g.* reverse factoring), mandatory from 1 January 2024;
- amendment to IFRS 10 and IAS 28 "sale or contribution of assets between an Investor and its associate or a joint venture", mandatory from 1 January 2024;
- amendment to IFRS 16 - "Lease liabilities in a sale-leaseback transaction", mandatory from 1 January 2024.

The Group is currently in the process of assessing any impacts of the first application of these texts.

1.3. Basis for preparation and presentation of the consolidated financial statements

1.3.1. BASIS FOR REPORTING OF FINANCIAL STATEMENTS

These accounting policies set out below have been consistently applied to all the years presented in the financial statements.

The financial statements were prepared on a historical cost basis, with the exception of:

- certain financial assets and liabilities which are measured at fair value;
- non-current assets held for sale, which are recognised and measured at the lower of net book value and fair value less costs to sell as soon as their sale is deemed highly probable. They are no longer amortised once they are classified as assets (or a group of assets) held for sale.

1.3.2. CHANGES IN PRESENTATION AND ACCOUNTING POLICIES AND ADJUSTMENTS FOR COMPARABILITY PURPOSES

The consolidated statement of financial position and the consolidated income statement for the 2022 financial year have been amended as follows:

- presentation of the consolidated income statement: for the sake of better information for readers of the financial statements in accordance with IAS 1 and as announced in the 2022 annual report, the phrase “Operating margin” is now used instead of “Recurring operating profit”.

As provided in IAS 8, these changes in presentation, policies, and corrections are retrospective on the 2023 financial year as a whole, as well as on the comparative years..

1.3.3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of Econocom Group’s consolidated financial statements requires the use of estimates and assumptions by Group Management which may affect the book value in future years of certain items in assets and liabilities, income and expenses, and the information disclosed in the notes to the consolidated financial statements.

Estimates and assumptions are made on the basis of past experience and other elements considered realistic or reasonable and are a basis for the exercise of judgement in determining the book value of assets and liabilities. The Group uses discount rate assumptions (based on market data) to estimate assets and liabilities.

Group Management regularly reviews its estimates and assumptions in order to ensure that they accurately reflect both past experience and the current economic situation.

The impact of changes in accounting estimates is recognised in the period in which the change occurred.

Use of estimates

The main estimates and assumptions used by the Group are set out in the relevant sections in the notes to the financial statements and cover:

- provisions for risks and other provisions related to the activity;
- employee benefit obligations and share-based payments;
- Group’s residual interests in leased assets;
- deferred tax assets and liabilities as well as the current tax expense.

For these estimates, the Group applies the following accounting policies:

- provisions: provisions are recognised to cover probable outflows of resources to a third party with no equivalent consideration for the Group. They include provisions for litigation of any nature which are estimated on the basis of the most probable, conservative settlement assumptions. To determine these assumptions, Group Management relies, where necessary, on assessments made by external consultants (note 17);
- valuation of granted stock options and free shares: the actuarial formulae used are sensitive to assumptions concerning employee turnover, changes in and volatility of the share price of Econocom Group SE, as well as the probability of Management achieving its objectives (see note 16.3.1);
- assessments of the probability of recovering the tax loss carryforwards and tax credits of the Group's subsidiaries (see note 7 on tax loss carryforwards);
- valuation of the Group's residual interest in leased assets: this valuation is performed using the method described in note 11.1 and reviewed each year.

  Although the Group considers its estimates to be reasonable, the final amounts may differ from these estimates.

Use of judgement

The Group is required to exercise critical judgement to determine:

- the qualification of dealer-lessor in sale & leaseback contracts;
- the distinction between "agent" and "principal" for revenue recognition;
- the derecognition of financial assets and liabilities;
- identification of an asset or group of assets as held for sale, and discontinued operations.

The Group reviews the valuation and useful lives of operating assets, property, plant and equipment, intangible assets and goodwill annually and whenever there is an indication of impairment during the financial year (note 9.3).

Climate risk

Due to its activities and locations, the Group believes that it is not subject to the physical impacts of climate change. The Group operates mainly in Western Europe, in countries with little exposure to extreme weather events that could harm its activities or assets.

Econocom is nevertheless concerned by the expected changes in digital uses and by the change in the behaviours of its customers regarding their digital equipment. These changes should gradually result in an extension of the useful life of assets and a greater proportion of reconditioned equipment than new equipment. These changes are perceived by the Group as business opportunities rather than risks. As a result, distribution activities included refurbishment services. In particular, the TMF business has for a long time leased second-hand equipment and the group strengthened its positioning in this sector by acquiring, in 2022, the French company SOFI Groupe, an industrial player in the reconditioning of smartphones and IT equipment.

The Group is also exposed to the challenges of its sector in terms of energy transition and those of its suppliers in the supply of digital assets.

The Group did not identify any indication of impairment on its non-current assets and the impact related to climate issues was not significant in the financial statements at 31 December 2023..

2. Principles and scope of consolidation

2.1. Accounting principles related to the scope of consolidation

2.1.1. BASIS OF CONSOLIDATION

Basis of consolidation for subsidiaries

These consolidated financial statements include the financial statements of Econocom Group SE and all the subsidiaries it controls.

According to IFRS 10, an investor controls an investee if and only if the investor has all of the following:

- power over the investee, *i.e.* the ability to direct the activities that significantly affect the investee's returns;
- exposure to the investee's variable returns, which may be positive, in the form of a dividend or any other economic or negative benefit;
- the ability to use its power over the investee to affect the amount of the investor's returns.

The Group recognises subsidiaries it controls under the full consolidation method: the assets, liabilities, income and expenses of subsidiaries are fully consolidated in the consolidated financial statements and the share of equity and profit (loss) attributable to non-controlling interests is presented separately under non-controlling interests in the consolidated balance sheet and income statement.

All intragroup assets, liabilities, equity, income, expenses and cash flows arising from transactions between entities within the Group are fully eliminated on consolidation.

Basis of consolidation for investments in associates and joint ventures

The Group recognises its investments in associates and joint ventures under the equity method: an investment in an associate is initially recognised at its acquisition cost in the consolidated statement of financial position and is subsequently adjusted to recognise the Group's share of the associate's profit (loss) and other comprehensive income (expense). If the Group's share in an associate's losses is greater than its investment in that associate, the Group ceases to recognise its share in future losses. Additional losses are only recognised if the Group is under a legal or constructive obligation to do so or if it has made payments on behalf of the associate.

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2.1.2. BUSINESS COMBINATIONS AND GOODWILL

Accounting policies

Acquisitions of businesses are recognised in accordance with IFRS 3. The cost of a business combination (or "consideration transferred") is calculated as the aggregate of the acquisition-date fair values of:

- the assets transferred by the Group;
- the liabilities acquired by the Group from the former owners of the acquiree;

- the equity interests issued by the Group in exchange for control of the acquiree;

to which may be added, at the Group's choice, the valuation of non-controlling interests at fair value or at the share of net assets attributable to non-controlling interests.

Acquisition-related expenses are expensed as incurred.

Measuring goodwill

The difference between the consideration transferred and the acquirer's share in the fair value of the identifiable assets and liabilities and contingent liabilities at the acquisition date is recognised in goodwill on a separate line in the financial statements. These items may be adjusted during the 12 months following the acquisition date. Any contingent consideration due is recognised at its acquisition-date fair value and included in the cost of the business combination. Subsequent changes in the fair value of contingent consideration are recognised in profit or loss.

Acquisitions carried out on favourable terms

If after remeasurement, the net balance of the amounts, at the acquisition date, of the identifiable assets acquired and the liabilities assumed exceeds the aggregate of the cost of business combination, of the amount of non-controlling (minority) interests in the acquired company and of the fair value of the interest previously held by the acquirer in the acquiree (if any), the excess amount is recognised directly in profit or loss as a bargain purchase.

Measuring non-controlling (minority) interests

Non-controlling interests entitle the holders to a proportionate share of the entity's net assets in the event of liquidation. Consequently, for each business combination, non-controlling interests can be initially measured:

- either at fair value, resulting in the recognition of additional goodwill (the "full goodwill" method);
- or at the non-controlling interest's share in the recognised amounts of the acquiree's net identifiable assets (the "partial goodwill" method).

Changes in ownership interest

The recognition of subsequent changes in ownership interest (through acquisitions of additional interests or disposals) depends on the definition of the impact on the control of the entity in question.

If control is not affected by the change in ownership interest, the transaction is regarded as between shareholders. The difference between the purchase (or sale) value and the book value of the interest acquired (or sold) is recognised in equity.

If control is affected (as is the case, for example, for business combinations achieved in stages), the interest held by the Group in the acquiree before the business combination is remeasured at fair value through profit or loss.

Impairment of goodwill

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses, determined in accordance with the method described in note 9.3.

Goodwill impairment losses are recorded under "Other operating expenses" in the income statement included in the Group's operating profit.

2.1.3. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

2.1.3.1. Functional currency and presentation currency

The items in the financial statements of each Group entity are measured using the currency of the primary economic environment (or "functional currency") in which the entity operates.

The consolidated financial statements presented in this report were prepared in euros, which is the Group's presentation currency.

2.1.3.2. Recognition of foreign currency transactions

For the purpose of preparing the financial statements of each entity, foreign currency transactions of subsidiaries (*i.e.* currencies other than the entity's functional currency) are recorded using the exchange rates prevailing at the transaction date.

Monetary items denominated in foreign currencies are translated at the end of each reporting period at the year-end rate. Foreign exchange gains and losses resulting from this translation at year-end exchange rates, or arising on the settlement of these monetary items, are recognised in the income statement for the period in which they occur.

Non-monetary items denominated in foreign currencies and recognised at fair value are translated using the exchange rate prevailing at the date the fair value was determined. Non-monetary items denominated in foreign currencies and measured at historical cost are not remeasured.

When a gain or loss on a non-monetary item is recognised directly in equity, the "currency" component of this gain or loss is also recognised in equity. Otherwise, this component is recognised in profit or loss for the period.

2.1.3.3. Translation of the financial statements of foreign entities

The results and financial positions of the Group's entities with functional currencies other than the presentation currency are translated into euros as follows:

- balance sheet items other than equity are translated at the year-end exchange rate;
- income statement and statement of cash flow items are translated at the average exchange rate for the year;
- all resulting exchange differences are recognised under "Foreign exchange gains and losses" within other comprehensive income (expense).

The main exchange rates for the currencies of non-euro zone countries used to prepare the consolidated financial statements are as follows (one euro = xx foreign currency):

Closing exchange rate	2023	2022
Canadian dollar	1.4622	1.4480
Pound sterling	0.8668	0.8844
Moroccan dirham	10.8890	11.1659
Polish zloty	4.3337	4.6883
American dollar	1.1036	1.0702

Average exchange rate	2023	2022
Canadian dollar	1.4572	1.3771
Pound sterling	0.8690	0.8535
Moroccan dirham	10.9710	10.7017
Polish zloty	4.5336	4.6793
American dollar	1.0808	1.0593

2.1.4. LIABILITIES UNDER PUT AND CALL OPTIONS

The Group may grant put options to non-controlling shareholders of some of its subsidiaries. The exercise price of these options is generally measured based on future performance and profitability. These options may be exercised at any time or on a specific date.

The Group initially recognises an "Other financial liability" corresponding to the exercise price of put options granted to non-controlling shareholders of the entities concerned. The offsetting entry for this liability is deducted from equity.

The difference between the Group's liability under put options and the book value of the non-controlling interests is recognised as a deduction from equity attributable to owners of the parent. Put options are remeasured each year; any subsequent changes in the option relating to changes in estimates or to the unwinding of the discount on the option are also recognised in equity. Changes in the liability under put options on non-controlling interests are accounted for in line with the treatment applied upon the acquisition of non-controlling interests (see 2.1.2).

If the option expires without being exercised, the book value of the financial liability is reclassified to equity..

2.1.5. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 – Non-current assets held for sale and discontinued operations requires a specific accounting treatment and presentation of assets (or group of assets) held for sale and discontinued operations (corresponding to operations that have been disposed of or classified as held for sale).

A non-current asset or group of directly related assets and liabilities, is classified as "held for sale" if its book value will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or asset group) must be available for immediate sale in its present condition and its sale must be highly probable. Management must be committed to the sale and the sale should be expected to qualify for recognition as a completed sale within one year of the date of classification.

These assets (or disposal group) are measured at the lower of their book value and estimated sale price less costs to sell. These assets cease to be amortised from the moment they qualify as "assets (or group of assets) held for sale". They are presented on a separate line on the Group statement of financial position, without restatement of previous periods.

An operation discontinued, sold, or held for sale is defined as a component of an entity with cash flows that can be clearly distinguished from the rest of the entity and which represents a major, separate line of business or area of operations. For all published periods, income and expense relating to discontinued operations are presented separately in the income statement under "Profit (loss) from discontinued operations" and are restated in the statement of cash flows.

Profit (loss) from discontinued operations

A discontinued operation is a component which the Group has either disposed of or has classified as held for sale, and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single, coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Profit (loss) from discontinued operations includes:

- the post-tax profit or loss of discontinued operations generated up until the disposal date, or until the end of the reporting period if the business was not disposed of by the year-end;
- the post-tax gain or loss recognised on the disposal of continuing operations that have been disposed of by the year-end.

2.2. Changes in the scope of consolidation

The Econocom Group's scope of consolidation is presented in note 2.3 "Main consolidated companies".

2.2.1. ACQUISITIONS OF THE YEAR

Reliance Financial Services Group BV

On 28 March 2023, Econocom Nederland BV took exclusive control of Reliance Financial Services Group BV by purchasing 100% of the equity securities. The company has been fully consolidated from the 2023 financial year within the TMF business.

2.2.2. CHANGES IN OWNERSHIP INTEREST

Trams

The Group has exercised all the call options regarding non-controlling interests; Trams has been 90% owned since July 2023.

2.2.3. CREATION OF COMPANIES

No company was created in 2023.

2.2.4. DISPOSALS/LIQUIDATIONS FOR THE FINANCIAL YEAR

Aciernet France and USA

On 1 March 2023, the Group sold its entire stake in Aciernet France, which held 100% of the shares of Aciernet USA, resulting in a capital gain impacting the "Profit (loss) from discontinued operations" line in the income statement.

Alcion Group

This company was liquidated by decision of the Extraordinary General Meeting of 17 February 2023 and therefore left the scope of consolidation on 1 April 2023 with no significant impact on the consolidated financial statements.

NMR Consultancy

This company, which had ceased its activities, was liquidated on 25 April 2023 and therefore left the scope of consolidation on 1 May 2023 with no significant impact on the consolidated financial statements.

The Group analysed the risks associated with the entities sold in 2023 and, to date, has not identified any information to be disclosed.

2.2.5. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

Over the 2023 financial year, pursuant to the deliberations of the Board of Directors, 5 companies were added to the list of non-strategic activities and entities intended to be discontinued or sold. Consequently, the 2022 income and cash flow statements have been restated in order to ensure comparability between periods.

Impacts on the income and cash flow statements

Net income from discontinued operations is presented on a separate line of the income statement, under “Profit (loss) from discontinued operations”. This profit (loss) was as follows for the 2023 and 2022 financial years:

in € millions	2023	2022 restated*
Revenue from operating activities	118.1	272.2
Operating expenses**	(112.6)	(244.7)
Operating margin	**5.5**	**27.6**
Other operating income and expenses	3.1	(8.5)
Operating profit	**8.6**	**19.0**
Other financial income and expenses	(3.0)	(1.1)
Profit before tax	**5.6**	**17.9**
Income tax	(2.5)	(2.0)
Profit (loss) from discontinued operations	**3.1**	**16.0**

* In accordance with IFRS 5, 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to “Profit (loss) from discontinued operations” in the 2022 income statement.

** In accordance with IFRS 5, fixed assets were not amortised, amortisations which would have represented €4.5 million in 2023, versus €5.3 million in 2022.

Cash flows from discontinued operations are also presented on a separate line of the statement of cash flows. The 2023 and 2022 cash flow statement relating to these entities breaks down as follows:

in € millions	**2023**	**2022 restated***
Net cash flows from (used in) operating activities	21.7	(19.7)
Net cash flows from (used in) investing activities	(0.5)	(1.7)
Net cash flows from (used in) financing activities	(17.7)	18.6
Impact of change in exchange rate and changes in method	(20.5)	3.0
Net cash flows from (used in) discontinued operations	**(17.0)**	**0.2**

* In accordance with IFRS 5, the restatement of the 2022 figures reflects the reclassification of operations considered discontinued in 2023 to "Net change in cash and cash equivalents from discontinued operations".

Assets and liabilities held for sale

The assets and liabilities of these activities are presented on separate lines of the statement of financial position. At 31 December 2023 and 31 December 2022, the application of IFRS 5 impacted the consolidated statement of financial position as follows:

in € millions	**31 Dec. 2023**	**31 Dec. 2022**
Goodwill	41.9	10.7
Non-current assets	41.1	18.0
Current assets	120.2	76.0
Cash and cash equivalents	21.8	1.7
Assets held for sale	**225.0**	**106.4**
Non-current liabilities	41.5	3.0
Current liabilities	37.6	53.5
Liabilities held for sale	**79.1**	**56.5**

2.3. List of consolidated companies

The Group's main fully consolidated subsidiaries are as follows:

Country	Name	Cities/Registration number	2023		2022	
			% interest	% control	% interest	% control
Holdings						
Belgium	Econocom Finance SNC	Brussels / 0830.430.556	100.00%	100.00%	100.00%	100.00%
Spain	Grupo Econocom España	Madrid	100.00%	100.00%	100.00%	100.00%
France	Econocom SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Econocom Systèmes SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
Products & Solutions						
Germany	Econocom Service GmbH	Frankfurt	100.00%	100.00%	100.00%	100.00%
Germany	Energy Net	Frankfurt	100.00%	100.00%	100.00%	100.00%
Brazil	Gigigo do Brasil de technologia	Sao-Paulo	100.00%	100.00%	100.00%	100.00%
Belgium	Econocom Products & Solutions Belux SA/NV	Brussels / 0426.851.567	100.00%	100.00%	100.00%	100.00%
Canada	Exaprobe Canada inc.	Montreal	80.00%	100.00%	80.00%	100.00%
Spain	Econocom Products & Solutions SL	Madrid	100.00%	100.00%	100.00%	100.00%
Spain	Servicios microinformatica S.A.U. (Semic)	Lleida	51.00%	51.00%	51.00%	51.00%
Spain	Essentiam services SL	Lleida	51.00%	100.00%	51.00%	100.00%
US	Aciernet USA inc.	Newark	-	-	80.00%	100.00%
France	Econocom Products & Solutions SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Exaprobe SAS	Le Plessis-Robinson	80.00%	80.00%	80.00%	80.00%
France	Aciernet France	Le Plessis-Robinson	-	-	80.00%	80.00%
Italy	BDF	Milan	100.00%	100.00%	100.00%	100/00%
Italy	Asystel Italia	Milan	100.00%	100.00%	100.00%	100.00%
Italy	Bizmatica	Milan	100.00%	100.00%	100.00%	100.00%
Switzerland / Poland	Filiales Asytel (formerly Bizmatica)	Milan	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom PSF SA	Luxembourg	100.00%	100.00%	100.00%	100.00%
Mexico	Gigigo Mexico Srl de CV	Mexico	100.00%	100.00%	100.00%	100.00%
The Netherlands, Belgium	BIS Group	Ridderkerk	100.00%	100.00%	100.00%	100.00%
The Netherlands	Lydis BV	Almere	60.00%	60.00%	60.00%	60.00%
United Kingdom	Trams	London	90.00%	90.00%	60.00%	60.00%
Singapore	Exaprobe Singapore Pte. ltd.	Singapore	80.00%	100.00%	80.00%	100.00%

Country	Name	Cities/Registration number	2023		2022	
			% interest	% control	% interest	% control
Services						
Belgium	Econocom Digitalent SA/NV	Brussels / 0671.649.180	100.00%	100.00%	100.00%	100.00%
Belgium	Econocom Managed Services SA/NV	Brussels / 0432.093.428	100.00%	100.00%	100.00%	100.00%
Belgium	A2Z Solutions SA/NV	Brussels / 0448.487.220	100.00%	100.00%	100.00%	100.00%
Spain	Com 2002 SL Nexica	Barcelona	100.00%	100.00%	100.00%	100.00%
Spain	Econocom Servicios	Madrid	100.00%	100.00%	100.00%	100.00%
France	Alcion[(2)]	Le Plessis-Robinson	-	-	99.48%	99.48%
France	Econocom Solutions SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	ESR SAS	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
France	Helis Group	Paris	63.02%	63.02%	63.02%	63.02%
France	Econocom Apps. Cloud & Data	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
France	Econocom Workplace Infra Innovation	Le Plessis-Robinson	100.00%	100.00%	100.00%	100.00%
France, Germany, Romania, USA/Italy/ Spain	SynerTrade Group	Puteaux	100.00%	100.00%	100.00%	100.00%
Morocco	Econocom Maroc SARL	Rabat	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Managed Services BV	Utrecht	100.00%	100.00%	100.00%	100.00%
Technology Management & Financing						
Germany	Econocom Deutschland GmbH	Frankfurt	100.00%	100.00%	100.00%	100.00%
Germany	Econocom Deutschland Holding GmbH	Frankfurt	100.00%	100.00%	100.00%	100.00%
Belgium	Atlance SA/NV	Brussels / 0476.489.635	100.00%	100.00%	100.00%	100.00%
Belgium	Econocom Lease SA/NV	Brussels / 0431.321.782	100.00%	100.00%	100.00%	100.00%
Canada	Econocom Canada Inc.	Montreal	100.00%	100.00%	100.00%	100.00%
Spain	Econocom SA (Spain)	Madrid	100.00%	100.00%	100.00%	100.00%
US	Econocom Corporation	Wilmington New Castle Country	100.00%	100.00%	100.00%	100.00%
France	Abeilles Financement[(1)]	Paris	0.00%	0.00%	0.00%	0.00%
France	Caroline 89[(1)]	Paris	0.00%	0.00%	0.00%	0.00%
France	Atlance SAS	Puteaux	100.00%	100.00%	100.00%	100.00%

Country	Name	Cities/Registration number	2023		2022	
			% interest	% control	% interest	% control
France	Atos Finance Solutions	Puteaux	85.00%	85.00%	85.00%	85.00%
France	Econocom France SAS	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Lease Explorer	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Lease Flow	Puteaux	100.00%	100.00%	100.00%	100.00%
France	Les Abeilles	Le Havre	100.00%	100.00%	100.00%	100.00%
France	Econocom Factory	St Mathieu de Tréviers	90.00%	90.00%	90.00%	90.00%
Ireland	Econocom Digital Finance Limited	Dublin	100.00%	100.00%	100.00%	100.00%
Italy	Econocom International Italia SpA	Milan	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom Luxembourg SA	Luxembourg	100.00%	100.00%	100.00%	100.00%
Luxembourg	Econocom Ré SA Luxembourg	Luxembourg	100.00%	100.00%	100.00%	100.00%
Morocco	Econocom Location Maroc SA	Casablanca	100.00%	100.00%	100.00%	100.00%
Mexico	Econocom Mexico SA de CV	Mexico	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Financial Services International BV	Utrecht	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Nederland BV	Utrecht	100.00%	100.00%	100.00%	100.00%
The Netherlands	Econocom Public BV	Utrecht	100.00%	100.00%	100.00%	100.00%
The Netherlands	Reliance Financial Services Group BV	Utrecht	100.00%	100.00%	-	-
Poland	Econocom Polska SP zoo	Warsaw	100.00%	100.00%	100.00%	100.00%
Czech Republic	Econocom Czech Republic Sro	Prague	100.00%	100.00%	100.00%	100.00%
Romania	Econocom International Romania Srl	Bucharest	100.00%	100.00%	100.00%	100.00%
Switzerland	Econocom Switzerland SA	Lugano	100.00%	100.00%	100.00%	100.00%
United Kingdom	Econocom Ltd	Richmond Upon Thames	100.00%	100.00%	100.00%	100.00%

(1) Entities consolidated as special purpose entities.

(2) In addition to the liquidations detailed in point 2.2.4, Bizmatica merged with Asystel Italia with retroactive effect from 1 January 2022.

2.4. Main impacts of the invasion of Ukraine and the macroeconomic situation

2.4.1. RUSSIAN INVASION OF UKRAINE

Econocom considers that the impacts of the war in Ukraine and the sanctions against Russia and Belarus have not had a significant negative impact on its consolidated financial statements. Econocom does not have a subsidiary in these three countries and its sales and supplies are limited.

As a result, the Group does not expect any particular impact from this war on the valuation of its assets.

The measures taken against Russian or Belarusian nationals do not impact the Group's shareholding structure.

2.4.2. MACROECONOMIC SITUATION

In general, Econocom is attentive to the overall macroeconomic situation and in particular to the impact that increases in prices and interest rates could have on its customers' activities and notably on their investments, even though investments in IT and digital transformation should generally remain unchanged.

2.4.2.1. Effects of inflation

The effects of inflation (and notably the increase in IT equipment prices) impacted the Products and Solutions and TMF businesses. Nevertheless, insofar as the supply cycles are relatively short, the increase in the purchase price of this equipment by Econocom is, for the most, reflected in the selling prices or rents negotiated with its customers so as not to deteriorate significantly the margins of its activities. Conversely, for the TMF business, increases in the price of IT assets means the residual value of the assets can be secured at the end of the lease period.

The Group therefore did not foresee any unfavourable impact in this respect on its future margins.

The effects of the increase in salaries are expected to affect Econocom's Services business, which employs more than 60% of the Group's workforce. Under its multi-year contracts, the Group has indexation clauses that limit the effects of inflation and wage increases on its margins. In this regard the Group's forecasts do not include a significant drop in its margins for this business.

2.4.2.2. Effects of increases in interest rates

Econocom Group is attentive to increases in interest rates on its financing. Nevertheless, the majority of its long-term loans were issued at a fixed rate or at a rate set by an interest rate hedge. This is notably the case for the *Schuldschein* bond issued in the spring of 2022 and which was subject to such hedging. Similarly, in the vast majority of cases, refinanced leases are refinanced at fixed rates; the expected margin of these contracts is therefore not impacted by subsequent changes in interest rates.

Among its activities, TMF is the most sensitive to interest rates for its future contracts either through the refinancing rates that will be applied or through the cost of financing of assets under non-refinanced contracts. Nevertheless, the Group believes that it will be able to pass on most of this rate increase to its customers, as the residual impact on its margins and on the profitability of the TMF business remains limited. The Group's forecasts do not include any significant changes in its TMF margins.

3. Segment information

The segment information presented in accordance with IFRS 8 has been prepared on the basis of internal management data disclosed to the Executive Committee, the Group's primary operating decision-maker with respect to allocating resources and assessing performance.

Segment information in accordance with IFRS 8 presents this segmentation:

Combined strategic operating business segments	Description	Countries
Products & Solutions	Services ranging from the design of solutions to their deployment, including the sale of hardware and software (PCs, tablets, servers, printers, licences, digital objects, etc.) and systems integration.	Belgium, Brazil, Canada, France, Germany, Italy, Luxembourg, Mexico, Poland, Singapore, Spain, Switzerland, the Netherlands and United Kingdom.
Services	Support for transformation towards the new digital world through our expertise (in consulting, infrastructure management, application development and integration of digital solutions).	Belgium, France, Morocco, Spain and the Netherlands.
Technology Management & Financing	Innovative, tailored financing solutions to ensure more effective administrative and financial management of the ICT and digital assets of the businesses.	Belgium, France, Germany, Ireland, Italy, Luxembourg, Poland, Romania, Spain, the Netherlands, United Kingdom and United States.

Each segment has a specific profitability profile and has its own characteristics; segments are managed depending on the type of products and services sold in their economic and geographical environments.

Sales and transfers between segments are carried out on arm's-length terms and are eliminated according to standard consolidation principles.

3.1. Information by operating business segment

3.1.1. REVENUE AND OPERATING MARGIN

The following table presents the contribution of each operating business segment to the Group's results:

in € millions	Products & Solutions	Services	Technology Management & Financing	Total
2023 revenue				
Revenue from external customers	1,206.6	476.1	998.5	2,681.2
Internal operating revenue	224.2	64.4	7.2	295.9
Total – Revenue from operating segments	**1,430.8**	**540.5**	**1,016.2**	**2,987.5**
Operating margin	**43.3**	**25.3**	**47.6**	**116.2**

*in € millions, restated**	Products & Solutions	Services	Technology Management & Financing	Total
2022 revenue				
Revenue from external customers	1,237.6	455.3	897.6	2,590.5
Internal operating revenue	195.5	42.3	5.9	243.7
Total – Revenue from operating segments	**1,433.1**	**497.6**	**903.5**	**2,834.2**
Operating margin	**49.0**	**35.9**	**29.3**	**114.2**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

Internal operating revenue includes:

- sales of goods and services: the Group ensures that these transactions are performed at arm's length and that it does not carry any significant internal margins;
- cross-charging of overheads and personnel costs.

The Group's segment profit is the "Operating margin". This corresponds to operating profit before other operating profit and expenses and amortisation of intangible assets from acquisitions, as detailed in note 4.

3.1.2. WORKING CAPITAL REQUIREMENTS

in € millions	Products & Solutions	Services	Technology Management & Financing	Holdings	Total
WCR at 31 December 2023	(144.1)	(75.2)	190.0	6.4	**(22.9)**
WCR at 31 December 2022	(171.1)	(81.9)	238.9	12.4	**(1.7)**

3.2. Information by region

3.2.1. REVENUE

The contribution of each operating business segment by region of origin to the Group's revenue is detailed below:

in € millions

2023 revenue	Products & Solutions	Services	Technology Management & Financing	Total
Benelux	193.4	88.3	104.9	386.6
of which Belgium	*88.1*	*68.4*	*68.1*	*224.6*
France	586.4	310.3	348.5	1,245.3
Southern Europe	321.4	77.5	280.1	679.1
Northern & Eastern Europe and Americas	105.3	-	264.9	370.2
Total	**1,206.6**	**476.1**	**998.5**	**2,681.2**

*in € millions, restated**

2022 revenue	Products & Solutions	Services	Technology Management & Financing	Total
Benelux	170.2	80.5	98.6	349.2
of which Belgium	*78.8*	*61.2*	*69.5*	*209.4*
France	649.8	303.5	377.5	1,330.8
Southern Europe	262.2	71.4	238.8	572.3
Northern & Eastern Europe	155.4	-	182.8	338.1
Total	**1,237.6**	**455.3**	**897.6**	**2,590.5**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

3.2.2. NON-CURRENT ASSETS

in € millions

2023	Intangible assets	Goodwill	Property, plant and equipment	Rights-of-use assets
Benelux	4.0	75.4	6.9	10.2
of which Belgium	*3.6*	*53.0*	*3.8*	*4.6*
France	39.7	254.4	11.6	31.3
Southern Europe	2.4	161.3	13.1	11.0
Northern & Eastern Europe	0.0	34.0	0.3	1.6
Total	**46.1**	**525.1**	**32.0**	**54.0**

in € millions

2022	Intangible assets	Goodwill	Property, plant and equipment	Rights-of-use assets
Benelux	0.9	73.5	7.1	10.7
of which Belgium	*0.5*	*52.9*	*4.0*	*4.8*
France	38.8	285.6	17.9	35.0
Southern Europe	3.6	161.3	12.6	9.6
Northern & Eastern Europe	0.0	33.8	0.4	2.3
Total	**43.3**	**554.2**	**38.0**	**57.6**

Goodwill is allocated to the region where the acquired company or the parent company of the acquired subgroup was located.

4. Operating margin

The operating margin, representing operating profit from continuing operations restated for other non-recurring income and expenses, is an analytical line item intended to facilitate the understanding of the Company's operating performance.

4.1. Income from contracts with customers

Revenue from contracts with customers by business line breaks down as follows:

in € millions	2023	2022 restated*
Products & Solutions	1,206.6	1,237.6
Services	476.1	455.3
Technology Management & Financing	998.5	897.6
Total revenue from continuing operations	**2,681.2**	**2,590.5**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

4.1.1. REVENUE RECOGNITION: ACCOUNTING PRINCIPLES

Revenue recognition

The revenue recognition method varies depending on the nature of the performance obligations of the contract binding Group entities and their respective customers. Performance obligations are the goods or services promised in the contract.

The performance obligation is the unit of account for revenue recognition: the price of the contract is allocated to each individual performance obligation, and a pattern of revenue recognition is determined for each such obligation.

Econocom recognises revenue when it has satisfied (or as it satisfies) a performance obligation by providing the customer with the promised good or service.

A performance obligation is satisfied when control of the good or service is transferred to the customer. This transfer may take place at a point in time or over time. Revenue from continuing operations is recognised:

- over time when one of the following conditions is fulfilled:
  - the customer receives the benefits of the service as the entity performs such services;
  - the customer obtains control of the asset as the asset is created;
  - the final asset has no alternative use for the entity and the entity has an enforceable right to payment for performance completed to date;
- in full at a point in time, namely at completion, in all other cases.

Application to the Group's various businesses

Sales of assets

Revenue is recognised when the goods are delivered and ownership is transferred, when the following conditions are met:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree

usually associated with ownership nor effective control over the goods sold.

Financial lease sales

In accordance with IFRS 16, the revenue recognition rules differ depending on the type of contract (see 4.1.2).

Sales of services

The following types of contracts and activities are covered:

- outsourcing contracts: these contracts are split into a “build” phase and a “run” phase when the deliverables are distinct; revenue from the two phases is recognised as and when control is transferred. For the “Build” phase to be deemed distinct, it must be representative of a service from which the customer can benefit distinctly from the delivery of the “Run” phase. If this is not the case, the revenue may only be recognised as the recurring services are performed, and the costs of the “Build” phase must be capitalised if they create a resource that will be used for the future delivery of services;
- maintenance activities operated by Econocom: revenue is recognised on a percentage-of-completion basis;
- activities involving the loan of employees under time-and-materials contracts: revenue is recognised on a time-spent basis;
- development of applications under fixed price contracts: revenue is recognised on a percentage of completion basis as control is transferred;
- infrastructure installation projects: the percentage-of-completion method still applies insofar as the transfer of control takes place over time.

For certain fixed-price contracts providing for a number of different service obligations, the transaction price may sometimes be reallocated to the various performance obligations on a case-by-case basis in order to reflect the economic value of the services rendered (which may differ from their contractual value).

For contracts separated into stages, revenue and margin are recognised depending on the stage of completion in accordance with the method that best reflects the transfer of goods and services to the customer. This results in the recognition of revenue accruals or deferred income when invoicing does not reflect the stage of completion of the work. A contingency provision for the expected loss on a project is recognised if the cost of the project is greater than the expected revenue.

Distinction between “Principal” and “Agent”

In the course of its business, the Group may be required to resell equipment, software and services purchased from third parties. For the supply of these goods and services, Econocom may act as either principal or agent.

Econocom is a principal if its "performance obligation" requires it to provide goods and/or underlying services to the customer. This means that Econocom controls the good or service before it is transferred to the customer.

Econocom also records direct deliveries on the principal basis. By direct deliveries, we understand the sale of materials stored in the warehouses of Econocom's suppliers and shipped directly to the end customer.

These flows are recognised on the principal basis because the Econocom Group:

- contractually sets the prices paid by the end customer;
- has the capacity to choose, up until the last moment, whether to go ahead with a direct delivery;
- is responsible to the end customer for acceptance of equipment;
- is responsible for the management of equipment returns if necessary.

The Econocom Group is an agent if its "performance obligation" requires it to arrange for a third party to provide goods or underlying services, without being able to direct use and obtain key economic benefits. In this case, Econocom does not control the goods and services before they are transferred to the customer.

Management has made a significant judgement related to principal versus agent considerations. The impact on the presentation of reported revenue is as follows:

- on a gross basis when Econocom is a principal;
- on a net of cost of sale basis when Econocom is an agent.

Presentation in the balance sheet

Services in progress at the end of the reporting period are recognised in revenue accruals and are estimated based on the sale price. If accrued revenue constitutes an unconditional right to a consideration, *i.e.* if the passage of time is sufficient for payment of the consideration to fall due, the accrued revenue will constitute a receivable. In all other cases, it constitutes the contract assets. Revenue accruals are classified in "Trade and other receivables".

Advance payments received from customers and prepaid income are the contract liabilities. They are classified in "Other current liabilities".

Contract performance costs are costs that are directly assigned to a customer contract and have not yet been rebilled. For example, they may include dedicated inventories in transit, costs allocated to service obligations, transition fees in outsourcing contracts or marginal costs from obtaining contracts (*i.e.* costs that Econocom would not have incurred if it had not won the contract). These costs are capitalised if Econocom expects to recover them. These capitalised costs are then classified in "Other current assets".

4.1.2. LEASE ACCOUNTING

Leases can be classified as (i) financial leases, which is the case for the majority of our leases, (ii) operating leases or (iii) financing for certain Sale & Leaseback transactions.

4.1.2.1. Financial leases as defined in IFRS 16.62 *et seq.*

A contract is classified as a financial lease when the analysis of the transaction shows that there has been (i) a transfer of control of the leased assets (per IFRS 15.38) and (ii) a transfer to the lessee of most of the risks and rewards inherent to the ownership of the leased assets (per IFRS 16.62).

Econocom considers that there is a transfer of control of the asset leased by Econocom to the customer (pursuant to IFRS 15.38) when:

- the Group has transferred physical possession of the asset to the customer, *i.e.* the customer is able to decide on its use;
- the customer accepted the asset;
- the Group has a current right to payment for the asset;
- the customer bears the significant risks and rewards inherent to the ownership of the asset.

Econocom considers this transfer of risks and rewards according to the substance of the transaction (IFRS 16.62) when:

- the lease term covers most of the economic life of the underlying asset and/or;
- the present value of the lease payments amounts to at least most of the fair value of the underlying asset at the date of conclusion of the lease.

In the event of successive deliveries of leased equipment, revenue and associated purchase costs are recognised pro rata to the amount of these successive deliveries.

The accounting recognition is made in accordance with IFRS 16.71, on the date on which the lessee is authorised to exercise their right to use the leased assets. The date of exercise of this right of use of the assets is specified in our general leasing conditions, which defines it as being the date of delivery of the leased assets as evidenced by the signing of a reception document.

Financial leases are recognised as follows:

Balance sheet

- a receivable (or “outstanding lease”) is recorded and corresponds to the present value of the payments expected from the customer and is recognised as an asset;
- a “residual interest” in the leased assets (defined in note 11.1) is recognised as a financial asset on the balance sheet;
- at the end of each period, these two financial assets are accreted, which increased their balance sheet value.

Income statement

- revenue is equal to the present value of the payments that the lessee is required to make during the period of performance and the term of the lease;
- the cost of sales represents the purchase cost of the asset;
- the Group’s residual interest in the leased assets is deducted from the cost of sales based on its present value.
- at the end of each period, accretion effects impact the income statement under “Operating financial income”.

4.1.2.2. Leases qualified as operating leases as defined in IFRS 16.9 *et seq.*

When a lease cannot be classified as a financial lease as defined in IFRS 16.62 *et seq.*, it is then classified as an operating lease. In this case, the accounting treatment is as follows:

Balance sheet

- Leased equipment is recognised as an asset in the balance sheet under “property, plant and equipment” and depreciated on a straight-line basis over the term of the contract so as to reach the residual value of said equipment at the end of the lease period.

Income statement

- Revenue is recognised at the end of each period and corresponds to the sum of rents due for the period;
- Depreciation is recognised for each period on the basis of the methods indicated above.

4.1.2.3. Revenue recognition in the event of an extension of operating or financial leases

The recognition of revenue and costs in relation to lease extensions follows the initial classification of the lease, namely:

- if the initial lease is qualified as a financial lease, the revenue from the extension will be recognised in full on the first day of the extension; the cost of the leased assets corresponds to the value of the residual interest recorded at the time of the initial transaction;
- if the initial contract is qualified as an operating lease, the revenue from the extension will be recognised over the term of the extension; similarly, the net book value of the leased assets is amortised over the duration of the extension period.

4.1.2.4. Sale & leaseback contracts (IFRS 16.98 *et seq.*)

A sale & leaseback contract consists of a transaction in which:

- an entity (the "seller-lessee") sells an asset to Econocom (the "buyer-lessor"); then
- the "seller-lessee" leases the good or asset from Econocom (IFRS 16.98 *et seq.*).

For each sale & leaseback transaction, Econocom examines whether the transfer of the good or asset is analysed as a sale under IFRS 16.99 *et seq.*:

- if the analysis of the transaction in accordance with IFRS 15.38 confirms that control of the asset has been transferred to Econocom, then revenue is recognised according to one of the two models presented above:
  - "Financial Lease" (IFRS 16.62) described in note 4.1.2.1., or
  - "Operating Lease" (IFRS 16.9) described in note 4.1.2.2.;
- if the analysis of the transaction under IFRS 15.38 results in not recognising a transfer of control of the asset to Econocom by the "seller-lessee", the transaction will be recognised as financing in accordance with IFRS 9. As a result, the asset will remain with the seller-lessee and Econocom will recognise the margin of the transaction in financial income from operating activities. This margin corresponds to the discounted rents chain less the purchase costs of the leased assets. On the balance sheet, Econocom recognises outstanding leases and trade payables against this margin.

4.2. Cost of goods sold or leased

The cost of goods sold or leased breaks down as follows:

	2023	2022 restated*
Products & Solutions	(987.7)	(1,032.5)
Services	(106.8)	(86.8)
Technology Management & Financing	(852.7)	(771.2)
Total	**(1,947.2)**	**(1,890.5)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

4.3. Employee benefits expense

The following table presents a breakdown of employee benefits expense:

	2023	2022 restated*
Wages and salaries	(336.1)	(313.2)
Social costs	(99.6)	(95.2)
Other employee benefits expenses	(13.8)	(23.8)
Total	**(449.5)**	**(432.9)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

Expenses relating to defined benefit pension plans and included in other employee benefits expense concern the Group's subsidiaries in France, Italy and Belgium. The characteristics of these plans are set out in note 18.

Workforce

The breakdown of the average Group's employees is defined according to the operating business segment to which they belong:

	2023	2022 restated*
Products & Solutions	2,199	1,908
Services	5,121	5,077
Technology Management & Financing	660	599
Holding and support functions	181	204
Total	**8,161**	**7,788**

* The headcount for the 2022 financial year of the activities considered as discontinued in 2023 is not presented.

4.4. Government grants

Government grants are recognised as a deduction from costs (*e.g.* wages and salaries), or within other operating income and expenses, as appropriate.

Government grants are only recognised when the Group is certain to collect them. In accordance with IAS 20, the Group applies different accounting treatment for grants related to assets (or investment subsidies) and grants related to income.

Grants related to assets are recognised in profit or loss over the periods in which the Group expenses the costs that the grants are intended to compensate. In practice, they are recognised over the periods and in the proportions in which depreciation expense is recognised on the depreciable asset covered by the grant, with the deferred income recognised in liabilities. Grants related to income are recognised to offset the costs that they are intended to cover.

Tax credits equivalent to subsidies

Tax credits are accounted for depending on the tax treatment applicable in each country:

- if the tax credit is only calculated based on specific expenses, does not adjust the calculation of the subsidiary's taxable profit, is not limited by the tax liability of the subsidiary, and may be refunded in cash, it is treated as a grant as defined in IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" and included within operating profit;
- in all other cases it is recognised within income tax.

French tax credits known as the *Crédit d'Impôt Recherche* (CIR) are recognised as government grants.

At the end of December 2023, grants amounted to €0.3 million compared to €0.3 million at 31 December 2022.

4.5. Expenses related to purchased services

Expenses related to purchased services break down as follows:

in € millions	2023	2022 restated*
Fees paid to intermediaries and other professionals	(40.2)	(42.3)
Agents' commissions	(28.7)	(29.2)
External services (maintenance, insurance, etc.)	(17.7)	(15.6)
Other external expenses (subcontracting, public relations, transport, etc.)	(42.2)	(35.4)
Total	**(128.9)**	**(122.5)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

4.6. Depreciation and amortisation of fixed assets (excluding intangible assets from acquisitions) and provisions

Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions) and provisions break down as follows:

in € millions	2023	2022 restated*
Intangible assets: franchises, patents, licences and similar rights, business assets	(7.1)	(6.8)
Non-current rights of use assets	(19.8)	(16.8)
Other property, plant and equipment	(9.2)	(7.9)
Depreciation and amortisation of non-current assets (excluding intangible assets from acquisitions)	**(36.1)**	**(31.5)**
Additions to and reversals of provisions for operating contingencies and expenses	**4.2**	**8.8**
Total	**(31.9)**	**(22.7)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

The amortisation of intangible assets from acquisitions amounted to €2.3 million in the 2023 financial year compared to €2.2 million in 2022.

4.7. Net impairment losses on current and non-current assets

in € millions	2023	2022 restated*
Impairment of inventories	(2.1)	(1.3)
Reversals of impairment of inventories	0.5	0.5
Net impairment losses/gains – inventories	**(1.6)**	**(0.8)**
Impairment of doubtful receivables	(8.7)	(12.5)
Reversals of impairment of doubtful receivables	7.7	8.0
Gains and losses on receivables	1.3	0.5
Net impairment losses/gains – trade receivables	**0.3**	**(4.0)**
Total	**(1.3)**	**(4.8)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

4.8. Financial operating result

Financial income and expenses relating to Technology Management & Financing operations reflect the unwinding of the discount during the year on the gross liability for repurchases of leased assets, the Group's residual interest in leased assets and lease payments outstanding.

Exchange losses result mainly from fluctuations in the pound sterling and US dollar.

4.8.1. FINANCIAL INCOME FROM OPERATING ACTIVITIES

The following table breaks down financial income from operating activities by type:

in € millions	2023	2022 restated*
Financial income from operating activities related to Technology Management & Financing	12.0	15.4
Exchange losses	6.9	9.0
Miscellaneous financial income from operating activities	0.1	0.6
Total financial income from operating activities	**19.0**	**25.0**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

4.8.2. FINANCIAL EXPENSES FROM OPERATING ACTIVITIES

The following table breaks down financial expenses from operating activities by type:

in € millions	2023	2022 restated*
Financial expenses related to Technology Management & Financing operations	(1.8)	(9.3)
Exchange losses	(6.8)	(8.7)
Factoring financial expenses	(8.3)	(3.8)
Miscellaneous financial expenses from operating activities	(0.1)	(0.1)
Total financial expenses from operating activities	**(17.0)**	**(21.9)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

5. Other operating income and other operating expenses

"Other operating income and expenses", which are excluded from the operating margin, include:

- restructuring costs and costs associated with downsizing plans;
- costs of relocating premises;
- costs relating to acquisitions (acquisition fees);
- changes in the fair value of acquisition-related liabilities (contingent consideration): changes in the fair value of put and call options to buy out non-controlling interests are recognised directly in equity;
- material gains and losses on disposals of property, plant and equipment and intangible assets, or of operating assets and continuing operations;
- goodwill impairment losses;
- and, more generally, income and expenses that are deemed unusual in terms of their frequency, nature or amount.

in € millions	**2023**	**Other operating income**	**Other operating expenses**
Restructuring costs	(4.3)	1.4	(5.7)
Doubtful receivables & litigation	(2.6)	0.7	(3.3)
Other	(1.4)	-	(1.4)
Total 2023	**(8.4)**	**2.1**	**(10.5)**

*in € millions, restated**	2022	Other operating income	Other operating expenses
Restructuring costs	(10.7)	0.0	(10.7)
Impairment of non-current assets and cost of vacant space	(2.6)	-	(2.6)
Doubtful receivables & litigation	(8.4)	-	(8.4)
Other	(5.1)	0.1	(5.2)
Total 2022	**(26.8)**	**0.1**	**(27.0)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

Costs related to reorganisations correspond to the continuation during the period of the performance improvement plans. These costs, net of provision reversals, amounted to €4.3 million and concern all activities and holding companies in an equivalent manner.

Expenses from doubtful receivables and litigation mainly relate to Italian and Dutch cases.

Lastly, other operating expenses notably include €0.5 million in acquisition costs.

6. Financial income (expenses)

6.1. Other financial income

in € millions	2023	2022 restated*
Convertible bonds (OCEANEs) buybacks	-	0.2
Other financial income	1.1	0.2
Other financial income	**1.1**	**0.4**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

Other financial income includes interest on bonds.

6.2. Other financial expenses

in € millions	2023	2022 restated*
Financial expenses on bonds	(5.0)	(7.2)
Interest on short-term financing	(6.1)	(3.1)
Expenses on non-current liabilities	(5.6)	(0.2)
Interest expense on lease liabilities (IFRS 16)	(2.0)	(1.7)
Financial component of pension and other post-employment benefits	(0.9)	(0.4)
Other financial expenses	(1.3)	(1.3)
Other financial expenses	**(20.9)**	**(13.9)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2022 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

7. Income taxes

The income tax expense for the year includes current taxes and deferred taxes.

Current tax is (i) the estimated amount of tax due in respect of taxable profit for a given period, as determined using tax rates that have been enacted or substantively enacted at the end of the reporting period, (ii) any adjustments to the amount of current tax in previous periods, and (iii) any other tax calculated on a net amount of income and expenses.

Deferred taxes are accounted for using the liability method for all temporary differences between the book value recorded in the consolidated balance sheet and the tax bases of assets and liabilities, except for non-tax deductible goodwill. Deferred taxes are determined based on the way in which the Group expects to recover or pay the book value of the assets and liabilities using the tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are not discounted and are offset when they relate to the same tax entity. They are classified in the balance sheet as non-current assets and liabilities.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences or tax losses and tax credit carry forwards can be utilised.

7.1. Recognition of current and deferred taxes

in € millions	Notes	2023	2022 restated*
Current tax		(15.8)	(19.8)
Movements in tax provisions	17	0.1	-
Deferred tax	7.2	(10.4)	(2.5)
Total		**(26.1)**	**(22.3)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

Effective tax rate

in € millions	2023	2022 restated*
Profit before tax on continuing operations	85.7	71.7
Income tax on the profit of continuing operations	(26.1)	(22.3)
Effective tax rate as a percentage of profit before tax	30.5%	31.2%
Effective income tax rate (excluding CVAE and IRAP)	28.6%	27.3%

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

The income tax expense amounted to €24.6 million, plus €1.5 million from the CVAE tax (*Cotisation sur la Valeur Ajoutée des Entreprises*) in France and from the IRAP tax (*Imposta Regionale sulle Attività Produttive*) in Italy, for a total of €26.1 million.

Given the profit (loss) before tax of continuing operations of €85.7 million, the effective tax rate reported reached 30.5% (compared with 31.2% in 2022 restated); excluding CVAE/IRAP, the effective tax rate was 28.6% in 2023 (27.3% in 2022).

Reconciliation between theoretical tax expense and effective tax expense

in € millions	2023	2022 restated*
Profit before tax on continuing operations	85.7	71.7
Theoretical tax expense at current Belgian rate (25.00%)	**(21.4)**	**(17.9)**
Unrecognised tax losses arising in the year	(1.4)	(4.2)
Previously unrecognised tax losses used in the year	-	0.2
Derecognition of previously recognised tax losses	(1.9)	-
Recognition of previous deficits	1.5	1.6
Adjustment to current and deferred tax	0.4	1.3
Effect of taxes other than on income(1)	(1.1)	(2.6)
Effect of foreign income tax rates and changes in foreign income tax rates	0.1	0.2
Tax credits and other	0.5	0.8
Other permanent differences	(2.8)	(1.7)
Total differences	**(4.7)**	**(4.4)**
Effective income tax expense	**(26.1)**	**(22.3)**

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

(1) Taxes classified as income tax expense correspond to taxes which are based on value added and which meet the requirements of IAS 12. They relate to the tax on value added in France (net of income tax) and to the IRAP tax (*Imposta Regionale sulle Attività Produttive*) in Italy.

7.2. Deferred tax assets and liabilities

Analysis of deferred tax assets and liabilities

in € millions	31 Dec. 2022	Income/ expense for the year (income statement)	Other comprehensive income (equity)	Reclassifications	Reclassifications in assets/ liabilities held for sale	Changes in scope of consolidation and other	31 Dec. 2023
Pension obligations	5.9	0.3	(0.0)	0.1	(0.5)	-	5.8
Temporary differences arising on provisions	5.4	(0.6)	-	0.3	(0.0)	0.1	5.1
Other assets and liabilities*	3.7	(2.9)	0.0	(0.1)	(0.0)	(0.1)	0.7
Tax loss carryforwards	25.5	(2.7)	-	(0.2)	(2.5)	-	20.1
Impact of netting DTA/ DTL	(12.7)	-	-	3.7	2.3	(0.1)	(6.9)
Total deferred tax assets	**27.7**	**(5.9)**	**(0.0)**	**3.7**	**(0.8)**	**-**	**24.7**
Deferred tax on TMF business	(16.9)	(4.8)	-	0.0	1.7	-	(20.0)
Amortisable intangible assets	(8.1)	0.6	1.6	(0.2)	-	-	(6.1)
Other assets and liabilities	(0.6)	(0.3)	-	0.2	0.6	-	(0.1)
Impact of netting DTA/ DTL	12.7	-	-	(3.7)	(2.3)	0.1	6.9
Total deferred tax liabilities	**(12.8)**	**(4.4)**	**1.6**	**(3.7)**	**-**	**0.1**	**(19.3)**
Net deferred tax assets (liabilities)	**14.9**	**(10.4)**	**1.5**	**-**	**(0.8)**	**0.1**	**5.4**

** Includes deferred tax assets related to the Italian excess depreciation & amortisation.

in € millions	2023	31 Dec. 2022 restated
Recoverable within 12 months, before netting DTA/DTL, by tax jurisdiction	(3.2)	(1.5)
Recoverable after 12 months, before netting DTA/DTL, by tax jurisdiction	8.6	16.3
Net deferred tax assets (liabilities)	**5.4**	**14.9**

Tax loss carryforwards

At 31 December 2023, the Group's tax loss carryforwards on continuing operations amounted to €178 million, versus €183.5 million at 31 December 2022.

The slight increase in tax loss carryforwards mainly concerned entities in France, Germany and the Netherlands. In parallel with this decrease, deficits were generated in Italy.

Unrecognised deferred tax assets on tax loss carryforwards totalled €24.4 million versus €23.7 million in 2022.

7.3. Taxes recognised by jurisdiction

in € millions

Jurisdiction	Current tax	Deferred tax	Total
Belgium	(0.8)	(2.8)	(3.6)
France	(6.9)	(4.2)	(11.1)
Italy	(2.3)	(2.2)	(4.5)
Spain	(1.9)	(0.8)	(2.7)
Germany	(0.9)	(1.3)	(2.2)
United States	(1.2)	-	(1.2)
Brazil	(1.1)	0.0	(1.1)
The Netherlands	0.7	0.3	1.0
Other	(1.3)	0.6	(0.7)
Total	**(15.7)**	**(10.4)**	**(26.1)**

8. Earnings per share

Basic earnings per share are calculated by dividing consolidated profit (loss) by the weighted average number of shares outstanding during the year, in other words excluding treasury shares on a pro rata basis.

Diluted earnings per share are calculated by taking into account all financial instruments carrying deferred rights to the parent company's share capital, issued either by the parent company itself or by any one of its subsidiaries. Dilution is calculated separately for each instrument, based on the conditions prevailing at the end of the reporting period and excluding non-dilutive instruments.

Earnings per share

in € millions, except for per share data and number of shares	2023	2022 restated*
Consolidated profit (loss)	62.6	65.3
Consolidated profit (loss) from continuing operations	59.5	49.3
Consolidated profit (loss) from discontinued operations	3.1	16.0
Adjusted profit (loss)(1)	67.6	71.7
Average number of shares outstanding	176,990,225	180,041,957
Consolidated earnings per share (in €)	0.35	0.36
Earnings per share from continuing operations (in €)	0.34	0.27
Earnings per share from discontinued operations (in €)	0.02	0.09
Adjusted earnings per share(1) (in €)	0.38	0.40

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to "Profit (loss) from discontinued operations" in the 2022 income statement.

(1) Adjusted profit (loss) corresponds to profit (loss) before taking into account the following items:
- amortisation of intangible assets from acquisitions, net of tax effects;
- other operating income and expenses, net of tax effects;
- other non-recurring financial income and expenses, net of tax effects;
- profit (loss) from discontinued operations.

Diluted earnings per share

in € millions, except for per share data and number of shares	2023	2022 restated*
Diluted earnings	62.6	68.0
Diluted earnings from continuing operations	59.5	52.0
Diluted earnings from discontinued operations	3.1	16.0
Average number of shares outstanding	176,990,225	180,041,957
Impact of stock options	458,239	369,334
Impact of free shares	792,603	2,561,507
Impact of convertible bonds (OCEANEs)	-	18,291,081
Diluted average number of shares outstanding	178,241,067	201,263,879
Diluted earnings per share (in €)	0.35	0.34
Diluted earnings per share from continuing operations (in €)	0.33	0.26
Diluted earnings per share from discontinued operations (in €)	0.02	0.08
Adjusted diluted earnings per share (in €)	0.38	0.37

* In accordance with IFRS 5 (see 2.2.5), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to “Profit (loss) from discontinued operations” in the 2022 income statement.

In accordance with IFRS standards, the stock option expense recognised in the income statement was not restated.

9. Goodwill and impairment testing

9.1. Definition of Cash Generating Units

The growing proportion of international customers and the pooling of resources among business lines have led the Group to define the scope of its Cash Generating Units (CGUs) as representing its three business segments: Products & Solutions, Services and Technology Management & Financing.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

9.2. Goodwill allocation

For the purposes of the impairment tests carried out at 31 December each year, goodwill was allocated to the following Cash Generating Units.

in € millions	**Products & Solutions**	**Services**	**Technology Management & Financing**	**Total**
2023				
Goodwill at 31 December 2022	**175.0**	**237.2**	**142.0**	**554.2**
Reclassification to assets held for sale	-	(29.0)	(2.2)	(31.2)
Acquisitions	-	-	1.0	1.0
Disposals	-	-	-	-
Foreign currency translation adjustments	0.3	-	-	0.3
Lydis adjustment	0.9	-	-	0.9
Goodwill at 31 December 2023	**176.1**	**208.2**	**140.7**	**525.1**
of which gross amount	**176.1**	**211.5**	**140.7**	**528.4**
of which accumulated impairment	**-**	**(3.3)**	**-**	**(3.3)**

In 2023, the goodwill related to the acquired entity concerns Reliance Financial Services Group BV.

The amount of Lydis goodwill was adjusted over the 2023 financial year and during the allocation period, impacting the change in Group and non-controlling interests equity.

At 31 December 2023, only the goodwill of the Reliance entity is still in the allocation period.

in € millions	Products & Solutions	Services	Technology Management & Financing	Total
2022				
Goodwill at 31 December 2021	**141.7**	**237.2**	**116.0**	**494.9**
Reclassification to assets held for sale	2.0	-	-	2.0
Acquisitions	27.4	-	26.0	53.3
Disposals	-	-	-	-
Foreign currency translation adjustments	-	-	-	-
Trams adjustment	3.9	-	-	3.9
Goodwill at 31 December 2022	**175.0**	**237.2**	**142.0**	**554.2**
of which gross amount	**175.0**	**241.5**	**142.0**	**558.4**
of which accumulated impairment	**-**	**(4.3)**	**-**	**(4.3)**

In 2022, goodwill related to acquired companies concerned So-IT, Servicios Informatica, Econocom Factory and Lydis.

9.3. Impairment tests and impairment of goodwill

Impairment testing involves determining whether the recoverable amount of an asset, CGU or group of CGUs is lower than its net book value.

The recoverable amount is the higher of fair value less the costs of disposal and value in use.

Value in use is determined based on estimated future cash flows and a terminal value, taking into account the time value of money and the risks associated with the business and the specific environment in which the CGU or group of CGUs operates, and corresponds to the addition of:

- the discounting of cash flow projections on the business plan built over a 4-year horizon, as well as
- the discounting to perpetuity of a normative annual cash flow.

Fair value is the amount that could be obtained from the sale of the tested assets in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal. These amounts are calculated based on market information.

When the recoverable value of the assets of a CGU or group of CGUs is lower than its net book value, an impairment loss is recognised.

Impairment losses are recorded first as a reduction of the book value of goodwill allocated to a CGU and then charged against the assets of the CGU, pro rata to the book value of each of the components of the CGU. The impairment loss is recorded on the "Other operating expenses" line of the income statement.

When the recoverable amount becomes greater than the net book value, impairment losses recognised for tangible and intangible assets other than goodwill may be reversed in subsequent periods, in the amount of the impairment loss initially recognised. It should be noted that impairment losses recorded in respect of goodwill cannot be reversed.

When a relevant CGU is sold, the resulting goodwill is taken into account for the determination of the profit (loss) from the sale.

Results of impairment tests

Based on the impairment tests conducted, goodwill does not need to be impaired.

To reach a risk of impairment, the main assumptions should be as follows:

- for the P&S CGU: no reasonably foreseeable assumption can lead to an impairment;
- for the Services CGU: no reasonably foreseeable assumption can lead to an impairment;
- for the TMF CGU: a deterioration in the business plan (revenue forecast considering the margin rate on purchases unchanged but the fixed indirect costs) of more than 10.3%.

Key assumptions

The calculation of the value in use of the CGUs is sensitive to the following assumptions:

- discount rate applied to cash flows;
- growth rate of cash flows used beyond the forecast period;
- business plan (revenue projection considering the margin rate on purchases as unchanged and indirect costs as fixed).

	2023		2022	
	Discount rate	Perpetual growth rate	Discount rate	Perpetual growth rate
Products & Solutions	9.75%	2.00%	9.75%	2.00%
Services	10.00%	2.00%	9.50%	2.00%
Technology Management & Financing	9.75%	2.00%	9.75%	1.50%

The growth rate and weighted average cost of capital assumptions were reviewed in light of global market data. The growth rate reflects our best estimate given the current economic environment.

The after-tax discount rate used corresponds to the weighted average cost of capital ("WACC"). The perpetuity growth rate applied by the Group does not exceed the growth rate for the industry. Applying a pre-tax discount rate to pre-tax cash flows would have resulted in a similar value for the CGUs.

The 5-year business plan was determined based on the expected growth of markets for the CGU concerned, taking account of growth levers identified by Management. Margins are determined based on the historical margins observed in the years preceding the start of the budget period. These margins also take account of expected efficiency gains as well as events known to management and that could impact the profitability of the activity.

Sensitivity to changes in assumptions

The table below shows the sensitivity of enterprise values to the assumptions used:

in € millions	Sensitivity to rates				Sensitivity for the business plan
	Discount rate		Perpetual growth rate		
	+1.0%	**(1.0%)**	**+0.5%**	**(0.5%)**	**(5%)**
Products & Solutions	(59.4)	77.1	27.7	(24.4)	(40.1)
Services	(29.8)	38.3	13.7	(12.1)	(32.4)
Technology Management & Financing	(48.5)	63.1	23.0	(20.3)	(86.4)

The sensitivity of impairment tests to adverse but feasible changes in assumptions is set out below:

- reasonable sensitivity to changes in the discount rate: a simulated increase of up to one percentage point in the discount rate used would not change the findings of the Group's analysis;
- reasonable sensitivity to the long-term growth rate: in a pessimistic scenario where the long-term growth rate is reduced by 0.5 percentage points, the value in use of each CGU would still exceed its book value;
- reasonable sensitivity to the business plan: a 5% reduction in the revenue forecast contained in the business plan, with variable costs adjusted accordingly, would not change the conclusions of the Group's analysis.

Consequently, none of the sensitivity tests reduced the value in use of any of the CGUs to below their carrying amount.

10. Intangible, tangible and financial fixed assets

10.1. Intangible assets

Separately acquired intangible assets

Separately acquired intangible assets are initially measured at cost, which corresponds to their acquisition cost or their acquisition-date fair value for intangible assets acquired in a business combination.

After initial recognition, they are carried at cost less any accumulated amortisation and impairment losses.

Intangible assets with finite useful lives are amortised over their economic useful life. The useful life of concessions, patents and licences is estimated at between three and seven years.

Intangible assets with indefinite useful lives are not amortised.

Internally generated intangible assets

The Group carries out IT development projects. Expenses incurred in relation to these operations can be included in the cost of intangible assets. An internally generated intangible asset resulting from development (or from the development phase of an internal IT project) is only recognised if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development. The initial cost of an internally generated intangible asset is equal to the sum of expenditure incurred from the date on which the intangible asset first meets the above-mentioned recognition criteria.

If no internally generated intangible asset can be recognised, development costs are recognised in profit or loss for the year in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less any accumulated amortisation and impairment losses, in accordance with the same method as that used for separately acquired intangible assets.

The useful life of information systems is estimated at between three and seven years.

Intangible assets acquired in business combinations

Intangible assets acquired by the Group in business combinations are measured at their acquisition cost less any accumulated amortisation and impairment losses. They essentially include operating licences and computer software. They are depreciated on a straight line basis over their useful lives.

The customer portfolio acquired from the ECS group was valued using the MEEM method (Multi-period Excess Earnings Method) at €40 million and is being amortised over 20 years.

Useful life	*In years*
Amortisable business assets	3 - 5
ECS customer portfolio	20
Franchises, patents, licences	3 - 7
IT systems	3 - 7

The Group has no intangible assets with indefinite useful lives except for the goodwill presented in note 9.

2023 intangible assets

in € millions	Customer portfolio and business assets	Franchises, patents, licences, etc.	IT systems and other internally generated assets	Other	Total
Acquisition cost					
Gross value at 31 December 2022	**54.0**	**36.5**	**57.8**	**3.4**	**151.8**
Acquisitions	-	1.7	7.7	3.4	12.9
Disposals/Retirements	-	(4.5)	(1.6)	-	(6.1)
Changes in scope of consolidation	-	-	-	-	-
Transfers and other movements	-	1.2	(2.4)	(0.1)	(1.3)
Net reclassification of assets held for sale	-	(0.1)	(0.2)	(0.0)	(0.3)
Gross value at 31 December 2023	**54.0**	**34.7**	**61.4**	**6.8**	**156.9**
Depreciation and impairment					
Accumulated depreciation and amortisation at 31 December 2022	**(38.3)**	**(29.5)**	**(37.6)**	**(3.1)**	**(108.4)**
Additions	(2.0)	(2.4)	(5.2)	(0.1)	(9.7)
Disposals/Retirements	-	4.5	1.6	-	6.1
Changes in scope of consolidation	-	-	-	-	-
Reversal of impairment	-	-	-	-	-
Transfers and other movements	-	0.9	-	0.1	1.0
Net reclassification of assets held for sale	-	0.0	0.2	0.0	0.2
Accumulated depreciation and amortisation at 31 December 2023	**(40.3)**	**(26.4)**	**(41.0)**	**(3.1)**	**(110.8)**
Net book value at 31 December 2022	**15.8**	**7.0**	**20.2**	**0.3**	**43.3**
Net book value at 31 December 2023	**13.8**	**8.3**	**20.3**	**3.7**	**46.1**

Customer portfolios and business assets are intangible assets which are recognised in connection with business combinations, amortised over the useful lives shown above.

Franchises, patents, licences, etc. consist mainly of licences acquired and amortised over their useful lives.

IT systems are mainly the result of developments made by the Group and are amortised over the periods set out above.

Intangible assets in 2022

in € millions	Customer portfolio and business assets	Franchises, patents, licences, etc.	IT systems and other internally generated assets	Other	Total
Acquisition cost					
Gross value at 31 December 2021*	**54.6**	**25.6**	**48.5**	**1.8**	**130.5**
Acquisitions	0.1	1.5	8.3	(0.0)	9.9
Disposals/Retirements	-	(1.8)	(1.9)	-	(3.7)
Changes in scope of consolidation	-	3.8	2.1	-	5.9
Transfers and other movements	(0.0)	0.7	0.5	-	1.1
Net reclassification of assets held for sale	(0.7)	6.6	0.5	1.6	8.0
Gross value at 31 December 2022	**54.0**	**36.5**	**57.8**	**3.4**	**151.8**
Depreciation and impairment					
Accumulated depreciation and amortisation at 31 December 2021*	**(36.6)**	**(22.9)**	**(33.2)**	**(1.2)**	**(93.9)**
Additions	(2.0)	(2.9)	(4.8)	(0.2)	(9.9)
Disposals/Retirements	-	1.8	1.6	-	3.4
Changes in scope of consolidation	-	(1.0)	(1.1)	-	(2.0)
Reversal of impairment	-	-	0.0	0.9	0.9
Transfers and other movements	-	-	(0.2)	(0.9)	(1.1)
Net reclassification of assets held for sale	0.3	(4.4)	(0.0)	(1.6)	(5.7)
Accumulated depreciation and amortisation at 31 December 2022	**(38.3)**	**(29.5)**	**(37.6)**	**(3.1)**	**(108.4)**
Net book value at 31 December 2021*	**18.1**	**2.7**	**15.3**	**0.6**	**36.6**
Net book value at 31 December 2022	**15.8**	**7.0**	**20.2**	**0.3**	**43.3**

* The 2021 consolidated balance sheet was impacted by the IFRIC decision relating to the recognition of implementation costs for software in SaaS mode, as well as comparability adjustments for certain services included in the TMF contracts (see 1.2.1 and 1.3.2).

10.2. Property, plant and equipment

Property, plant and equipment owned outright

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis over the estimated useful life of the assets taking into account any residual value.

Useful life	In years
Land	Indefinite
Buildings	20 - 50
Fixtures	5 - 10
IT equipment	3 - 7
Vehicles	4 - 7
Furniture	5 - 10

Land is not depreciated.

When an item of property, plant and equipment comprises components with different useful lives, such components are recognised and depreciated separately.

Gains or losses from the sale of property, plant and equipment are determined on the basis of the difference between the proceeds from the sale and the net book value of the asset sold and are included in operating margin.

No borrowing costs were included in the cost of any of the Group's property, plant and equipment in the absence of any assets requiring a substantial period of time before they are ready for their intended use or sale.

Leases where Econocom is a lessee

Leases, as defined by IFRS 16, are entered in the statement of the consolidated financial position as an asset representing the right of use of the leased asset during the term of the contract.

On the date that the lease takes effect, the right of use is valued at its cost, including:

- the initial amount of the liability, with the advance payments made to the lessor, net of the benefits received from the lessor;
- initial direct costs incurred by the lessee for the conclusion of the contract;
- the costs of dismantling or restoring the leased asset according to the terms of the contract.

The right of use is depreciated over the useful life of the assets, which leads to a depreciation charge being entered on the income statement.

On the date that the lease takes effect, the rental liability is entered for an amount equal to the discounted value of rents over the duration of the contract, as defined by the Econocom Group. The valuation of the rental liability includes:

- fixed rents (including rentals considered to be fixed in substance);
- variable rents based on a rate or index using the rate or index on the date the contract comes into effect;
- any residual value guarantees awarded to the lessor;
- the exercise price of a purchase option if the exercise of the option is reasonably certain;
- penalties for cancellation or non-renewal of the contract.

The rental liability is recognised at the depreciated cost, using the effective interest rate method, and leads to the recognition, on the income statement, of an interest charge for the period and variable payments (not taken into account in the initial valuation).

The liability may be revalued to offset the right of use in the following cases:

- revision of the term of the contract;
- modification linked to the valuation of the reasonably certain nature (or not) of the exercise of a purchase option;
- change in the amount of payment expected under the residual value guarantee awarded to the lessor;
- adjustment of rates or indices on which variable rents are based, when the latter are modified.

Leases mainly relate to property assets and the vehicle fleet. The accounting exemptions set out in the standard for the short-term contracts (term below or equal to 12 months) and with no tacit renewal, and leases on low value assets, have been applied.

The rental term is determined on a lease-by-lease basis and corresponds to the firm period of the commitment, taking into account optional periods that are reasonably certain to be exercised, except for vehicles for which Econocom will retain the portfolio approach, through simplification, given that the contracts are somewhat similar irrespective of the country and that this simplification does not give rise to material differences with regard to the recommended method set forth in IFRS 16.

For vehicles, the assumptions and measurement methods of this “portfolio” approach are as follows: a measurement is done at each period end, making it possible to update the lease liability and right of use; amortisations and financial expenses are then determined on a flat-rate basis based on an average term of use of the vehicles (amortisation) and on the rental payments actually paid for the difference.

The discount rate applied on the date of transition is based on the Group’s incremental borrowing rate.

2023 property, plant and equipment

in € millions	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Other property, plant and equipment	Fixed assets - leased	Total
Acquisition cost						
Gross value at 31 December 2022	**35.1**	**55.4**	**17.0**	**21.9**	**0.8**	**130.2**
Acquisitions	1.9	5.2	0.3	2.7	-	10.1
Disposals/ Retirements	(2.1)	(6.7)	(1.1)	(0.1)	-	(9.9)
Changes in scope of consolidation	-	-	-	-	-	-
Transfers and other movements	(0.7)	3.7	(2.4)	(1.2)	(0.8)	(1.3)
Net reclassification of assets held for sale	-	(1.1)	(3.5)	(4.1)	-	(8.7)
Gross value at 31 December 2023	**34.2**	**56.6**	**10.3**	**19.3**	**-**	**120.4**
Depreciation and impairment						
Accumulated depreciation and amortisation at 31 December 2022	**(21.7)**	**(44.7)**	**(12.1)**	**(13.0)**	**(0.8)**	**(92.2)**
Additions	(3.1)	(5.6)	(0.5)	(0.8)	-	(9.9)
Disposals/ Retirements	2.0	6.6	1.1	0.0	0.0	9.7
Changes in scope of consolidation	-	-	-	-	-	-
Reversals of impairment	-	0.0	(0.0)	(0.0)	(0.0)	(0.1)
Transfers and other movements	0.4	(0.5)	0.6	(0.0)	0.8	1.4
Net reclassification of assets held for sale	-	0.8	1.8	0.0	-	2.6
Accumulated depreciation and amortisation at 31 December 2023	**(22.3)**	**(43.4)**	**(9.0)**	**(13.8)**	**-**	**(88.4)**
Net book value at 31 December 2022	**13.4**	**10.7**	**4.9**	**8.9**	**0.0**	**38.0**
Net book value at 31 December 2023	**11.9**	**13.3**	**1.3**	**5.5**	**-**	**32.0**

Other property, plant and equipment notably comprise assets in progress.

2022 property, plant and equipment

in € millions	Land and buildings	Fixtures, fittings and IT equipment	Furniture and vehicles	Other property, plant and equipment	Fixed assets - leased	Total
Acquisition cost						
Gross value at 31 December 2021	**29.9**	**51.4**	**17.4**	**15.6**	**0.8**	**115.2**
Acquisitions	1.3	4.3	1.7	6.7	-	14.0
Disposals/ Retirements	(0.1)	(1.0)	(0.1)	(0.1)	-	(1.3)
Changes in scope of consolidation	3.6	0.2	0.5	1.6	-	5.9
Transfers and other movements	0.1	0.4	(2.5)	(1.9)	-	(3.8)
Net reclassification of assets held for sale	0.2	0.0	-	0.0	-	0.2
Gross value at 31 December 2022	**35.1**	**55.4**	**17.0**	**21.9**	**0.8**	**130.2**
Depreciation and impairment						
Accumulated depreciation and amortisation at 31 December 2021	**(17.0)**	**(41.6)**	**(12.1)**	**(11.8)**	**(0.8)**	**(83.4)**
Additions	(2.4)	(4.2)	(2.2)	(0.7)	-	(9.5)
Disposals/ Retirements	0.1	0.9	0.1	-	-	1.1
Changes in scope of consolidation	(2.2)	(0.2)	(0.3)	(0.6)	-	(3.3)
Reversals of impairment	-	-	-	-	-	-
Transfers and other movements	-	0.4	2.5	0.1	-	3.0
Net reclassification of assets held for sale	(0.2)	-	-	-	-	(0.2)
Accumulated depreciation and amortisation at 31 December 2022	**(21.7)**	**(44.7)**	**(12.1)**	**(13.0)**	**(0.8)**	**(92.2)**
Net book value at 31 December 2021	**12.9**	**9.8**	**5.3**	**3.8**	**-**	**31.8**
Net book value at 31 December 2022	**13.4**	**10.7**	**4.9**	**8.9**	**0.0**	**38.0**

10.3. Right-of-use assets

Right-of-use assets related to leases - 2023

in € millions	Buildings & developments	Vehicles	Total
Acquisition cost			
Gross value at 31 December 2022	**89.7**	**43.1**	**132.7**
Acquisitions	16.5	17.9	34.3
Remeasurement and end of contract	(14.5)	(36.7)	(51.2)
Changes in scope of consolidation	-	-	-
Transfers and other movements	(0.1)	(6.3)	(6.4)
Net reclassification of assets held for sale	(0.2)	(0.2)	(0.4)
Gross value at 31 December 2023	**91.4**	**17.7**	**109.1**
Depreciation and impairment			
Accumulated depreciation and amortisation at 31 December 2022	**(46.2)**	**(28.9)**	**(75.1)**
Additions	(13.3)	(6.5)	(19.9)
Remeasurement and end of contract	8.6	24.7	33.3
Changes in scope of consolidation	-	-	-
Reversals of impairment	-	-	-
Transfers and other movements	0.1	6.3	6.4
Net reclassification of assets held for sale	0.2	0.1	0.3
Accumulated depreciation and amortisation at 31 December 2023	**(50.7)**	**(4.4)**	**(55.0)**
Net book value at 31 December 2022	**43.5**	**14.1**	**57.6**
Net book value at 31 December 2023	**40.7**	**13.3**	**54.0**

The significant change in vehicle revaluations, in terms of gross value and accumulated depreciation, is mainly due to the updating of the vehicle portfolio.

Right-of-use assets related to leases - 2022

in € millions	Buildings & developments	Vehicles	Total
Acquisition cost			
Gross value at 31 December 2021	**88.9**	**33.0**	**121.9**
Acquisitions	12.6	10.9	23.5
Remeasurement and end of contract	(13.6)	(1.7)	(15.3)
Changes in scope of consolidation	2.6	0.8	3.4
Transfers and other movements	(0.8)	(0.2)	(1.0)
Net reclassification of assets held for sale	-	0.3	0.3
Gross value at 31 December 2022	**89.7**	**43.1**	**132.7**
Depreciation and impairment			
Accumulated depreciation and amortisation at 31 December 2021	**(44.7)**	**(22.2)**	**(67.0)**
Additions	(12.8)	(6.6)	(19.5)
Remeasurement and end of contract	11.0	0.1	11.1
Changes in scope of consolidation	(0.4)	(0.3)	(0.8)
Reversals of impairment	-	-	-
Transfers and other movements	0.8	0.1	0.9
Net reclassification of assets held for sale	-	-	-
Accumulated depreciation and amortisation at 31 December 2022	**(46.2)**	**(28.9)**	**(75.1)**
Net book value at 31 December 2021	**44.2**	**10.7**	**55.0**
Net book value at 31 December 2022	**43.5**	**14.1**	**57.6**

Lease liabilities

2023 (in € millions)	Total	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
Lease p	**55.7**	19.1	15.1	15.2	6.3

10.4. Non-current financial assets

Investments in non-consolidated companies are recorded at fair value. Changes in fair value are recognised under Income.

Since 31 December 2021, there are no longer any entities accounted for using the equity method.

in € millions	Investments in non-consolidated companies(1)	Other non-current financial assets(2)	Total
Balance at 31 December 2021	**8.6**	**20.9**	**29.5**
Increases	0.2	2.7	2.9
Financial provisions	(1.1)	-	(1.1)
Repayments/Disposals	(0.7)	(3.5)	(4.2)
Financial reversals	0.5	-	0.5
Changes in scope of consolidation	0.1	0.1	0.2
Transfers and other movements	(3.5)	0.1	(3.5)
Balance at 31 December 2022	**4.1**	**20.3**	**24.4**
Increases	-	3.1	3.1
Financial provisions	-	-	-
Repayments/Disposals	(0.1)	(1.3)	(1.5)
Financial reversals	-	-	-
Changes in scope of consolidation	-	-	-
Transfers and other movements	-	0.0	0.0
Net reclassification of assets held for sale	-	(0.4)	(0.4)
Balance at 31 December 2023	**4.0**	**21.7**	**25.6**

(1) This relates to the Group's interest in non-controlled entities for €4.0 million, including principally shares in Hélios (€2.4 million), Histovery (€0.8 million), Kartable (€0.5 million), Neuradom (€0.2 million) and JTRS (€0.1 million).

(2) Other non-current financial assets chiefly correspond to guarantees and deposits.

Maturity of non-current financial assets

2023 *in € millions*	**1 to 5 years**	**Beyond 5 years**	**Indefinite**	**Total**
Investments in non-consolidated companies	0.1	-	3.9	4.0
Other investments	5.9	-	-	5.9
Guarantees given to factors	10.1	-	-	10.1
Other guarantees and deposits	1.1	4.5	-	5.6
Total	**17.2**	**4.5**	**3.9**	**25.6**

2022 *in € millions*	**1 to 5 years**	**Beyond 5 years**	**Indefinite**	**Total**
Investments in non-consolidated companies	0.2	-	3.9	4.1
Other investments	5.0	-	-	5.0
Guarantees given to factors	10.2	-	-	10.2
Other guarantees and deposits	1.4	3.7	-	5.1
Total	**16.8**	**3.7**	**3.9**	**24.4**

10.5. Other long-term receivables

in € millions	31 Dec. 2023	31 Dec. 2022
Government, long-term grants receivable	0.2	1.7
Other long-term receivables	19.4	19.6
Other receivables	**19.6**	**21.4**

The "Government, long-term grants receivable" item corresponds to income tax receivables. Other receivables relate to loans granted to employees or associates.

The book values of other non-financial assets such as other long-term receivables, are reviewed for impairment at the end of each reporting date. If the book value of these assets exceeds their estimated recoverable amount, an impairment loss is recognised in operating profit.

By maturity

in € millions	31 Dec. 2023	31 Dec. 2022
1 to 5 years	19.5	20.9
Beyond 5 years	0.1	0.5
Total	**19.6**	**21.4**

11. Residual interest in leased assets and gross liability for repurchases of leased assets

11.1. Residual interest in leased assets

Residual interest is recognised as an asset when a lease is classified as a financial lease. Residual interest in leased assets reflects a forecasted market value of the assets included in the leases.

They are determined on the basis of a percentage of the purchase value of the equipment (a grid has been set up by category of equipment) and the lease term (this percentage decreases according to said term).

There are three exceptions to the application of this grid:

- an *ad hoc* grid targeting a selection of specific digital equipment is used to replace this general grid;
- in case of renewable contracts, the residual interest of the assets is capped and may not exceed a more limited percentage of the purchase value of the equipment;
- non-digital assets (or similar) leased, known as industrial assets, and recent assets for which the Group has no knowledge of the secondary market value or of comparable assets have a residual interest value of zero, except where an external evaluation can give a value at the end of the contract.

These schedules are reviewed regularly by Group Management on the basis of its experience of the second-hand markets.

If the Group identifies potential capital losses on the amount of residual interest on certain assets, an impairment loss is recorded.

in € millions	31 Dec. 2023	31 Dec. 2022
Residual interest in leased assets non-current portion	118.8	114.7
Residual interest in leased assets current portion	45.5	49.8
Total	**164.3**	**164.6**

The residual interest recognised at end December 2023 was €164.3 million for a portfolio of leased assets representing €4.9 billion (purchase price of the assets on inception of the lease). The Group's residual interest in leased assets therefore stood at a rate of 3.3% of the purchase price versus 3.0% at the end of December 2022.

The impact of discounting on the total amount of the residual interest was €16.7 million at 31 December 2023, a total amount before discounting of €181.0 million on that date.

Residual interest in leased assets concerns digital and industrial assets amounting to €155.8 million and €25.2 million, respectively.

11.2. Gross liability for repurchases of leased assets

In the case of refinancing of financial leases with refinancing partners, agreements entered into may provide for the refinancing of all or part of the residual interest in leased assets in the form of a repayable advance. This advance, repayable at the end of the initial period of the financial lease, therefore constitutes a liability as defined in IFRS 9. This liability is discounted using the same conditions as the financial lease.

The financing of this residual interest by the refinancing partner is carried out on the basis of negotiations on a case-by-case basis; the latter may decide not to make an advance, or to make a partial or total advance of the residual value. In addition, certain financial lease are not refinanced. As a result, residual interest and gross liability for repurchases of leased assets may differ significantly.

This debt is excluded from the calculation of net financial debt used by the Group, presented in note 15.3.

in € millions	**31 Dec. 2023**	**31 Dec. 2022**
Total gross liability for repurchases of leased assets non-current portion	78.1	78.7
Total gross liability for repurchases of leased assets current portion	29.0	24.1
Total	**107.1**	**102.8**

The present value of items recorded in "Gross liability for repurchases of leased assets" (current and non-current portions) stood at €107.1 million. The cumulative impact of discounting was €8.9 million in 2023, i.e. a gross commitment of €116.0 million before discounting at 31 December 2023.

12. Operating assets and liabilities

12.1. Inventories

For the Group, inventories are:

- assets held for sale in the ordinary course of business and measured at the lower of cost (weighted average cost) and net realisable value;
- or materials or supplies to be used in the rendering of services, measured at cost and impaired in line with the useful life of the infrastructure to which they relate.

in € millions	31 Dec. 2023			31 Dec. 2022		
	Gross	Impairment	Net	Gross	Impairment	Net
Equipment in the process of being refinanced	**18.7**	**(1.3)**	**17.4**	**19.2**	**(0.1)**	**19.1**
Other inventories	**71.0**	**(8.3)**	**62.7**	**92.2**	**(7.8)**	**84.5**
IT equipment and telecoms	61.7	(4.1)	57.6	79.6	(3.8)	75.8
Spare parts and other inventories	9.3	(4.2)	5.1	12.7	(4.0)	8.7
Total	**89.7**	**(9.7)**	**80.1**	**111.4**	**(7.9)**	**103.6**

Inventories of IT and telecom equipment decreased by €18.2 million largely due to the development of business and further improved inventory management.

Gross value

in € millions	31 Dec. 2022	Changes in inventories	Changes in scope of consoli-dation	Reclassi-fication under assets held for sale	Other changes	31 Dec. 2023
Equipment in the process of being refinanced	**19.2**	**(6.4)**	**-**	**-**	**5.9**	**18.7**
Other inventories	**92.2**	**(20.7)**	**-**	**(0.5)**	**-**	**71.0**
IT equipment and telecoms	79.6	(17.3)	-	(0.5)	-	61.7
Spare parts and other inventories	12.7	(3.4)	-	-	-	9.3
Total	**111.4**	**(27.1)**	**-**	**(0.5)**	**5.9**	**89.7**

Impairment

in € millions	31 Dec. 2022	Additions	Reversals	Reclassi-fications of assets held for sale	Other changes	31 Dec. 2023
Equipment in the process of being refinanced	**(0.1)**	**(1.2)**	**-**	**-**	**-**	**(1.3)**
Other inventories	**(7.8)**	**(0.9)**	**0.5**	**-**	**(0.2)**	**(8.3)**
IT equipment and telecoms	(3.8)	(0.5)	0.4	-	(0.2)	(4.1)
Spare parts and other inventories	(4.0)	(0.4)	0.1	-	-	(4.2)
Total	**(7.9)**	**(2.1)**	**0.5**	**-**	**(0.2)**	**(9.7)**

12.2. Trade and other receivables and other current assets

in € millions	31 Dec. 2023			31 Dec. 2022		
	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables	770.6	(44.2)	726.4	856.4	(47.2)	809.2
Other receivables	51.8	(2.3)	49.4	70.7	(1.0)	69.7
Trade and other receivables	**822.4**	**(46.5)**	**775.9**	**927.0**	**(48.2)**	**878.9**
Costs of executing and obtaining contract - assets	**34.5**	**-**	**34.5**	**31.3**	**-**	**31.3**

The trade receivables item is broken down below by activity, for its amount net of impairment.

in € millions	31 Dec. 2023				31 Dec. 2022			
	Receivables invoiced, net of impairment	Revenue accruals	Outstanding rentals	Total	Receivables invoiced, net of impairment	Revenue accruals	Outstanding rentals	Total
Products & Solutions	138.3	44.3	-	182.6	154.3	48.1	-	202.4
Services	20.0	24.4	-	44.4	13.2	22.1	-	35.3
Technology Management & Financing	228.2	1.1	270.1	499.5	228.1	5.6	337.8	571.5
Total	**386.5**	**69.8**	**270.1**	**726.4**	**395.6**	**75.8**	**337.8**	**809.2**

At the end of 2023, the €270.1 million in outstanding rentals included a portion that is subject to own-book deals or refinanced with recourse for a net amount of €209.2 million, of which €136.0 million is non-current. The current portion includes not only own-book outstanding deals but also a portion that will be refinanced (when a refinancing agreement exists). The €67.7 million decrease in outstanding leases from the end of 2022 to the end of 2023 was due, for €93.5 million, to a reclassification as assets held for sale.

Revenue accruals were mainly due to the time lag between revenue recognition and invoicing, which leads to the recognition of contract assets (invoices to be issued). These lags were slightly less significant at the end of 2023 compared to the end of 2022.

The payment terms of our customers comply with the local regulations of the countries in which we operate and, where applicable, the usual business practices and payment schedules defined in our contracts.

Costs of securing and executing contracts are costs that are directly assigned to a customer contract and have not yet been rebilled. The majority of contract assets will be transformed into trade receivables in the coming months.

Other receivables

Other receivables represent amounts receivable from the Public Treasury and miscellaneous amounts due from third parties (suppliers, factor, etc.):

in € millions	31 Dec. 2023	31 Dec. 2022
Tax receivables (excl. income tax)	23.0	23.9
Receivables on factors	13.3	27.7
Government grants receivable	2.0	1.0
Due from suppliers	1.1	10.2
Other	10.0	6.8
Other receivables	**49.4**	**69.7**

Other current assets

Other current assets amounted to €37.8 million compared to €36.3 million at 31 December 2022 and correspond to prepaid expenses in the amount of €32.6 million (compared to €26.0 million at 31 December 2022) and to the valuation of financial instruments in the amount of €5.2 million presented in Note 14.2.

Impairment of receivables

Initially, receivables are impaired taking into account expected credit losses, if material:

- short-term receivables (mainly for the Products & Solutions and Services business) are impaired on the basis of an average observed risk of default. This approach is based on the default rates observed individually by each of the Group's subsidiaries;
- long-term receivables (mainly for the TMF business) are impaired by taking into account the customer's risk profile, the value of the underlying assets and a probability of occurrence.

Subsequently, if there is serious doubt as to its recoverability, a loss allowance is recognised for the amount that is not recoverable.

in € millions	31 Dec. 2022	Additions	Reversals	Other changes	Reclassi-fication under assets held for sale	31 Dec. 2023
Impairment of doubtful receivables	**(47.2)**	(10.8)	13.0	0.4	0.4	**(44.2)**

Additions and reversals in the income statement are recognised in the operating margin in the amount of €1.5 million, presented in Note 4.7, as well as in other operating income and other expenses for unusual items corresponding to non-usual events in terms of their frequency, nature or impact in the amount of €0.7 million as indicated in Note 5.

Reversals of €13.0 million include utilisations of €5.1 million.

12.3. Trade and other payables

in € millions	31 Dec. 2023	31 Dec. 2022
Trade payables	**648.2**	**741.2**
of which reverse factoring trade payables	*26.2*	*104.6*
Other payables	**178.4**	**191.0**
Tax and social liabilities	162.1	183.8
Dividends payable	1.4	1.4
Customer prepayments and other payables	14.9	5.7
Total trade and other payables	**826.6**	**932.1**

The decrease in trade payables was mainly due to the unwinding, at the start of 2023, of a reverse factoring trade payable amounting to €53 million at 31 December 2022.

12.4. Other current liabilities

Other current liabilities break down as follows:

in € millions	31 Dec. 2023	31 Dec. 2022 restated
Contract liabilities	**57.5**	**63.7**
Deferred income	96.7	109.5
Other liabilities	36.4	15.4
Other current liabilities	**133.1**	**124.8**

Contract liabilities were mainly due to the receipt of advance payments and advance billingsfrom our customers.

The majority of contract liabilities are to be converted into revenue in the coming months.

13. Other financial liabilities (contingent acquisition debts)

The contingent acquisition-related liabilities include options to commit to buy back non-controlling interests, contingent consideration and deferred payments, most of which have been granted subject to attainment of future financial targets. As such they are dependent on the estimated future performance of the entities concerned (*e.g.* EBIT multiples, expected future cash flows, etc.).

At the end of 2023, the Group had call options (and non-controlling interests had put options) on the remaining shares allowing it to acquire all or part of the share capital of the following entities: Econocom Factory, Exaprobe, Helis, Lydis, Servicios Microinformatica and Trams. Under these options, Econocom agreed to acquire the shares and also has the right to be sold the shares by the non-controlling shareholders.

The table below shows changes in contingent acquisition-related liabilities over the year:

in € millions	**Put and call options on non-controlling interests**	**Contingent considerations**	**Deferred payments**	**Total contingent acquisition-related liabilities**	**Current portion**	**Non-current portion**
31 Dec. 2022	**58.1**	**1.5**	**1.6**	**61.2**	**24.9**	**36.3**
Disposals and IFRS 5 reclassifications	(0.2)	-	-	(0.2)		
Increases against equity or goodwill	-	0.6	-	0.6		
Disbursements	(6.7)	-	(0.9)	(7.6)		
Change in fair value through equity	(6.6)	-	-	(6.6)		
Change in fair value through profit (loss) from non-current operating activities	-	(0.8)	-	(0.8)		
Change in fair value by operating margin	-	-	-	-		
31 Dec. 2023	**44.6**	**1.3**	**0.7**	**46.7**	**23.8**	**22.9**

Changes in the value of commitments to purchase non-controlling interests are recognised in equity.

Cross-option liabilities and contingent consideration liabilities are measured based on the estimated future performance of the entities concerned (*e.g.* EBIT multiples, expected future cash flows, etc.).

14. Financial instruments

Financial instruments comprise:

- financial assets, which include non-current financial assets (except investments in associates and joint ventures), other long-term receivables, trade and other receivables, other current assets, and cash and cash equivalents;
- financial liabilities, which include current and non-current financial debt and bank overdrafts, operating payables and other current and non-current liabilities; and
- derivative instruments.

14.1. Classification and measurement of financial instruments

Financial instruments (assets and liabilities) are recognised in the consolidated statement of financial position at their initial fair value plus or minus, in the case of a financial asset or financial liability not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of that financial asset or financial liability.

The subsequent measurement of financial assets and liabilities is carried out, depending on their category, either at fair value (profit or loss or other comprehensive income (expense) or at amortised cost.

The classification of a financial asset in each of the three categories (financial asset at amortised cost, financial asset at fair value through profit or loss, financial asset at fair value through other comprehensive income (expense)) is based on the business model applied to it by the company and the characteristics of its contractual cash flows.

The classification of a financial liability in each of two categories (financial liability at amortised cost or financial liability at fair value through profit or loss).

The Group applies the concept of fair value set out in IFRS 13 "Fair Value Measurement", whereby fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price)".

Amortised cost represents the fair value on initial recognition (net of transaction costs), plus interest calculated based on the effective interest rate and less cash outflows (coupons, principal repayments and, where applicable, redemption premiums). Accrued interest (income and expenses) is not recorded at the nominal interest rate of the financial instrument, but based on the instrument's effective interest rate.

The initial recognition of financial instruments in the consolidated statement of financial position along with their subsequent measurement as described above apply to the following interest rate definitions:

- the coupon rate (coupon), which is the nominal interest rate on the instrument;

- the effective interest rate;
- the market interest rate, which is the effective interest rate as recalculated at the measurement date in line with ordinary market inputs.

At each reporting date, the Group assesses whether the credit risk associated with a financial asset has increased significantly since initial recognition. In this case, the Group assesses the expected credit losses over the life of the asset.

Any loss of value is recognised in the income statement.

Financial instruments carried in both assets and liabilities are derecognised whenever the related risks and rewards are sold and the Group ceases to have control over those financial instruments (see note 22).

14.2. Derivatives

The Group uses the financial markets only for hedging exposure related to its business activities and not for speculative purposes.

Given the low foreign exchange risk, forward purchases and sales of foreign currency are recognised as instruments measured at fair value through profit or loss.

The Group uses interest rate swaps to hedge its exposure, notably on the floating-rate tranches of its *Schuldschein* notes. These derivate instruments are designated as a cash flow hedges and is eligible for hedge accounting under IFRS 9.

Gains or losses on the hedging instruments are recognised directly in "Other comprehensive income (expense)" until the hedged item is itself recognised in the income statement. Hedging reserves are then transferred to the income statement.

	31 Dec. 2022	Change through profit or loss	Other comprehensive income (expense)	31 Dec. 2023
Derivative instruments (positive fair value)	10.2	-	(5.0)	5.2
Derivative instruments (negative fair value)	-	-	-	-
Total	**10.2**	**-**	**(5.0)**	**5.2**

14.3. Classification of financial instruments and fair value hierarchy

IFRS 7 "Financial Instruments: Disclosures" sets out a fair value hierarchy, as follows:

- Level 1: fair value based on quoted prices in active markets;
- Level 2: fair value measured using observable market inputs (other than the quoted market prices included in Level 1);
- Level 3: fair value measured using unobservable market inputs.

The fair value of financial instruments is determined using market prices resulting from trades on a national stock exchange or over-the-counter markets.

When no market price is available, fair value is measured using other valuation methods such as discounted future cash flows. In any event, estimates of market value are based on certain interpretations required when measuring financial assets. As such, these estimates do not necessarily reflect the amounts that the Group would actually receive or pay if the instruments were traded on the market. The use of different estimates, methods and assumptions may have a material impact on estimated fair values.

In view of their short-term nature, the book value of trade receivables, other receivables and cash and cash equivalents is considered as a good estimation of their fair value.

Derivative instruments and non-consolidated equity investments are measured using Level 2 fair values.

Cash equivalents are recognised at their Level 1 fair value.

14.3.1. FINANCIAL ASSETS

The Group's financial assets at 31 December 2023 may be analysed as follows:

in € millions		Book value			Level in the fair value hierarchy		
Balance sheet headings	**Notes**	**Amortised cost**	**Fair value recognised through other comprehensive income**	**Fair value through profit or loss**	**Level 1**	**Level 2**	**Level 3**
Non-current financial assets	10.4	15.8	-	9.9	-	25.6	-
Long-term receivables	10.5	19.6	-	-	-	14.5	-
Residual interest	11.1	164.3	-	-	-	164.3	-
Trade receivables	12.2	726.4	-	-	-	726.4	-
Other receivables	12.2	49.4	-	-	-	49.4	-
Cash and cash equivalents	15.1	-	-	226.6	226.6	-	-
Total financial assets		**975.5**	**-**	**236.5**	**226.6**	**980.2**	**-**

14.3.2. FINANCIAL LIABILITIES AND OTHER LIABILITIES

In view of their short-term nature, the book value of trade and other payables is considered as a good estimation of their fair value.

The market value of derivative instruments is measured based on valuations provided by bank counterparties or models widely used in financial markets, on the basis of data available at the reporting date.

in € millions		Book value			Level in the fair value hierarchy		
Balance sheet headings	**Notes**	**Amortised cost**	**Fair value through profit or loss**	**Fair value through equity**	**Level 1**	**Level 2**	**Level 3**
Gross debt	15.2	406.7	-	-	-	403.5	-
Non-convertible bonds		*201.6*	-	-	-	*198.4*	-
Bank debt, commercial paper and other		*49.0*	-	-	-	*49.0*	-
Liabilities relating to contracts refinanced with recourse		*156.1*	-	-	-	*156.1*	-
Gross commitments on residual financial assets	11.2	107.1	-	-	-	107.1	-
Lease liabilities	10.3	55.7	-	-	-	54.2	-
Acquisition-related liabilities	13	-	1.3	45.3	-	-	46.7
Other non-current liabilities		6.4	-	-	-	6.4	-
Trade payables	12.3	648.2	-	-	-	648.2	-
Other payables (excluding derivative instruments)	12.3	178.4	-	-	-	178.4	-
Other current liabilities	12.4	36.4	-	-	-	36.4	-
Total financial liabilities and other liabilities		**1,438.9**	**1.3**	**45.3**	**-**	**1,434.2**	**46.7**

15. Cash, gross financial debt, net financial debt

15.1. Cash and cash equivalents

These include cash on hand and demand deposits, other highly-liquid investments with maturities of three months or less, and bank overdrafts. Bank overdrafts are included in "Financial liabilities" within current liabilities in the balance sheet.

Changes in fair value are recognised through profit or loss under "Financial income from operating activities".

Cash as presented in the statement of cash flows includes cash and cash equivalents, presented net of bank overdrafts. Cash and cash equivalents may be broken down as follows at the end of 2023 and 2022:

in € millions	31 Dec. 2023	31 Dec. 2022
Cash in hand	**219.2**	**384.4**
Demand deposits	0.0	0.1
Sight deposits	219.1	384.3
Cash equivalents	**7.4**	**20.4**
Term accounts	2.7	-
Marketable securities	4.7	20.3
Cash and cash equivalents	**226.6**	**404.8**
Bank overdrafts	(1.0)	(2.4)
Cash and cash equivalents net of bank overdrafts	**225.5**	**402.4**

The cash and cash equivalent balances corresponding to the share of Econocom's partners in companies fully consolidated but not wholly owned by Econocom totalled €9.8 million at 31 December 2023 versus €8.2 million at 31 December 2022.

15.2. Gross financial debt

Gross financial debt includes all interest-bearing debt and debt incurred through the receipt of financial instruments.

It does not include:

- the gross liability for repurchases of leased assets and residual interests in leased assets;
- the derivative instrument hedging *Schuldschein* notes;
- assets and liabilities held for sale; and
- lease liabilities.

Gross financial debt

in € millions	31 Dec. 2023	31 Dec. 2022
Non-convertible bond debt (*Schuldschein*)	199.5	199.3
Bond loans – non-current	**199.5**	**199.3**
Other debt	114.1	68.0
Financial lease liabilities(1)	8.6	23.9
Financial liabilities – non-current	**122.7**	**91.9**
Non-current interest-bearing liabilities	**322.1**	**291.1**
Convertible bond (OCEANE) – current portion	-	151.2
Non-convertible bond (*Schuldschein* bond) – current portion	2.1	9.6
Bond loans – current portion	**2.1**	**160.8**
Commercial paper	20.0	32.5
Factoring financial liabilities(2)	11.2	14.5
Reverse factoring financial liabilities	4.2	0.1
Financial lease and similar liabilities(1)	16.3	17.8
Other current borrowings and debt with recourse	30.7	29.1
Financial liabilities – current portion(3)	**82.4**	**93.9**
Current interest-bearing liabilities	**84.6**	**254.8**
Total gross financial debt(3)	**406.7**	**545.9**

(1) Primarily, liabilities relating to contracts refinanced with recourse. This debt is backed by customers' rental payments, but the Group retains a portion of the credit risk. The Group has therefore added back a similar amount of unassigned receivables in accordance with IAS 32 "Financial Instruments: Presentation".

(2) Factoring liabilities consist of residual risks arising from factoring agreements.

(3) Excluding bank overdrafts.

Convertible bond loans

In March 2018, Econocom Group issued OCEANE bonds in the amount of €200 million (€198.4 million after allocation of issue costs). Their main characteristics are detailed below:

- maturity: five years;
- annual coupon: 0.5%;
- issue price: €8.26.

The Group reimbursed this convertible bond on 6 March 2023.

Non-convertible bond loans

Schuldschein 2016

In late November 2016, Econocom Group SE issued €150 million in *Schuldschein* notes on the Frankfurt market.

These notes, redeemable at maturity, comprise three tranches: €13 million at seven years, and €22 million and €115 million at five years. Notes belonging to the first two tranches pay fixed-rate interest (2.088% at seven years and 1.611% at five years). The interest on the third tranche includes a fixed-rate portion of 1.5% and a floating-rate portion indexed to six-month EURIBOR. An interest rate swap was put in place to cover the risk related to this floating rate. The swap hedged the risk of a rise in interest rates; however, it provided that if EURIBOR was negative, Econocom bore the interest rate risk.

The Group reimbursed this non-convertible bond in November 2023.

Schuldschein 2022

In May 2022, Econocom Group SE issued a €200 million *Schuldschein* bond on the Frankfurt market.

These notes, redeemable at maturity, breaks down into five tranches:

- €15 million at three years, at a fixed rate for 2.127%;
- €43 million at three years, at a floating rate indexed to EURIBOR 6 months;
- €19 million at five years, at a fixed rate for 2.565%;
- €113 million at five years, at a floating rate indexed to EURIBOR 6 months;
- €10 million at seven years, at a fixed rate of 3.081%.

Interest rate swaps were put in place to cover the risk related to these floating rates. The swaps hedge the risk of a rise in interest rates; however, they provide that if EURIBOR is negative, Econocom bears the interest rate risk.

This transaction made it possible to secure the Group's liquidity under favourable conditions (notably thanks to the implementation of pre-hedging and hedging transactions that enabled it to post an average rate of 2.1%) and to extend the average maturity of the debt.

Commercial paper (NEUCP)

Since October 2015, Econocom has diversified its financing resources with the implementation of a commercial paper programme (NEUCP) at Econocom Group level with the Banque de France. Through this programme, capped at €200 million, the Group optimises its short-term resources to finance its WCR.

With a long-term presence in this market, Econocom has benefited from regular access to this source of liquidity thanks to referrals from institutional investors confirming the Group's good standing.

Analysis of non-current interest-bearing liabilities by maturity

2023 *in € millions*	**Total**	**1 to 5 years**	**Beyond 5 years**
Lease payables relating to contracts refinanced with recourse (non-current portion)	8.6	8.6	-
Bond loans	199.5	189.5	10.0
Other debt	114.1	114.1	-
Total	**322.1**	**312.1**	**10.0**

2022 *in € millions*	**Total**	**1 to 5 years**	**Beyond 5 years**
Lease payables relating to contracts refinanced with recourse (non-current portion)	23.9	23.9	-
Bond loans	199.3	189.3	10.0
Other debt	68.0	54.2	13.8
Total	**291.1**	**267.4**	**23.8**

15.3. Net financial debt

The concept of net financial debt as used by the Group represents gross financial debt (see Note 15.2) less gross financial cash (see Note 15.1 "Cash and cash equivalents"). This indicator is used for financial communication purposes, notably to calculate certain performance ratios.

Net financial debt - 2023

in € millions	31 Dec. 2022	Cash flows	Non-cash flows				31 Dec. 2023
			Amortised cost of the loan	Changes in scope of consolidation	Conversion	Other	
Cash and cash equivalents*	404.8	(154.1)	-	-	1.0	(25.1)	226.6
Bank overdrafts**	(2.4)	1.3	-	-	-	-	(1.0)
Cash and cash equivalents net of bank overdrafts(1)	**402.4**	**(152.8)**	**-**	**-**	**1.0**	**(25.1)**	**225.5**
Commercial paper and credit lines	(54.2)	42.5	-	-	-	(37.2)	(49.0)
Net cash at bank	**348.2**	**(110.3)**	**-**	**-**	**1.0**	**(62.3)**	**176.6**
Convertible bond (OCEANE)	(151.2)	151.8	(0.6)	-	-	-	-
Bond debt (*Schuldschein*)	(208.9)	15.7	(8.4)	-	-	-	(201.6)
Leases refinanced with recourse	(41.7)	17.8	-	(0.8)	(0.1)	-	(24.9)
Factoring financial liabilities with recourse	(14.5)	3.1	-	-	(0.1)	0.3	(11.2)
Reverse factoring liabilities	(0.1)	(4.1)	-	-	-	-	(4.2)
Other liabilities	(75.3)	(118.5)	-	-	-	78.0	(115.8)
Sub-total	**(491.7)**	**65.8**	**(9.0)**	**(0.8)**	**(0.3)**	**78.2**	**(357.7)**
(Net financial debt)/Cash surplus	**(143.5)**	**(44.5)**	**(9.0)**	**(0.8)**	**0.7**	**15.9**	**(181.2)**

* Positive gross cash and cash equivalents.

** Including current bank overdrafts totalling €1.0 million at 31 December 2023 and €2.4 million at 31 December 2022.

(1) The negative €176.9 million change in net cash and cash equivalents net of bank overdrafts as shown in the statement of cash flows is equal to the sum of monetary outflows of -€152.8 million, plus translation adjustments of €1.0 million and translation losses of €25.1 million.

Net financial debt is to be compared with the future cash inflows expected from the own-book deals of the Technology Management & Financing activity, in the amount of €209.2 million.

Net financial debt - 2022

in € millions	31 Dec. 2021	Cash flows	Non-cash flows: Amortised cost of the loan	Changes in scope of consoli-dation	Conver-sion	Other	31 Dec. 2022
Cash and cash equivalents*	405.9	(2.7)	-	7.5	1.5	(7.3)	404.8
Bank overdrafts**	0.0	(2.1)	-	(0.2)	-	-	(2.4)
Cash and cash equivalents net of bank overdrafts(1)	**405.9**	**(4.8)**	**-**	**7.3**	**1.5**	**(7.3)**	**402.4**
Commercial paper and credit lines	(71.9)	17.6	-	-	-	-	(54.2)
Net cash at bank	**334.0**	**12.8**	**-**	**7.3**	**1.5**	**(7.3)**	**348.2**
Convertible bond (OCEANE)	(182.5)	34.7	(3.5)	-	-	-	(151.2)
Bond debt (Euro PP)	(56.4)	57.1	(0.7)	-	-	-	-
Bond debt (*Schuldschein*)	(13.0)	(192.6)	(3.2)	-	-	-	(208.9)
Leases refinanced with recourse	(64.0)	21.9	-	-	(0.4)	-	(41.7)
Factoring financial liabilities with recourse	(12.8)	(1.8)	-	-	0.1	-	(14.5)
Reverse factoring financial liabilities	(5.2)	4.9	-	-	-	0.2	(0.1)
Other liabilities	(67.0)	1.5	-	(9.8)	-	-	(75.3)
Sub-total	**(400.8)**	**(74.3)**	**(7.4)**	**(9.8)**	**0.4**	**0.2**	**(491.7)**
(Net financial debt)/Cash surplus	**(66.8)**	**(61.5)**	**(7.4)**	**(2.5)**	**1.9**	**(7.1)**	**(143.5)**

* Positive gross cash and cash equivalents.

** Including current bank overdrafts totalling €0.0 million at 31 December 2021 and €0.8 million at 31 December 2020.

(1) The negative €242.7 million change in net cash and cash equivalents net of bank overdrafts as shown in the statement of cash flows is equal to the sum of monetary outflows of -€243.8 million, cash acquired of €7.5 million, translation adjustments of €1.4 million and translation losses of €7.8 million.

16. Equity

16.1. Share capital

Econocom Group SE destroyed 43,884,081 treasury shares by decision of the Extraordinary General Meeting of 22 June 2023, without modification of its share capital, which now amounts to €23,731,027.

The total number of shares was thus reduced to 179,045,899.

	Number of shares			Value *in € millions*		
	Total	**Treasury**	**Outstanding**	**Share capital**	**Issue premium**	**Treasury shares**
At 1 January 2022	**222,281,980**	**37,303,151**	**184,978,829**	**23.7**	**194.8**	**(106.0)**
Purchases of treasury shares, net of sales	-	8,174,542	(8,174,542)	-	-	(25.4)
Exercise of options and award of free shares	-	(1,300,000)	1,300,000	-	-	-
Capital increase	648,000	-	648,000	0.1	1.7	
Destruction of treasury shares	-	-	-	-	-	-
Refund of issue premium	-	-	-	-	(25.3)	-
At 31 December 2022	**222,929,980**	**44,177,693**	**178,752,287**	**23.7**	**171.2**	**(131.4)**
Purchases of treasury shares, net of sales		7,051,234	7,051,234	-	-	(18.5)
Exercise of options and award of free shares	-	(900,000)	900,000	-	-	-
Capital increase	-	-	-	-	-	-
Destruction of treasury shares	(43,884,081)	(43,884,081)	-	-	-	133.3
Refund of issue premium	-	-	-	-	(28.5)	-
At 31 December 2023	**179,045,899**	**6,444,846**	**172,601,053**	**23.7**	**142.7**	**(16.6)**

At 31 December 2023, the number of dematerialised shares amounted to 117,179,349 and the number of registered shares to 61,866,550, a total of 179,045,899 shares.

Bearer shares

In 2020, one shareholder claimed his shares, representing 7,424 Econocom shares. At 31 December 2020, the number of Econocom Group shares registered in the name of Caisse des Dépôts et Consignations in the register of shares therefore amounted to 1,078,244 shares.

In 2022 and 2023, as there were no shareholder claims, the number of Econocom Group shares registered in the name of Caisse des Dépôts et Consignations in the register of shares remained unchanged at 31 December 2023 at 1,078,244 shares.

16.2. Changes in equity attributable to owners of the parent

At 31 December 2023, equity attributable to owners of the parent amounted to €413.9 million versus €390.2 million at 31 December 2022. The table below shows changes in this item:

in € millions	Attributable to owners of the parent
At 31 December 2022	**390.2**
Comprehensive income	58.8
Share-based payments, net of tax	1.6
Refund of issue premiums/Payments to shareholders	(28.5)
Capital increase	-
Treasury share transactions	(18.5)
Change in fair value of liabilities under put options	13.5
Impact of put options granted to non-controlling shareholders	-
Miscellaneous (transactions impacting non-controlling interests and other transactions)	(3.1)
At 31 December 2023	**413.9**

16.3. Changes in equity not recognised in the income statement

16.3.1. ECONOCOM GROUP SHARE-BASED PAYMENTS

The Group regularly awards share purchase and subscription options, as well as free shares, to Management, certain corporate officers and selected employees. These transactions are recognised at fair value at the grant date using the Black-Scholes-Merton mathematical option pricing model.

Fair value, corresponding to the estimated cost of the services provided by the beneficiaries, is recognised on a straight-line basis in "Employee benefits expense" over the vesting period. An offsetting entry is recorded to equity. Subsequent changes in the fair value of the options do not impact the initial measurement.

At the end of each reporting period, the Group revises the assumptions used to calculate the number of equity instruments. The impact of this revised estimate, if any, is taken to profit or loss and the expenses accrued adjusted accordingly. The offsetting entry is recorded in equity.

16.3.1.1. Stock subscription and purchase option plans

Stock subscription and purchase option plans have been granted to some of the Group's employees and corporate officers for an agreed unit price. Share subscription and purchase option plans are equity-settled share-based payment transactions. In accordance with the number of options expected to vest, the fair value of the options granted is expensed over the vesting period. When the options are exercised, equity is increased by the proceeds received.

The characteristics of these plans are detailed below:

Stock option plans	2014 subscription options	2017 subscription options	2022 acquisition options	Total
Year granted	**2016**	**2017**	**2022**	
Options outstanding at 31 December 2022	**85,000**	**90,000**	**550,000**	**725,000**
Options granted during the period	-	-	(200,000)	(200,000)
Options exercised during the period	-	-	-	-
Options lapsed, forfeited or cancelled	(85,000)	(90,000)	-	(175,000)
Options outstanding at 31 December 2023	**-**	**-**	**350,000**	**350,000**
Rights granted in number of shares (comparable) at 31 December 2022	170,000	90,000	550,000	810,000
Rights granted in number of shares (comparable) at 31 December 2023	**-**	**-**	**350,000**	**350,000**
Option exercise price *(in €)*	11.48	6.04	0.42	
Share purchase price *(in €)*	5.85	6.04	0.42	
Average share price at the exercise date	-	-	-	
Expiry date	**Dec. 2023**	**Dec. 2023**	**Dec. 2024**	

The fair values of the options were measured at the grant date using the Black-Scholes-Merton mathematical option pricing model. The table below shows the measurements along with the main assumptions used:

General information		Initial measurement assumptions (IFRS 2)					
Plan	**Year granted**	**Options outstanding**	**Fair value**	**Volatility**	**Vesting period**	**Estimated future dividend in %**	**RFI(1)**
2022	2022	350,000	2.89	38%	3 years	4.26%	0.36%

(1) RFI: Risk-Free Interest rate.

Options are measured at fair value at the grant date in accordance with IFRS 2.

Volatility is calculated by an actuary based on a four-year record of daily prices preceding the option grant date, in line with the maturity of the options.

A detailed description of these stock option plans can be found in section 2.2 of the chapter on corporate governance.

16.3.1.2. Free share plan

As at 31 December 2023, 250,000 free shares had not been fully vested.

	Free shares unvested at 31 Dec. 2022	Award	Vesting	Loss or cancellation	Free shares unvested at 31 Dec. 2023	Vesting date
2018	50,000	-	-	(50,000)	-	March 2023
2021	700,000	-	(700,000)	-	-	July 2023
2021	500,000	-	-	(250,000)	250,000	July 2024
Total	**1,250,000**	**-**	**(700,000)**	**(300,000)**	**250,000**	**-**

Each tranche is subject to performance and, where applicable, stock market price conditions.

16.3.1.3. Share-based payment expense in the income statement

The total expense recorded in profit or loss for the 2023 financial year in respect of share-based payments amounted to €1.4 million, and was recognised in "Employee benefits expense".

The total expense recorded in profit or loss for the 2022 financial year in respect of share-based payments amounted to €5.4 million, and was recognised in "Employee benefits expense".

16.3.2. PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

The impact of provisions for pensions and other post-employment benefits on consolidated equity is set out in note 18.

16.3.3. TREASURY SHARES

Treasury shares acquired and the directly related transaction costs are recorded as a deduction from consolidated equity. When they are sold, the consideration received in exchange for the shares net of the transaction costs is recorded in equity.

At 31 December 2023, the Group held 6,444,846 treasury shares, equivalent to 3.60% of the total number of shares, through the parent company Econocom Group SE and its subsidiaries.

16.3.4. REDEMPTION OF SHARES

The Board of Directors recommends that at the General Meeting shareholders vote to refund the issue premium considered as paid-in capital, in an amount of €0.16 per share. The table below also shows the dividend per share paid by the Group in respect of previous years.

	Issue premium refund proposed in 2024[1]	Issue premium refunded in 2023	Issue premium refunded in 2022
Total in € millions	27.6	28.6	25.9
Amount per share in €	0.16	0.16	0.14

(1) Calculated based on the total number of shares outstanding at 31 December of each year.

As this refund of the issue premium is subject to the approval of the General Meeting, it is not recognised as a liability in the financial statements for the year ended 31 December 2023.

16.3.5. CURRENCY TRANSLATION RESERVES

Currency translation reserves correspond to the cumulative effect of the consolidation of subsidiaries with functional currencies other than the euro. Foreign exchange gains and losses recorded in equity attributable to owners of the parent and non-controlling interests amounted to a loss of €2.8 million versus a loss of €2.2 million at 31 December 2022. At 31 December 2023, changes in this item resulted chiefly from fluctuations in the value of the following currencies: pound sterling, US dollar and Polish zloty.

16.4. Change in non-controlling interests

At 31 December 2023, non-controlling interests amounted to €60.8 million (€66.6 million at 31 December 2022). The table below shows changes in this item:

in € millions	Non-controlling interests
At 31 December 2022 restated	**66.6**
Share of comprehensive income attributable to non-controlling interests	(0.7)
Shareholder remuneration	-
Impact of put options granted to non-controlling shareholders	(6.9)
Miscellaneous transactions impacting reserves of non-controlling interests	1.7
At 31 December 2023	**60.8**

The share of profit (loss) recognised in the income statement for non-controlling interests represented a negative €0.9 million for 2023, compared to a positive €1.5 million in 2022.

16.5. Information regarding non-controlling interests

At 31 December 2023, non-controlling interests primarily concerned Econocom Factory, Exaprobe, Helis, Lydis, Servicios Microinformatica and Trams.

Together these companies accounted for 9.4% of total assets and 14.6% of consolidated equity at 31 December 2023. Taken individually, none of these entities represents a significant percentage of Econocom Group's total assets or consolidated equity.

Econocom Finance SA current accounts vis-à-vis these companies amounted to -€8.5 million at 31 December 2023, compared to -€8.0 million at 31 December 2022.

After eliminating items between these companies and other Group companies, these entities contributed €375.1 million to revenue in 2023.

17. Provisions

The Group recognises provisions when it has a legal or constructive obligation towards a third party as a result of past events which is likely to result in an outflow of resources that can be reliably measured.

The amount recognised represents the best estimate of the expenditure expected to be required to settle the present obligation, taking into account the risks and uncertainties known at the reporting date.

Long-term provisions

Long-term provisions cover risks which are not reasonably expected to materialise for several years, and concern social risks. They are discounted if required.

Short-term provisions

Short-term provisions primarily correspond to provisions for claims related to the Group's normal operating cycle and which are expected to be settled within 12 months.

They mainly include:

- provisions for social risks (including risks arising from reorganisation measures);
- tax and legal risks (disputes in progress with customers, suppliers, agents or tax authorities);
- deferred commissions (calculated contract by contract based on the residual value of leased assets, less any residual commercial value of the contracts concerned);
- other provisions.

Contingent liabilities

The Group did not identify any material risks not provisioned in its financial statements.

Provisions for restructuring and social risks

Provisions for restructuring and social risks in the amount of €7.3 million cover future costs related particularly to the reorganisation of certain entities, on the one hand, and litigation with former employees, on the other.

Provisions for tax, legal and commercial risks

This item includes provisions for legal and commercial risks in the amount of €12.3 million, which mainly cover the risks related to ongoing litigation with customers.

Change in 2023 provisions

in € millions	31 Dec. 2022	Changes in scope of consoli-dation	Additions	Reversals not used	Reversals used	Other and exchange differences	31 Dec. 2023
Restructuring and social risks	7.8	-	1.5	(1.0)	(1.1)	0.1	7.3
Tax, legal and commercial risks	18.1	0.3	2.0	(4.3)	(1.3)	0.1	14.9
Deferred commissions	1.2	-	0.2	-	-	-	1.3
Other risks	1.6	-	0.5	(0.5)	(0.0)	0.6	2.1
Total	**28.7**	**0.3**	**4.1**	**(5.8)**	**(2.4)**	**0.7**	**25.7**
Long-term	11.2	0.3	1.8	(0.3)	(0.4)	1.7	14.4
Short-term	17.4	-	2.3	(5.5)	(2.0)	(1.0)	11.3
Profit (loss) impact of movements in provisions							
Operating margin			2.8	(5.2)	(1.8)		
Other operating income and expenses			1.4	(0.5)	(0.6)		
Income tax expense			-	(0.1)	-		
Profit (loss) from discontinued operations			-	-	-		

Change in 2022 provisions

in € millions	31 Dec. 2021	Changes in scope of consoli-dation	Additions	Reversals not used	Reversals used	Other and exchange differences	31 Dec. 2022
Restructuring and social risks	6.7	0.5	2.7	(0.9)	(2.4)	1.2	7.8
Tax, legal and commercial risks	16.2	3.8	8.5	(2.4)	(6.0)	(2.0)	18.1
Deferred commissions	1.4	-	0.0	(0.0)	(0.1)	(0.1)	1.2
Other risks	7.7	-	0.2	(1.7)	(2.9)	(1.7)	1.6
Total	**31.9**	**4.3**	**11.4**	**(5.1)**	**(11.3)**	**(2.6)**	**28.7**
Long-term	5.0	4.3	3.8	(0.0)	(2.3)	0.4	11.2
Short-term	26.9	0.1	7.6	(5.1)	(9.0)	(3.0)	17.4
Profit (loss) impact of movements in provisions							
Operating margin			2.3	(3.6)	(9.7)		
Other operating income and expenses			9.2	(1.4)	(1.7)		
Income tax expense			-	-	-		
Profit (loss) from discontinued operations			-	-	-		

18. Provisions for pensions and similar commitments

18.1. Description of pension plans

Post-employment benefits are granted under defined contribution plans or defined benefit plans.

18.1.1. DEFINED CONTRIBUTION PLANS

A defined contribution plan is a plan under which the Group pays fixed contributions to an external entity that is responsible for the plan's administrative and financial management. The employer is therefore free of any subsequent obligation as the agency is in charge of paying employees the amounts to which they are entitled (basic Social Security pension plan, supplementary pension plans).

Special case: pension plans in Belgium

The Belgian "Vandenbroucke Law" states that employers must guarantee a minimum return on employee contributions. All Belgian defined contribution plans are therefore treated as defined benefit plans in accordance with IFRS.

As from 1 January 2016, the Group has been required to guarantee a minimum return for contributions paid in. The return depends on the yield on Belgian 10-year government bonds but should be between 1.75% and 3.25%. There will be no distinction made between employer and employee contributions.

Employers are exposed to a financial risk as a result of this guaranteed minimum return for defined contribution plans in Belgium. They have a legal obligation to pay additional contributions if the plan does not have sufficient assets to pay all benefits relating to past service costs.

These plans are classified and accounted for as IAS 19 defined benefit plans.

18.1.2. DEFINED BENEFIT PLANS

Defined benefit plans are characterised by the employer's obligation to its employees. Provisions are therefore accrued to meet this obligation.

The defined benefit obligation is calculated using the projected unit credit method, which uses actuarial assumptions as regards salary increases, retirement age, mortality, employee turnover and the discount rate.

Changes in actuarial assumptions, or the difference between these assumptions and actual experience, result in actuarial gains or losses. These are recognised in other comprehensive income for the period in which they occur, in accordance with the Group's accounting principles.

For the Group, defined benefit post-employment plans primarily concern the benefits described below:

- severance pay in France:
  - lump-sum benefits calculated according to the employee's years of service and his/her average compensation over the last 12 months prior to his/her departure,
  - the calculation is based on inputs defined by the Human Resources Department in France in November each year,
  - the calculated amount is set aside under provisions in the balance sheet;

- termination benefits in Italy:
  - rights vested by employees for each year of service pro rata to their gross annual compensation, revised every year and paid in advance or upon retirement, voluntary departure or termination,
  - the calculated amount is set aside under provisions in the balance sheet.

At Econocom International Italia and Asystel Italia, all rights arising after 1 January 2007 were transferred to a pension fund. Provisions therefore only concern rights vested at 31 December 2006 for which the Group was still liable at 31 December 2023.

- "Group" insurance in Belgium:
  - defined contribution plans, which provide a guaranteed return on payments made by the employer and the employee, payable as either a lump-sum benefit or equivalent annuity, or compensation in the event of death during employment. As the payment guaranteed by the insurance company is uncertain, the Group presents these plans as defined benefit plans, even though the amount of such plans in the balance sheet is subject to only minimal changes.

The Group has plan assets in France and Belgium. The expected rate of return on plan assets has been set at the same level as the rate used to discount the obligation.

Provisions for pensions and other post-employment benefit obligations for activities held for sale are recognised under "Liabilities held for sale".

The amounts that Econocom expects to pay directly in 2024 in respect of its employer contribution to the bodies in charge of collecting contributions, will represent around €1.2 million.

18.2. Actuarial assumptions and experience adjustments

Actuarial valuations depend on a certain number of long-term variables. These variables are reviewed every year.

	France		Other countries[1]	
	2023	2022	2023	2022
Retirement age	55-65 years old	55-65 years old	64-65 years old	64-65 years old
Salary increase rate and rights vested	3.00%	3.00%	2.60%	2.70% - 3.20%
Inflation rate	2.10%	2.20%	2.10%	2.20%
Discount rate	3.25%	3.50%	3.25%	3.50%
Mortality table	INSEE 2017-2019	INSEE 2016-2018	-	-

(1) Individually, the "Other countries" have no material impact.

The employee turnover rate was determined based on statistics for each country and business. The employee turnover rate is applied depending on the age band of each employee and, for certain countries, depending on the employee's status (managerial grade/non-managerial grade).

A decrease of around 0.25 percentage points in the discount rate would lead to an increase in the provision of approximately €0.7 million. A 0.25 percentage point increase in the discount rate would lead to a €0.7 million decrease in the provision.

In accordance with IAS 19, the discount rates applied to determine the amount of the obligation are based on the yield on long-term private-sector bonds over a term matching that of the Group's obligations.

The pension reform in France has an immaterial impact on post-employment benefits because the retirement age assumptions adopted by the Econocom Group in its consolidated financial statements as at the end of 2022 are similar to the new provisions of the reform.

in € millions	31 Dec. 2023	31 Dec. 2022
Present value of obligation (a)	59.2	57.8
Present value of assets (b)	27.4	27.4
Impact of discontinued activities and disposals (c)	4.8	0.3
Provision for pension obligations (a) – (b) – (c)	**27.0**	**30.2**
Long-service awards	0.3	0.4
Provisions for pension and other post-employment benefit obligations	**27.3**	**30.5**

18.3. Income and expenses recognised in profit or loss

Items of pension cost

in € millions	31 Dec. 2023	31 Dec. 2022 restated*
Service cost	(2.2)	(5.5)
Curtailment/termination	0.0	1.3
Interest expense	(0.9)	(0.4)
Expected return on plan assets	1.0	0.3
Total costs recognised in profit or loss	**(2.1)**	**(4.3)**
Total costs recognised in other items of comprehensive income	**0.3**	**(10.5)**

* In accordance with IFRS 5 (see 2.2.4), 2022 income and expenses of operations considered as discontinued in 2023 have been reclassified to “Profit (loss) from discontinued operations” in the 2022 income statement.

Service cost is shown within “Employee benefits expense” in the income statement. Interest expense, corresponding to the cost of discounting the obligation, is included in “Financial expenses”. Reductions /terminations are mainly recognised under “Employee benefits expense”.

18.4. Changes in provisions recorded in the balance sheet

Changes in 2023 provisions

in € millions	31 Dec. 2022	Changes in scope of consoli-dation	Income statement	Benefits paid directly	IFRS 5	Actuarial gains and losses(1)	31 Dec. 2023
France	26.4	-	2.1	(0.8)	(4.4)	(0.1)	23.2
Other countries	3.8	-	0.0	(0.4)	-	0.3	3.8
Provisions for pensions	**30.2**	**-**	**2.1**	**(1.2)**	**(4.4)**	**0.3**	**27.0**
Long-service awards (France)	0.4	-	(0.0)	-	(0.0)	-	0.3
Total	**30.5**	**-**	**2.1**	**(1.2)**	**(4.5)**	**0.3**	**27.3**

(1) Cumulative revaluation differences carried in other comprehensive income (expense) amounted to €9.4 million in 2023, versus €9.7 million in 2022, a change of -€0.4 million between the two periods, resulting primarily from the change in actuarial assumptions.

Changes in the 2022 provision

in € millions	31 Dec. 2021	Changes in scope of consoli-dation	Income statement	Benefits paid directly	IFRS 5	Actuarial gains and losses(1)	31 Dec. 2022
France	31.4	0.1	3.8	(0.5)	(0.0)	(8.4)	26.4
Other countries	4.8	-	0.5	(0.7)	1.4	(2.1)	3.8
Provisions for pensions	**36.2**	**0.1**	**4.3**	**(1.2)**	**(1.4)**	**(10.5)**	**30.2**
Long-service awards (France)	0.3	-	0.0	-	-	-	0.4
Total	**36.5**	**0.1**	**4.4**	**(1.2)**	**(1.4)**	**(10.5)**	**30.5**

(1) Cumulative revaluation differences carried in other comprehensive income (expense) amounted to €9.7 million in 2022 compared to -€1.0 million in 2021, a change of +€10.6 million between the two periods, resulting primarily from the change in actuarial assumptions and from changes in the scope of consolidation.

18.5. Changes in plan assets

Changes in 2023 plan assets

in € millions	31 Dec. 2022	Effects from changes in scope of consoli-dation	Expected return	Benefits paid by employer	Benefits paid by fund	Reductions/ termination	Actuarial gains and losses	31 Dec. 2023
France	1.0	-	0.0	-	(0.8)	-	-	0.2
Belgium	26.4	-	0.9	1.1	(1.1)	0.2	(0.2)	27.2
Total	**27.4**	**-**	**1.0**	**1.1**	**(1.9)**	**0.2**	**(0.2)**	**27.4**

These plan assets are mainly invested in financial investments with banks and insurance companies.

Changes in 2022 plan assets

in € millions	31 Dec. 2021	Effects from changes in scope of consoli-dation	Expected return	Benefits paid by employer	Benefits paid by fund	Reductions/ termination	Actuarial gains and losses	31 Dec. 2022
France	1.5	-	0.0	-	(0.5)	-	-	1.0
Belgium	25.2	-	0.2	1.1	(0.7)	0.2	0.4	26.4
Total	**26.7**	**-**	**0.3**	**1.1**	**(1.2)**	**0.2**	**0.4**	**27.4**

18.6. Estimated payments under defined benefit plans (no discounting) over a ten-year period

Timing of estimated payments to be made to employees under the main defined benefit plans, either by the plan (plan assets) or directly by Econocom if there are no plan assets:

in € millions	Due in less than 1 year	1-2 years	2-3 years	3-4 years	4-10 years	Total
Estimated payments	3.0	4.8	3.7	4.0	33.4	48.6

19. Notes to the consolidated statement of cash flows

Definition of cash flows

Cash flows are presented in the statement of cash flows, which analyses changes in cash flows from all activities, including continuing and discontinued operations as well as activities held for sale.

Cash as presented in the statement of cash flows includes cash and cash equivalents; it is presented net of bank overdrafts.

These changes in cash and cash equivalents in 2023 and 2022 break down as follows:

in € millions	2023	2022
Net cash and cash equivalents at 1 January	402.4	405.9
Net cash and cash equivalents at 31 December	225.5	402.4
Change in net cash and cash equivalents	**(176.9)**	**(3.4)**

19.1. Comments on the net cash flows from (used in) operating activities

Positive net cash flows from (used in) operating activities totalled €51.3 million in 2023 compared to €126.7 million in 2022, resulting mainly from:

- cash flows from operating activities of €134.8 million in 2023 compared to €127.1 million in 2022;
- an increase in outstandings related to own-book deals in the Technology Management & Financing activity, amounting to €13.4 million in 2023 (compared to a restated €5.5 million in 2022);
- an increase in other working capital requirements in the amount of €56.2 million in 2023 (compared to a €30.6 million decrease in 2022): these divergent changes were mainly due to the unwinding, at the start of 2023, of a reverse factoring trade payable amounting to €53.0 million at 31 December 2022.

19.1.1. NON-CASH EXPENSES (INCOME)

in € millions	Notes	2023	2022 restated*
Depreciation/amortisation of tangible and intangible assets	10.1 / 10.2 / 10.3	39.3	36.4
Net additions to (reversals from) provisions for contingencies and expenses	17	(4.0)	(2.6)
Change in provisions for pensions and other post-employment benefit obligation	18	0.9	3.2
Impairment of non-current financial assets	10.4	-	0.6
Impairment of trade receivables, inventories and other current assets	12.1 / 12.2	(1.1)	(5.3)
Total provisions, depreciation, amortisation and impairment		**35.1**	**32.3**
Change in residual interest in leased assets(1)		**(4.2)**	**7.2**
Cost of discounting residual interest in leased assets and gross liability for repurchases of leased assets		(1.5)	2.1
Losses (gains) on disposals of property, plant and equipment and intangible assets		0.0	0.1
Gains and losses on fair value remeasurement	13	(0.9)	0.0
Expenses calculated for share-based payments	16	1.6	5.4
Impact of sold operations and changes in consolidation methods and other income/expenses with no effect on cash and cash equivalents		-	0.3
Other non-cash expenses (income)		**(0.8)**	**7.9**
Non-cash expenses (income)		**30.1**	**47.4**

(1) Changes in the Group's residual interest in leased assets compare the discounted value of the residual interest from year to year, adjusted for currency impacts. The impact for the period of discounting is eliminated in the "Other non-cash expenses (income)" item.

* In accordance with IFRS 5, the restatement of the 2022 figures reflects the reclassification of operations considered discontinued in 2023 to "Net change in cash and cash equivalents from discontinued operations".

19.1.2. COST OF NET DEBT

The reconciliation of financial expense booked in the income statement with financial expense relating to the cost of debt as presented in the statement of cash flows can be presented as follows:

in € millions	2023 consolidated income statement	Discounting and change in fair value	Currency impact and other	Cost of net debt in 2023
Financial income – operating activities	2.0	(1.5)	3.3	3.8
Other financial income and expenses(1)	(19.8)	(4.5)	1.5	(22.8)
Total	**(17.8)**	**(6.0)**	**4.8**	**(19.0)**

(1) Including accrued interest on amortised OCEANE convertible bonds in the amount of €0.4 million.

19.1.3. CHANGE IN WORKING CAPITAL REQUIREMENT

Change in working capital requirement can be analysed as follows:

in € millions	Notes	31 Dec. 2022	Change 2023 WCR	Reclass. assets/ liabilities held for sale	Other changes(1)	31 Dec. 2023
Other long-term receivables, gross	10.5	26.1	(0.5)	(0.6)	(2.5)	22.5
Inventories, gross	12.1	111.4	(27.1)	(0.5)	5.9	89.7
Trade receivables, gross	12.2	927.0	(12.5)	(105.6)	13.4	822.4
Residual interest in leased assets(2)	11.1	164.6	-	-	(0.3)	164.3
Current tax assets		9.5	-	(0.2)	(1.1)	8.3
Contract assets	12.2	31.3	2.8	-	0.4	34.5
Other current assets	12.2	36.3	12.5	(0.1)	(10.9)	37.8
Trade receivables and other operating assets		**1,306.4**	**(24.7)**	**(107.0)**	**4.9**	**1,179.6**
Other non-current liabilities		(13.1)	5.7	2.4	(1.5)	(6.4)
Gross commitments on residual financial assets(3)	11.2	(102.8)	(1.5)	0.2	(3.1)	(107.1)
Current tax liabilities		(10.7)	(0.6)	0.3	(1.7)	(12.7)
Trade and other payables	12.3	(932.1)	95.1	17.1	(6.7)	(826.6)
Contract liabilities	12.4	(63.7)	3.9	2.3	0.0	(57.5)
Other current liabilities	12.4	(124.8)	(8.0)	1.2	(1.5)	(133.1)
Trade and other operating payables		**(1,247.2)**	**94.4**	**23.6**	**(14.2)**	**(1,143.4)**
Total change in working capital requirements			**69.6**			

(1) Mainly corresponding to changes in the scope of consolidation and in fair value, and translation adjustments.
(2) Changes in the residual interest in leased assets are shown in cash flows from operating activities.
(3) Corresponding to changes in residual financial assets excluding the effects of currency translation and discounting in the period.

19.2. Breakdown of net cash flows from (used in) investing activities

Negative net cash flows from investing activities totalled -€31.3 million compared to -€85.0 million in 2022, primarily reflecting:

- -€8.0 million in net outflows mainly related to the payment of conditional acquisition debts of Trams and Asystel and the acquisition of Reliance Financial Services Group BV;
- -€23.0 million in cash outflows related to investments in property, plant and equipment and intangible assets (see Note 10).

19.3. Breakdown of net cash flows from (used in) financing activities

Negative net cash flows from financing activities amounted to -€180.9 million, compared to -€47.6 million in 2022, mainly reflecting:

- -€151.1 million for the repayment of OCEANE convertible bonds;
- -€8.0 million for the repayment of the 2016 *Schuldschein* loan;
- -€18.5 million in cash outflows relating to treasury share buybacks;
- -€28.3 million in repayments of issue premiums by the Econocom Group;
- -€12.5 million in net issues of commercial paper;
- +€97.1 million in net issues of financial liabilities;
- -€17.5 million for the decrease in lease refinancing liabilities;
- -€21.6 million in payments related to leases where Econocom is the lessee (buildings and vehicles) and presented here in accordance with IFRS 16;
- -€21.5 million in total interest payments for the period (including coupon payments on bond loans).

20. Off-balance sheet commitments

20.1. Commitments received as a result of acquisitions

Vendors warranties in connection with acquisitions carried out in prior years were non-significant.

20.2. Commitments given in respect of disposals

In the context of disposals in previous years, the vendor warranties granted by the Group were not material.

20.3. Bank covenant

There is only one covenant associated with our loans. A breach would not result in early redemption; rather, it would force the Group to pay a higher interest rate until the ratio is brought back within the relevant bounds. The ratio is calculated as of 31 December of each year, and corresponds to the ratio of financial debt to *pro-forma* EBITDA. This ratio may not exceed 3.

At 31 December 2023, this covenant was respected.

20.4 Guarantee commitments

in € millions	Total guarantees given – 2023
Guarantees given by Econocom to banks for securing credit lines and borrowings(1)	568.7
Guarantees given by Econocom to refinancing institutions to cover certain operational risks, residual financial values, and invoice and payment mandates granted to Econocom(2)	271.4
Guarantees given to customers and suppliers for the Group's sales activities and other	141.5
Total guarantees given	**981.6**

(1) Including €150.1 million recognised in financial liabilities. The guarantees relating to financing lines not yet drawn at 31 December 2023 totalled €418.6 million, versus €315.3 million as at 31 December 2022.

(2) Including €185.4 million refinanced at 31 December 2023, including €24.9 million in the balance sheet relating to liabilities under financial leases with recourse. The amount of guarantees given to refinancers and not refinanced at 31 December 2023 was €86 million, versus €103.1 million as at 31 December 2022.

The Group's off-balance sheet commitments can be analysed as follows by maturity and type of commitment:

in € millions	Less than 1 year	1-5 years	More than 5 years	At 31 Dec. 2023	At 31 Dec. 2022
Commitments given	**68.2**	**788.8**	**124.7**	**981.6**	**881.8**
Commitments given to banks	35.2	533.4	0.1	568.7	382.9
Commitments given to refinancers	-	147.1	124.3	271.4	296.6
Commitments given to customers and suppliers	31.4	107.3	0.3	138.9	199.8
Other guarantees	1.5	1.0	-	2.6	2.5
Commitments received	**-**	**1.2**	**0.0**	**1.2**	**6.7**
Guarantees and pledges	-	1.2	0.0	1.2	6.7

21. Information on the transfer of financial assets and liabilities

Financial assets

The Econocom Group derecognises all or part of a financial asset (or group of similar assets) when the contractual rights to the cash flows on the asset expire or when the Group has transferred the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of owning the asset (IFRS 9.3.2.3).

In the event that the Group has transferred contractual rights to receive the cash flows of a financial asset, the Econocom Group observes different situations that may or may not lead to the derecognition of the financial asset (IFRS 9.3.2.6):

- if the Group has retained control of the financial asset or most of the risks and rewards of the ownership of the financial asset, the latter is retained as an asset to the extent of the Group's continued involvement in said asset;
- conversely, if the Group has not retained control of the financial asset, the Group derecognises it and then records separately, if necessary, an asset or liability representing the rights and obligations created or retained at the time of the transfer of the asset.

Accounting treatment of the full or partial derecognition of financial assets (IFRS 9.3.2.12)

When a financial asset is derecognised in full, a gain or loss on disposal is recorded in the income statement for the difference between the book value of the asset and the consideration received or receivable, adjusted where necessary for any gains or losses recognised in other comprehensive income (expense) and accumulated in equity.

When a financial asset is partially derecognised, the Group allocates the previous book value of the financial asset between the part that continues to be recognised in connection with the Group's continuing involvement and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. The difference between the book value allocated to the part derecognised and the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income (expense), is recognised in profit or loss. A cumulative gain or loss carried in other comprehensive income is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts.

Financial liabilities

The Econocom Group only derecognises a financial liability (or part of a financial liability) when it is extinguished, or when the obligation specified in the contract is extinguished or cancelled.

21.1. Derecognition of outstanding leases

An entity retains an involvement in a divested asset when it retains the risks and rewards inherent in that asset. Conversely, an entity has no involvement in a divested asset if it has no interest in the future performance of the asset and no responsibility to make future payments in respect of the same asset.

The Econocom Group distinguishes between three types of outstanding lease refinancing contracts:

- simple and non-recourse disposals of outstanding leases: in this case, Econocom retains no interest in the future performance of the asset and no responsibility to make a payment for the asset in the future; the asset is then derecognised;

- disposals of outstandings with recourse: Econocom's involvement is maintained due to the fact that it retains part of the risks related to the contractual relationship and the ownership of the assets (as defined in IFRS 9.3.2.6b); the asset is then kept on the balance sheet;
- refinancing through financial leases: Econocom's involvement is maintained due to the fact that it retains part of the risks related to the contractual relationship (as defined in IFRS 9.3.2.6b); the asset is then maintained on the balance sheet.

The Group's active risk management policy is aimed at limiting both credit risk and any other continuing involvement. As a result, the outstanding leases entered into by the Group with its customers are, in most cases, refinanced without recourse. The Group then derecognises these refinanced non-recourse outstanding loans.

It should be noted, however, that during these non-recourse refinancing transactions, the Group frequently sells, with an obligation to repurchase, the equipment underlying the leases at the same time as the outstanding amounts of these same contracts. These repurchase obligations, called "Gross liability for repurchases of leased assets", are presented in balance sheet liabilities as detailed in note 11.2.

In February 2021, Les Abeilles obtained financing of €30 million for three tugs over a period of seven years. Considering that this financing is equivalent to a disposal without recourse of the finance lease receivables held by Les Abeilles of the French Navy in respect of the contract they entered into, it was deconsolidated on 31 December 2023 for an amount of €16 million.

Econocom Digital Finance Limited is notably financed through two contracts assimilated to disposals without recourse of the outstanding leases it holds. In this respect, €75.5 million were deconsolidated at 31 December 2023 (compared with €70.8 million at 31 December 2022).

In certain limited cases, the Econocom Group retains its exposure to the credit risk on its outstanding leases transferred. In this situation, the Group transfers to the refinancer, for the duration of the lease, the ownership of the equipment underlying the leases as collateral for the transaction. In these cases of refinancing with recourse, the Group keeps the refinanced lease outstanding as trade receivables ("continuing involvement" as defined in IFRS 9) and recognises a financial liability equal to the total outstanding refinanced with recourse. These payables and debts amounted to €24.9 million at 31 December 2023, compared to €41.7 million at 31 December 2022.

21.2. Treatment of factoring and reverse factoring

Factoring

In order to diversify the sources of financing of its working capital requirements and reduce credit risk, some of the Group's Services and Products & Solutions subsidiaries use factoring programmes and sell, throughout the year, a portion of their receivables to factoring companies. Factoring with contractual subrogation involves the transfer of ownership of trade receivables and all associated rights to the factor. This means transfer of the right to receive cash flows.

As required under IFRS 9 "Financial Instruments", these receivables are derecognised when substantially all the risks and rewards of ownership are transferred to the factor. Where this is not the case, they are maintained in the balance sheet after the transfer and a financial liability is recorded as an offsetting entry for the cash received.

At the end of December 2023, the Group had presented receivables to the factoring companies amounting to €257.7 million, including €223.0 million financed without recourse. The unfunded amount of €23.5 million is presented in non-current financial assets and other receivables.

in € millions	2023	2022
Receivables presented to factoring companies:	257.7	266.6
of which non factored receivables	*23.5*	*37.9*
*of which receivables sold with recourse**	*11.2*	*14.5*
Receivables sold without recourse	**223.0**	**214.2**

* Receivables sold with recourse are maintained as assets and a financial liability is recorded as a liability for the amount of financing received.

Reverse factoring

Reverse factoring is a transaction for the sale of trade receivables to a factor, organised by Econocom, the debtor company of the receivables. Reverse factoring agreements involve three parties who sign two contracts: a contract for the assignment of receivables between the supplier and the factor and an agreement between the factor and the customer (Econocom) who undertakes to pay the invoices assigned by the Econocom supplier to the factor. Agreements of this type have been signed by the Group in France, Belgium and Spain, with around ten factors, all of which are leading financial institutions.

Under IFRS 9, the debt is not extinguished if it is not legally extinguished and its terms and conditions are not substantially modified. In this case, the debt remains under trade payables. Otherwise, it is reclassified under financial liabilities.

Econocom used reverse factoring for an amount of €30.4 million at 31 December 2023 (versus €104.7 million as at the end of 2022). In view of the aforementioned provisions of the standard and of the characteristics of the contracts, the Group deemed that these amounts break down as follows:

in € millions	2023	2022
Reverse factoring liabilities recognised as trade payables	26.2	104.6
Reverse factoring liabilities recognised as financial liabilities	4.2	0.1
Total reverse factoring payables	**30.4**	**104.7**

The total expense related to factoring and reverse factoring, recognised under "Operating financial expenses", totalled €8.3 million in 2023 (€3.8 million in 2022).

22. Information on related parties

This note presents material transactions between the Group and its related parties.

22.1. Management compensation

The Group's key management personnel are the Chairman, the Vice-Chairman, the Executive Directors and the members of the Executive Committee.

The compensation conditions for the Chairman, the Vice-Chairman and the persons delegated to day-to-day management are set by the Board of Directors following a recommendation of the Compensation and Appointments Committee. The Board has given its Chairman a mandate to determine the compensation of the other senior managers of the Group upon the recommendations of the Compensation and Appointments Committee.

in € millions	**2023**	**2022**
Short-term benefits (including social costs)	(5.8)	(3.7)
Retirement benefits and other post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	(1.4)	(2.5)
Share-based payments	(1.2)	(4.2)
Directors' fees[1]	-	-
Total	**(8.4)**	**(10.5)**

(1) The table only shows compensation paid to key management personnel and excludes Directors' fees paid to non-executive Directors.

The table above shows the amounts expensed for the members of the Executive Committee and the Executive Directors. This table does not show fees billed to Econocom Group entities by management, which are disclosed in note 22.2 below.

The compensation policy for Directors and members of the Executive Committee is set out in further detail chapter 2 "Corporate governance", in note 2.

22.2. Related-party transactions

Transactions between the parent company and its subsidiaries, which are related parties, are eliminated on consolidation and are not presented in this note.

The related-party transactions outlined below primarily concern the main transactions carried out with the Chairman of the Board of Directors, its Vice-Chairman, the Executive Directors or with companies controlled by the Group or over which it exercises significant influence. These transactions exclude the components of compensation presented above.

Transactions between related parties are carried out on an arm's length basis.

in € millions	Income		Expenses		Receivables		Payables	
	2023	2022	2023	2022	2023	2022	2023	2022
Econocom International BV (EIBV)	0.1	0.1	(2.1)	(1.8)	-	-	-	0.1
SCI de Dion-Bouton	-	-	(3.0)	(2.8)	2.6	2.5	-	-
SCI JMB	-	-	(1.2)	(1.2)	0.3	0.3	-	-
SCI Maillot Pergolèse	-	-	(0.2)	(0.2)	-	-	-	-
APL	-	-	(0.5)	(0.4)	0.1	0.1	-	0.3
Orionisa Consulting	-	-	(0.1)	(0.2)	-	-	-	-
Métis	-	-	(1.3)	(2.5)	-	-	-	2.0
Total	**0.1**	**0.1**	**(8.4)**	**(9.0)**	**3.0**	**2.9**	**-**	**2.4**

Relations with companies controlled by Jean-Louis Bouchard

SCI Dion-Bouton, of which Jean-Louis Bouchard is Managing Partner, owns the building in Puteaux. It received €3.0 million in rent in 2023 (€2.8 million in 2022). In addition, the Econocom Group booked receivables of €2.6 million representing the deposits paid by Econocom France SAS to SCI Dion-Bouton.

Econocom International BV (EIBV) – of which Jean-Louis Bouchard is a Partner – is a non-listed company that directly held 40.0% of the share capital of Econocom Group SE at 31 December 2023. It billed fees of €2.1 million to Econocom Group SE and its subsidiaries in 2023 for managing and coordinating the Group. These fees amounted to €1.8 million in 2022. It was also rebilled an amount of €0.1 million by Econocom Group entities.

SCI JMB, which owns the premises in Villeurbanne and of which Jean-Louis Bouchard is Managing Partner, billed the Group a total amount of €1.2 million for rent in 2023 (€1.2 million in 2022). Econocom SAS has a receivable of €0.3 million in guarantees.

Transactions with SCI Maillot Pergolèse, owner of the premises located in Les Ulis, of which Jean-Louis Bouchard is a Partner and Robert Bouchard Manager, represented rents and rental expenses of €0.2 million in 2023.

Other relations with related parties

APL, of which Robert Bouchard is Manager, invoiced operational services in the amount of €0.5 million in 2023 (€0.4 million in 2022).

Métis, controlled by Philippe Gouillioud, provided services for an amount of €1.3 million in 2023 (€2.5 million in 2022).

In 2017, Econocom Group committed to invest €3 million in investment fund Educapital I FCPI, which is managed by a management company (Educapital SAS), of which Marie-Christine Levet, an independent Director on the Econocom Group Board of Directors, is chairwoman and shareholder. At 31 December 2023, €2.5 million had already been contributed.

1.6. Historical consolidated key figures

	2017****	2018	2019	2020	2021	2022	2023
Number of shares (at 31 December)							
Ordinary	245,140,430	245,140,430	245,380,430	220,880,430	222,281,980	222,929,980	179,045,899
Total	245,140,430	245,140,430	245,380,430	220,880,430	222,281,980	222,929,980	179,045,899
Free float	59.68%	57.86%	57.90%	53.6%	43.11%	40.20%	46.61%
Average number of shares outstanding	232,763,830	232,763,830	227,816,144	216,865,774	190,767,600	180,041,957	176,990,225
Data per share *(in €)*							
Net remuneration (on ordinary shares)*	0.10	0.12	0.12	0.12	0.12	0.14	0.16
Gross remuneration (on ordinary shares)*	0.10	0.12	0.12	0.12	0.12	0.14	0.16
Operating margin**	0.65	0.46	0.55	0.56	0.70	0.77	0.66
Pay-out(1)	0.34	0.71	0.61	0.55	0.35	0.39	0.45
Operating profit**	0.56	0.37	0.44	0.39	0.62	0.61	0.60
Profit (loss) before tax**	0.52	0.31	0.35	0.31	0.57	0.53	0.48
Profit (loss) attributable to owners of the parent**	0.37	0.17	0.20	0.22	0.34	0.35	0.36
Consolidated cash flow from operating activities**	0.56	0.45	0.61	0.46	0.70	0.77	0.76
Shareholders' equity – parent company shareholders' share***	1.55	2.0	1.97	2.14	2.00	2.05	2.65
Price/earnings ratio(2)	16	17	12	11	11	8	7
Price/cash flow from operating activities ratio(3)	11	6	4	5	5	4	3
Net return(4)	2.01%	4.1%	4.9%	4.9%	3.3%	5.6%	6.2%
Gross return(4)	2.01%	4.1%	4.9%	4.9%	3.3%	4.9%	6.2%

	2017****	2018	2019	2020	2021	2022	2023
Stock market data *(in €)*							
Medium	6.82	3.70	3.01	2.18	3.23	3.46	2.72
At 31 December	5.96	2.91	2.43	2.48	3.65	2.85	2.57
High	8	7.3	4.01	2.88	3.94	4.12	3.39
Low	5.75	2.28	2.00	1.37	2.37	2.43	2.10
Annual return at end December(5)	(13%)	(49%)	(12.3%)	6.0%	36%	(18%)	(8%)
Annual volume *(in units)*	101,853,451	213,263,403	53,631,539	64,626,927	48,438,497	24,466,978	24,414,592
Average daily trading volume	399,425	836,327	210,320	254,437	188,477	95,202	95,743
Annual volume *(in value)* *(in € millions)*	695	789	161	141	157	85	66
Market Capitalisation at 31 December *(in € millions)*(6)	1,405	673	539	519	675	509	444
Listing market(7)	TC	TC	TC	TC	TC	TC	TC
Salaried employees	10,760	10,813	10,323	9,240	8,197	8,750	8,828

* Refund of issue premiums or dividends.

** Expressed as a ratio of the average number of shares outstanding.

*** Expressed as a ratio of total shares.

**** In the 2017 table, the number of shares is shown after the share split approved by the Extraordinary General Meeting of 16 May 2017.

(1) Pay-out rate = gross dividend/profit for the year attributable to owners of the parent before amortisation or reduction of goodwill.

(2) Share price at 31 December/profit for the year.

(3) Share price at 31 December/cash flows from operating activities before cost of net debt and income tax.

(4) Net (gross) yield/share price at 31 December.

(5) Annual return = (change in share price at 31 December relative to 31 December of the previous year plus net dividend)/share price at 31 December of the previous year.

(6) Market capitalisation = total number of shares outstanding at 31 December x share price at 31 December.

(7) Listing market = Brussels from 9 June 1988. The share has been listed on the *Marché à terme continu* (TC) since 16 March 2000.

2. Condensed non-consolidated financial statements at 31 December 2023 (1)

Econocom Group SE statutory financial statements

In accordance with Article 3:17 of the new Belgian Companies Code, Econocom Group SE hereby states that the following financial statements are an abridged version of the full annual financial statements that can be obtained from the Company and which will be filed with the Banque Nationale de Belgique. This abridged version does not contain all the notes or the report of the Statutory Auditor, who certified the annual financial statements without reservation.

(1) The non-consolidated financial statements are prepared in accordance with Belgian GAAP.

2.1. Non-consolidated balance sheet

Asset

in € thousands	31 Dec. 2023	31 Dec. 2022
Start-up costs	**530**	**787**
Non-current assets	**935,846**	**930,705**
Intangible assets		
Property, plant and equipment	**5**	**2**
Plant and equipment, fixtures and fittings	5	2
Non-current financial assets	**935,841**	**930,703**
Related parties	925,862	921,065
Equity interests	*925,862*	*921,065*
Receivables	-	-
Entities with which there are capital links	56	190
Equity interests	*56*	*190*
Receivables	-	-
Other non-current financial assets	9,923	9,448
Shares	*6,774*	*6,684*
Receivables and cash guarantees	*3,149*	*2,764*
Current assets	**25,286**	**120,251**
Non-current receivables	**-**	**-**
Trade receivables	-	-
Other receivables	-	-
Inventories and work-in-progress	**-**	**-**
Current receivables	**9,649**	**12,955**
Trade receivables	4,499	5,162
Other receivables	5,150	7,793
Cash investments	**16,563**	**106,576**
Treasury shares	16,563	106,576
Other investments	-	-
Cash and cash equivalents	**71**	**671**
Accrual accounts	**27**	**49**
Total assets	**962,685**	**1,051,743**

Liabilities

in € thousands	**31 Dec. 2023**	**31 Dec. 2022**
Equity	**390,857**	**554,292**
Share capital	**23,731**	**23,731**
Paid-in capital	23,731	23,731
Uncalled capital		
Issue premiums	**113,783**	**142,430**
Revaluation gain	**2,520**	**2,520**
Reserves	**26,938**	**116,807**
Statutory reserve	2,373	2,373
Unavailable reserves	16,563	106,576
For treasury shares	*16,563*	*106,576*
Available reserves	*8,002*	*7,858*
Retained earnings (+)/(-)	**222,808**	**225,739**
Profit (loss) for the year	**1,077**	**43,065**
Provisions and deferred taxes	**200**	**490**
Provisions for contingencies and losses	**200**	**490**
Other contingencies and losses	200	490
Deferred taxes		
Payables	**567,601**	**492,767**
Non-current liabilities	**200,000**	**200,000**
Financial liabilities	200,000	200,000
Unsubordinated loan bonds	*200,000*	*200,000*
Trade payables		
Prepayments received on orders		
Other liabilities		
Current liabilities	**368,626**	**292,767**
Current portion of non-current liabilities	2,148	160,858
Financial liabilities	20,000	32,515
Bank loans and borrowings	*20,000*	*32,515*
Trade payables	5,368	2,299
Trade payables	*5,386*	*2,299*
Accrued taxes and personnel costs	403	393
Income tax	*2*	*12*
Compensation including social costs	*401*	*381*
Other liabilities	340,688	96,702
Accrual accounts	**3,004**	**4,194**
Total equity and liabilities	**962,685**	**1,051,743**

2.2. Non-consolidated income statement

in € thousands	31 Dec. 2023	31 Dec. 2022
Sales and services	**23,474**	**24,321**
Revenue	20,397	21,655
Changes in inventories of finished goods and work in progress: increase (decrease) (+)/(-)		
In-house production of non-current assets		
Other operating income	2,512	2,657
Non-recurring operating income	565	
Cost of sales and services	**27,667**	**23,308**
Materials and goods for resale		
Services and miscellaneous goods	25,957	24,206
Personnel costs (including social costs) and pensions (+)/(-)	1,482	1,340
Amortisation/depreciation and impairment of start-up costs, property, plant and equipment, and intangible assets	2	1
Additions to (reversals of) impairment of inventories, work-in-progress and trade receivables (+)(-)	71	49
Additions to (reversals of) provisions for contingencies and losses (+)(-)	(290)	(472)
Other operating expenses	445	184
Capitalised restructuring costs (-)		
Non-recurring operating expenses	-	-
Operating profit (loss) (+)/(-)	**(4,193)**	**(996)**
Financial income	**34,127**	**91,792**
Recurring financial income	17,847	60,073
Income from non-current financial assets	*11,450*	*55,895*
Income from current assets	*309*	*537*
Other financial income	*6,088*	*3,641*
Non-recurring financial income	16,280	31,719
Financial expenses	**28,855**	**49,059**
Recurring financial expenses	21,265	9,044
Cost of debt	*20,872*	*8,967*
Additions to (reversals of) impairment of current assets other than inventories, work-in-progress and trade receivables (+)/(-)	-	-
Other financial expenses	*393*	*77*
Non-recurring financial expenses	7,590	40,015

in € thousands	31 Dec. 2023	31 Dec. 2022
Profit for the year before tax (+)/(-)	**1,079**	**41,737**
Withdrawal from deferred taxes		
Transfer to deferred taxes		
Income tax (+)/(-)	**2**	**(1,328)**
Income tax	2	2
Tax adjustments and reversals of tax-related provisions	-	(1,330)
Profit (loss) for the year (+)/(-)	**1,077**	**43,065**
Deductions from tax-free reserves		
Transfers to tax-free reserves		
Profit for the year available for distribution (+)/(-)	**1,077**	**43,065**

in € thousands	31 Dec. 2023	31 Dec. 2022
Profit available for distribution (+)/(-)	**269,882**	**322,293**
Profit for the year available for distribution (+)/(-)	1,077	43,065
Retained earnings (+)/(-)	268,805	279,228
Deductions from equity	**-**	**-**
from equity and issue premiums		
from reserves		
Appropriations to equity	**45,997**	**53,488**
to equity and issue premiums		
to the statutory reserve	-	7
to other reserves	45,997	53,481
Appropriation to retained earnings (+)/(-)	**223,885**	**268,805**
Share of associates in losses		
Profit available for distribution		
Dividends		
Directors or Managers		
Employees		
Other beneficiaries		

2.3. Non-consolidated statement of cash flows

in € thousands	31 Dec. 2023	31 Dec. 2022
Profit (loss)	1,077	43,065
Depreciation of non-current assets and issue costs	259	422
Impairment	(4,579)	10,492
Impact of changes in provisions for other contingencies and losses	(290)	(398)
Gains/losses on disposal of non-current financial assets	45	(183)
Dividends received from equity interests	(13,375)	(53,179)
Interest and impact of bond buybacks	7,083	6,471
Cash flow from operating activities (a)	**(9,780)**	**6,690**
Change in trade receivables	1,616	(5,165)
Change in trade payables	2,961	(1,204)
Other changes in working capital requirement	2,785	(6,792)
Change in working capital requirement (b)	**7,361**	**(13,161)**
Income tax expense (c)	-	-
Net cash from (used in) operating activities (a + b + c)	**(2,419)**	**(6,472)**
Acquisition of property, plant and equipment and intangible assets for internal use	(4)	(1)
Disposal of property, plant and equipment and intangible assets for internal use	-	-
Acquisition of equity interests	(11,424)	(36,805)
Disposal of equity interests	131	134
Acquisition of non-current financial receivables	(90)	(227)
Disposals of non-current financial receivables	-	2,963
Repayment of non-current financial receivables	-	112
Dividends received from equity interests	13,375	53,179
Net cash from (used in) investing activities (d)	**1,988**	**19,354**
Euro Private Placement – interest	-	(1,556)
Euro Private Placement – repayment	-	(55,500)
Schuldschein – coupons	(7,652)	(2,338)
Schuldschein – refund	(8,000)	(5,052)
Schuldschein – issue	-	204,989
OCEANE - buyback and redemption	(151,084)	(34,256)
OCEANE – coupons	(755)	(738)
Change in commercial paper	(12,500)	11,000
Change in current accounts	244,109	(39,278)
Change in long-term loans	466	-
Acquisition of treasury shares	(39,089)	(70,203)
Disposal of treasury shares	2,681	4,155
Capital increases	-	1,788
Dividends paid during the year/refund of additional paid-in capital	(28,330)	(25,686)
Net cash from (used in) financing activities (e)	**(154)**	**(12,677)**
Change in cash and cash equivalents (a + b + c + d + e)	**(585)**	**205**

08

auditors report and Chairman's statement

1. Independent auditor's report to the general meeting of Econocom Group SE for the year ended 31 December 2023

Free translation of French original

As required by law and the Company's articles of association, we report to you as statutory auditor of Econocom Group SE (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of financial position as at 31 December 2023, the consolidated income statement and earnings per share, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the disclosures including material accounting policy information (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the Shareholders' Meeting of 18 May 2021, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the Workers' Council. Our mandate expires at the Shareholders' Meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2023. We have performed the audit of the Consolidated Financial Statements of the Group for 3 years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Econocom Group SE, that comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement and earnings per share, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the disclosures, including material accounting policy information, which show a consolidated balance sheet total of € 2.279,6 million and of which the consolidated income statement, attributable to owners of the parent, shows a profit for the year of € 63.5 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2023, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Annual goodwill impairment test

Description of the Key Audit Matter	The Consolidated Financial Statements include goodwill for an amount of €525.1 million as at 31 December 2023. As required by IFRS (see note 9 of the Consolidated Financial Statements), this goodwill needs to be tested annually for impairment. We consider these impairment tests as a key audit matter because goodwill amounts to 23% of total assets as at 31 December 2023 and because the recoverable amount as determined by the Board of Directors is based on assumptions related to, amongst others, the business plans (sales, profit margin, net working capital needs), the terminal growth rate, and the discount rate applied on the cash flows.
How our Audit addressed the Key Audit Matter	• We have received the goodwill impairment tests from management, and we have challenged, with the assistance of our internal experts, the reasonableness of the methodology and key assumptions used. • We have compared the assumptions with market data and with the economic forecasts, including the impact of the inflation context. • We have assessed the internal procedures developed by the Group for preparing the budget. • We have received and evaluated the sensitivity analyses to determine the impact of possible changes in the key assumptions, and we have performed our own independent sensitivity analysis to quantify the negative impact on management's models that would result in impairment. • We have assessed the reclassifications of goodwill related to the assets held-for-sale for the discontinued operations. • We have analyzed the reasonableness of the discounted future cash flow forecasts by comparing them with the Group's market capitalization. • We have validated the net working capital needs as well as the key assumptions used for the calculation of the terminal value. • We have assessed that the information disclosed in the note 9 to the Consolidated Financial Statements is in conformity with IFRS.

Residual interests in leased assets

Description of the Key Audit Matter	The residual interests in leased assets (see note 11 of the Consolidated Financial Statements) amount to €164.3 million as at 31 December 2023, of which €45.5 million is classified in current assets and €118.8 million is classified in non-current assets. Overall, the residual interests as at 31 December 2023 amount to 3.3% of the historic acquisition value of the portfolio of assets leased out by the Group. These residual interests correspond, at the start date of a lease, to the forecasted market value of these assets at the end of the lease. The carrying amount of these assets depends on various calculation methods and on whether it concerns fixed-term contracts or renewable contracts ("TRO"). In both cases, the carrying amount of the assets depends on assumptions based on historic statistics on the realization value of the assets disposed at the end of the lease, but also on assumptions in respect of discount rate for the fixed-term contracts. The Group regularly updates these assumptions on the basis of its experience with resale or sublease markets for second-hand materials. We have considered the residual interests in leased assets as a key audit matter because these estimations impact on the one hand the timing of result recognition of such contracts, and on the one hand there is a risk of impairment in case the forecasted figures would exceed the fair market values.
How our Audit addressed the Key Audit Matter	• We have obtained the estimates of the residual interests in leased assets and we have assessed the reasonability of the methodology and the key assumptions as well as the changes in those assumptions compared to last year. • We have assessed that the procedure developed by the management of the Group has been properly applied when determining these assumptions, including for the derogations. • On a sample basis, we have verified that the inputs for contracts have been properly included in the management and accounting systems. We have assessed the IT general controls of the accounting system with the assistance of our IT experts. • On a sample basis, we have recalculated the value of the residual interests in leased assets, based on the management assumptions and the applicable discount rates. • We have evaluated that the margins realized on the sale of leased assets at the end of contracts were positive ("back testing procedure"). We have evaluated that these assumptions are reasonable and in line with our expectations. • We have assessed with a particular attention the value of the residual interests for assets relating to renewable contracts ("TRO") and those linked to contracts not relating to IT equipment. • We have assessed that the information disclosed in the note 11 to the Consolidated Financial Statements are in conformity with IFRS.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Group or to cease business operations or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report.
- However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for Group entities.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the separate report on the non-financial information, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the separate report on the non-financial information, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report on the Consolidated Financial Statements and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Chapter 1- Overview of the Group and its activities;
- Chapter 8 – Chairman's statement

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations is included is a separate report to the Board of Directors' report under section "4. non-financial performance statement" of the annual report. The Company has prepared this non-financial information based on the principles of the United Nations Global Compact. The report of non-financial information contains the information required by virtue of article 3:32, §2 of the Companies' and Associations' Code, and agrees with the Consolidated Financial Statements for the same year. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the principles of the United Nations Global Compact.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees for additional services which are compatible with the statutory audit of the Consolidated Financial Statements referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format in the official French language (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of Econocom Group SE per 31 December 2023 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) in the official French language are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 24 February 2024

EY Réviseurs d'Entreprises SRL

Statutory auditor, represented by

Marie-Laure Moreau [1]

Partner

(1) Acting on behalf of a BV/SRL.

2. Chairman's statement

We hereby declare that, to the best of our knowledge, the Consolidated Financial Statements for the year ended 31 December 2023, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and with the legal requirements applicable in Belgium, give a true and fair view of the assets, financial position and profit or loss of the Company and the undertakings in the consolidation taken as a whole, and that the Management Report includes a fair review of the performance of the business and the profit or loss and financial position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the main risks and uncertainties.

14 February 2024

On behalf of the Board of Directors

Jean-Louis Bouchard
Representative of Econocom International BV,
Chairman of the Board of Directors

Cross-reference table

The various items of the management report, in accordance with Article 3.6 of the Belgian Companies Code, can be found in the chapters of the annual report:

	themes	chapters
1.	Company development, business results and position	chapter 6
2.	Main risks, uncertainties and circumstances likely to have a significant influence on the Company's development	chapter 5
3.	Subsequent events	chapter 6 - part 4
4.	Conflicts of interest and related-party agreements in 2023	chapter 2 - part 1.5
5.	Capital increases and issuance of stock subscription rights	chapter 3 - part 2.3 & chapter 2 - part 2.2
6.	Vesting and disposal of treasury shares	chapter 3 - part 3.3.3
7.	Financial risk management	chapter 5 - part 2
8.	Independence and competence of directors	chapter 2 - part 1
9.	Corporate governance statement (including the compensation report)	chapter 2
10.	Share capital structure	chapter 3 - parts 2 and 3
11.	Legal or statutory restriction on the transfer of securities	chapter 3 - part 3.2
12.	Securities with special control rights	chapter 3 - part 3.1
13.	Legal or statutory restriction on the exercise of voting rights	chapter 3 - part 3.2
14.	Agreements taking effect, being amended or terminating in the event of a change of control of the Company	chapter 3 - part 3.3
15.	Agreements between the Company and the Directors or its employees, providing for compensation in the event of resignation or termination of office without valid reason	chapter 2 - part 2.1.4
16.	Statement on social and environmental matters and on employees, the respect for human rights and the fight against corruption	chapter 4

The Econocom addresses

Belgium
Econocom (registered office)
Place du Champ de Mars,
5/B14 1050 Bruxelles

Mailing address:

Parc Horizon Chaussée
de Louvain 510/B80
1930 Zaventem
Tel. : +32 2 790 81 11
marketing.be@econocom.
com

Canada
1800 McGill College Av.
Bureau 600
H3A 3J6 Montréal
Tel. : +1 438 522 6079

Czech Republic
Plzeňská 157/98
150 00 Prague 5
Tel. : +420 225 100 300
info.cz@econocom.com

France
The Hub.Paris
40, quai de Dion Bouton
92800 Puteaux
Tel. : +33 1 41 67 30 00
contact@econocom.com

Centre d'Affaires la
Boursidière
Rue de la Boursidière,
92350 Plessis Robinson
Tel. : +33 1 73 23 87 00
contact@econocom.com

Germany
Herriotstr. 1
60528 Frankfurt am Main
Tel. : +49 69 71408-00
info.de@econocom.com

Ireland
WEWORK COMMUNITY
WORKSPACE
2 Dublin Landings,
North Wall Quay
Dublin 1
Tel. : +353 1 6750300
info.ie@econocom.com

Italy
Via Varesina 162
20156 Milan
Tel. : +39 02 33 62 61
info.it@econocom.com

Luxembourg
4 rue d'Arlon
L-8399 Windhof
Tel. : +352 39 55 50-226
econocomPSF@econocom.com

Morocco
Technopolis, Rabat Shore 1
Pôle Offshoring, SALE
Tel. : +212 5 38 04 33 00
info.ma@econocom.com

Résidence Boissy
322 Bd Zerktoun 1er étage,
Casablanca
Tel. : +212 (0) 522 789 032
info.ma@econocom.com

Poland
Ulica Twarda 18
00-105 Warsaw
Tel. : +48 503 666 303
info.pl@econocom.com

Romania
Șoseaua Iancului, nr. 31, etaj 7,
camera 1,
modulul "B "Empire Tower",
sector 2
București
Tel. : +40 21 310 93 43
info.ro@econocom.com

Spain
C / Cardenal Marcelo Spínola
28016 Madrid
Tel. : +34 91 411 91 20
info.es@econocom.com

C / Pallars, 99 08018,
Barcelona
Tel. : +34 93 470 30 00
info.es@econocom.com

Switzerland
Route de Crassier 7
1262 Eysins
Tel. : +41 22 363 79 30
info.ch@econocom.com

The Netherlands
Computerweg 22
3542 DR Utrecht
Tel. : +31 30 63 58 333
info.nl@econocom.com

United Kingdom
33 Queen Street
London
EC4R1BR
Tel. : +44 20 8940 2199
info.gb@econocom.com

US
Corporate Trust Center
1209 Oranfe St Wilmington
19801 Delawere
Tel. : +1 438 522 6079
info.us@econocom.com

The Group's other addresses

Belgium

BIS|Econocom

Zandvoortstraat 23
2800 Mechelen
Tel: +32 15 28 7487
info@bis.be

France

Econocom Factory / SMAAART

5 rue des Orgueillous
ZAE Les Avants
34270 Saint Mathieu de Tréviers
Tel.: +33 4 67 55 29 69

Exaprobe

Centre d'Affaires la Boursidière
Rue de la Boursidière,
92350 Plessis Robinson
Tel. : +33 4 72 69 99 69
contact@exaprobe.com

Helis

6, rue Royale
75008 Paris
Tel. : +33 1 53 20 05 12
contact@helis.fr

Les Abeilles International

6, rue Dupleix – BP546
76058 Le Havre Cedex

Synertrade

40, quai de Dion Bouton
92800 Puteaux
Tel. : +33 1 41 67 30 00
contact@synertrade.com

Germany

Energy Net

Gutleutstraße 169-171
60327 Frankfurt am Main
Tel. : +49 69 97697090
info@energy-net.deFrance

Italy

Asystel BDF

Via Varesina 162
20156 Milan
Tel. : +39 02 38 084 1
info@asystelitalia.it

The Netherlands

AplusK

Havenkade 2C
2984 AA Ridderkerk
Tel. : +31 88 700 0800
info@aplusk.nl

BIS|Econocom

Pesetastraat 5
2991 XT Barendrecht
Tel.: +31 180 486 777
info@bis.nl

Lydis

Jool-Hulstraat 16
1327 HA Almere
Tel. : +31 36 202 0120
info@lydis.com

United kingdom

Trams Ltd (registered office)

New Derwent House, 69
73 Theobalds Road
WC1X 8TA London

Mailing address:

33 Queen Street
London EC4R 1BR
Tél : +44 20 7820 7111
sales@trams.co.uk

See the complete list of our regional addresses on www.econocom.com

Econocom Group Communication Division

11 Square Léon Blum
92800 PUTEAUX

FRANCE

email: communication.groupe@econocom.com
www.econocom.com

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